

We continue our reporting on the key jobs factor in migration pressure. This article is reprinted from the May 1994 issue of Populi, a publication of the UN Population Fund.

The Long-Term Job Crunch

Report from the ILO (International Labor Organization)

We are going through the worst employment crisis since the great depression of the 1930s, according to this year's *World Labor Report* from the International Labor Organization (ILO).

Some three in ten of the world's workers were unemployed or underemployed at the end of last year, according to the report. At least 120 million were registered unemployed, but the real number is likely to have been much higher. Another 700 million were underemployed, meaning they were unable to earn enough to reach the minimum standard of living.

The employment crisis is not seasonal; it is structural. As ILO Director Michel Hansenne puts it: "For the first time since the great depression, the industrialized nations, as well as developing nations, are facing long-term persistent unemployment."

The report adds: "An average of over 43 million job seekers, most of them in developing economies, are being added to the worldwide labor force annually, and this against the backdrop of unprecedentedly high levels of unemployment and underemployment."

At the same time, those who have jobs have seen their working conditions and standard of living deteriorate. According to the ILO report, average world per capita income fell again last year, for the fourth year in a row.

Industrialized market economies saw "very slow growth," the report explains. Since these wealthy countries accounted for about three-fourths of the world's monetary gross domestic product, their misfortunes were handed down to the developing world through falling demand and lower commodity prices.

"The downward trend in employment conditions persisted in much of the world," according to the report. "Outside East and Southeast Asia, to the extent that employment levels were sustained, it was usually at the price of falling wages. Where employment deteriorated, the risk of job loss persisted, young people found it more and more difficult to get jobs, and more people became self-employed in urban areas."

ILO attributes the long-term high unemployment to two trends. First, jobs have been rendered obsolete by rapid technological change — for example, the rise of robotics in automobile and other manufacturing plants. Second: the rapid movement of manufacturing capacity, capital, and people in the global economy means workers in any given country now face unprecedented competition and insecurity.

Increased unemployment has also followed the switch to capitalism in a number of countries. Says

Hansenne: "Workers have had to bear a disproportionate amount of the burden that many nations have endured as they have advanced toward free markets economies." In the former Soviet Union, women — who had close to the employment and wage rates of men under the Soviets — have been particularly hard hit.

The report also describes the rise in informal or "underground" work, mainly in cities, and the increasing participation of women in formal and informal workforces.

The cities of sub-Saharan Africa, for example, have seen population growth rates of six to eight percent a year, thanks in large part to migration from the surrounding countryside. As the cities have become bloated, the informal sector has grown, and now accounts for some 40 percent of all employment, up from zero percent some 30 years ago. Since 1975, per capita incomes have fallen by 50-70 percent.

In Africa and Latin America, female workforce participation rates have risen as women take up jobs, mostly in the informal sector, in a bid to keep their families' incomes from slipping below the poverty line.

In industrialized countries as in the developing world, however, women continue to earn less for work equal to that done by men; their economic contributions are undervalued in national accounts; and they are generally limited to part-time work. ■