



International
Labour
Organization

INTERNATIONAL LABOUR ORGANIZATION
RESEARCH DEPARTMENT

ILO RESEARCH NEWS 1/2015

The global economy continues to expand at a pace well below the growth rates achieved prior to the global economic crisis in 2008. Many countries are still struggling with high rates of unemployment, underemployment, stagnant wage growth, and significant jobs gaps. Overall, the global employment gap, which measures the number of jobs lost since the start of the crisis, currently stands at 61 million. If new labour market entrants over the next five years are taken into account, an additional 280 million jobs need to be created by 2019 to close the global employment gap brought about by the crisis.

Youth, especially young women, continue to be disproportionately affected. Almost 74 million young people (aged 15–24) were looking for work in 2014. The youth unemployment rate is nearly three times higher than the corresponding rates for adults. The heightened youth unemployment situation is common to all regions and is occurring despite the trend improvement in educational attainment, thereby fuelling social discontent.

The incidence of vulnerable employment is projected to remain broadly constant at around 45 per cent of total employment over the next two years, in stark contrast to the declines observed during the pre-crisis period. The number of workers in vulnerable employment has increased by 27 million since 2012, and currently stands at 1.44 billion worldwide. Sub-Saharan Africa and South Asia account for more than half of the world's vulnerable workers.

Inequalities are on the rise: On average, in the countries for which data are available, the richest 10 per cent earn 30–40 per cent of total income. By contrast, the poorest 10 per cent earn around 2 per cent of total income. In several advanced economies, where inequalities have historically been much lower than in developing countries, income inequalities have worsened rapidly in the aftermath of the crisis. In emerging and developing economies, inequality remains high and the pace of improvement has slowed considerably.

The second edition of ILO Research News highlights recent ILO publications, including the first edition of the ILO's new flagship publication, *World Employment and Social Outlook – Trends 2015* report. The report, which was launched in January, provides a comprehensive analysis of the state of global and regional labour markets.

The country study on Productive jobs for Greece provides an in depth analysis of economic and labour market challenges and policy options currently facing one of the hardest-hit countries by the crisis, while the special edition of the *International Labour Review* provides a collection of papers on the important topic of labour regulations and labour standards in China.

Raymond Torres, Director,
ILO Research Department

REPORTS



World Employment and Social Outlook - Trends 2015

Formerly entitled Global Employment Trends, the World Employment and Social Outlook – Trends 2015 includes a forecast of global unemployment. It looks at the drivers of the rising middle class in the developing world as well as the risk of social unrest, especially in areas of elevated youth unemployment. The report addresses structural factors shaping the world of work, including an aging population and shifts in the skills sought by employers.

http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_337069.pdf



Greece: Productive Jobs for Greece

The Greek economy has been strongly affected by the crisis. Unemployment has reached unprecedented levels, the risk of poverty and social exclusion continues to increase and enterprise investment is too weak to lead to a sustainable employment recovery. The report provides a diagnosis of the situation and discusses policy options, based on evidenced-based analysis.

http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_319755/lang--en/index.htm



An Employment-Oriented Investment Strategy for Europe

On Thursday 22nd January, the European Central Bank (ECB) announced that it would expand its asset purchase programme to include purchases of bonds issued by euro area central governments, agencies and European institutions, achieving an effect synonymous with quantitative easing (QE) – as adopted by the US, Japan, UK and other central banks. Expected to last until at least September 2016, the plan is anticipated to help avert the risk of deflation, lower the risk premia on public debt and contribute to a further Euro depreciation, thereby boosting exports.

However, questions remain as to whether the root causes of low growth and feeble job creation in the Euro area will be meaningfully addressed by the QE programme. To ensure that liquidity reaches the real economy, QE will need to be accompanied by a strong European growth and jobs programme.

The ILO study “An employment-orientated investment strategy for Europe” suggests that, if well designed, the investment plan could create up to 2.1 million jobs. In particular, the report finds that incorporating significant labour market criteria to the allocation of funds, such as taking unemployment levels into consideration, would yield the best and most equitable job gains, narrowing the labour market disparity across the European Union.

http://www.ilo.org/global/publications/books/WCMS_338674/lang--en/index.htm

RESEARCH WORKING PAPERS

Are active labour market policies effective in activating and integrating low-skilled individuals? An international comparison

Escudero, V. 2014. "Are active labour market policies effective in activating and integrating low-skilled individuals? An international comparison", ILO Research Department Working Paper No. 3.

INTERNATIONAL LABOUR REVIEW 2014 VOLUME 153/4 DECEMBER SPECIAL ISSUE: LABOUR REGULATIONS AND LABOUR STANDARDS IN CHINA



Changing labour regulations and labour standards in China: retrospect and challenges

By Chris King-Chi CHAN; Khalid NADVI

China's "labour shortage" and migrant workers' lack of social security

By Zhikai WANG

Collective consultation under quota management: China's government-led model of labour relations regulation

By Qingjun WU; Zhaoyang SUN

INTERNATIONAL LABOUR REVIEW 2014 VOLUME 153/4 DECEMBER
SPECIAL ISSUE: LABOUR REGULATIONS AND LABOUR STANDARDS IN CHINA



*Does output predict unemployment? :
a look at Okun's law in Greece*

By Costas KARAFAKIS; Constantinos KATRAKILIDIS; Eftychia TSANANA.

*How do labour laws affect unemployment
and the labour share of national income? :
the experience of six OECD countries, 1970-2010*

By Simon DEAKIN; Jonas MALMBERG; Prabirjit SARKAR.

Injured workers in China : injustice, conflict and social unrest

By Ying ZHU; Peter Y. CHEN; Wei ZHAO.

