



Sectors at a Glance: G20

The Uneven Road to Recovery: First Semester 2010



International
Labour
Office

The pace and strength of the recovery seem to be driven by contrasting developments among G20 economies

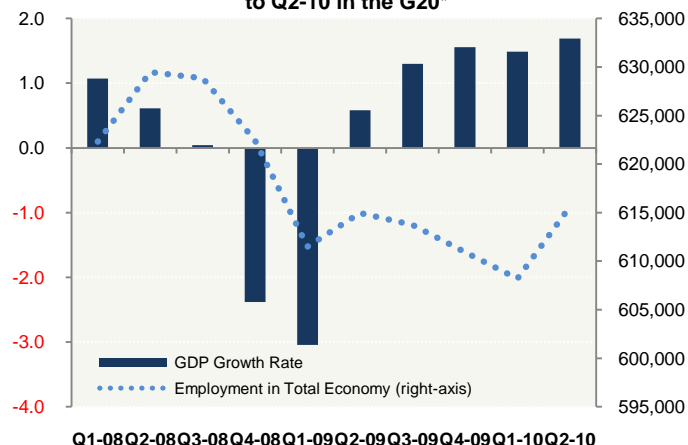
Despite stronger activity reported through the first quarter of 2010, the pace of the recovery appears to have slowed in recent months. GDP growth in the second quarter of 2010 was moderate both in advanced and emerging G20 economies, notably in the U.S, the Euro Area, Japan, China, South Africa, and Brazil.

Weak private consumption and uncertainty about the impact of fiscal consolidation plans in several advanced G20 economies seem to be constraining the strength of the recovery, whereas stronger domestic demand, trade and commodity prices continued to boost the recovery in emerging economies in Asia, Latin America and Africa. The role of these economies for the recovery has increased substantially as they contribute nearly half of global GDP growth.

The jobs recovery is slowly progressing in G20 economies but remains mixed and volatile in a number of economic sectors

Employment expanded slowly in the first semester of 2010 across sectors. The situation varies, however, from sector to sector and country to country. In the aggregate, *construction* and *manufacturing* continued to lose the largest number of jobs in the first half of 2010, albeit at a slower pace. Employment declined -3.7 and -1.4 per cent, respectively, in the second