*Labour inspection in contemporary China : Like the Anglo-Saxon model,
but different*

By Wenjia ZHUANG; Kinglun NGOK.

*Labour relations, production regimes and labour conflicts in the
Chinese automotive industry*

By Boy LÜTHJE.

*The politics of labour legislation in South China : evaluating the role of overseas business
associations and government agencies in the making of collective bargaining laws*

By Elaine SIO-IENG HUI; Chris KING-CHI CHAN.

*Retirement systems and pension reforms :
a Malaysian perspectives*

By Habibah TOLOS; Peijie WANG; Miao ZHANG; Rory SHAND.

RECENT EVENTS SEMINARS

Income Inequality and Its Policy Implications for Sustainable Growth: Dialogue with International Organizations

Held 10 December 2014, Seoul National University

This seminar was hosted by the Korea Institute for International Economic Policy (KIEP), International Labour Organization (ILO) and Seoul National University.

The ILO was represented by Raymond Torres, Uma Rani, Marianne Furrer, Sangheon Lee, Giuditta Rusconi, Slim Bridjia and Matthieu Charpe.

Three papers presented by staff of the ILO

1. From macro to micro: Decomposing income inequality into factor income components
By Uma Rani and Marianne Furrer
2. The Dimensions of Income Distribution: Measurement, trends, and linkages
By Sangheon Lee & Giuditta Rusconi
3. Income Distribution and Growth using Historical Data
By Slim Bridjia, Matthieu Charpe

This seminar drew on experts from ILO and KIEP who have worked jointly on these issues for the past year, as well as from other international organizations (IOs), academics, and policymakers. Representatives from each organization (ILO, IMF, OECD, G20 Sherpa Office of Korea) shared ideas and thoughts on inclusive growth, inequality, and policy issues.

For further information please contact Ms. Uma Rani: amara@ilo.org

The Research Review Group

The inaugural meeting of the ILO Research Review Group took place 14–15 January 2015.

The meeting was opened by the ILO Director-General, followed by a brainstorming on “The future of work”, introduced by a short presentation of the ILO Director-General’s initiative on the topic. This was followed by a seminar on the Future of Work. Priority areas for research were discussed, followed by a presentation of the forthcoming World Employment and Social Outlook.

The members of the ILO Research Review Group are:

Ms Asma Bouraoui Khouja, Executive Director, Maghreb Economic Forum – MEF, TUNIS

Ms Jayati Ghosh, Professor, Centre for Economic Studies and Planning, School of Social Sciences, Jawaharlal Nehru University, NEW DELHI

Mr José Antonio Ocampo Gaviria, Professor and Director of the Economic and Political Development Program, Columbia University, NEW YORK

Mr Alain Supiot, Professor, Collège de France, PARIS

Ms Young-sook Nam, Professor, Graduate School of International Studies, Director, Center for Global Social Responsibility, SEOUL

Mr Robert Skidelsky (Lord Skidelsky), Emeritus Professor of Political Economy, University of Warwick, LONDON

Associate Member of the Research Review Group are:

Dr Kemal Derviş, Vice President and Director, Global Economy and Development, The Brookings Institution, WASHINGTON DC

Mr Gary S. Fields, Professor of Economics, John P. Windmuller Professor of International and Comparative Labor, Cornell University, ITHACA, NY

RECENT EVENTS SEMINARS

Commission for Social Development (53rd session)

Panel discussion on 'Emerging issues': "Contributions of Social Development to the Transition from Millennium Development Goals to Sustainable Development Goals"
United Nations, New York, Friday, 6 February 2015

http://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/event/wcms_339529.pdf

RECENT EVENTS CONFERENCE

New modes of production at the global level: Opportunities and challenges for the world of work.

Tuesday, 20 January 2015, Collège de France, Paris

The Director-General, Guy Ryder, and the Director of the Research Department, Raymond Torres, represented the ILO.

The aim of the conference was to stimulate high-quality debate between scholars, social partners and policy makers on the labour dimension of Global Supply Chains (GSCs) and how this contributes to the on-going discussion with respect to the "Future of Work". In preparation of the ILO centenary in 2019, the ILO addresses this issue by examining major developments and challenges in the World of Work and the role which the ILO has to play in the 21st Century.

There is a broad agreement that the world economy is becoming more deeply integrated and interdependent. International trade and investment increasingly takes place through new patterns and structures of production that operate beyond national boundaries and traditional conceptions of the firm, including the multinational enterprise. One of the key issues in this regard, both in the academic literature as well as the policy debate, is the development of GSCs and how this affects productive employment and decent work, in both developed and emerging economies.

<http://www.polynome-even.fr/entretiens-france-bit/?page=1>

European Parliament, Committee on Employment and Social Affairs

On 29 January 2015 Raymond Torres, Director, ILO Research Department, was invited by the Committee on Employment and Social Affairs of the European Parliament to present the report "An Employment Oriented Investment Strategy for Europe".

The report can be downloaded here:

http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_338674.pdf

A short summary of the meeting can be accessed here:

<https://www.theparliamentmagazine.eu/articles/eu-monitoring/empl-meps-quizz-ilo-its-report-job-creation-potential-juncker-plan>

FORTHCOMING EVENTS



Arab Middle Class

**to take place at the ILO, HQ, Geneva, Thursday, 26 February 2015,
Room II, from 14h00 to 16h00.**

This Report proposes a new methodology of measuring and defining the middle class based on household consumption patterns. It also profiles the middle class according to age, employment status, and education level, among others. The report discusses the social, economic and political challenges of the middle class and their role in the Arab uprisings. The Report concludes that in order for the Arab region to implement a new development model, the empowered middle class has to play a vital role in designing the process of economic, social and political transformation.



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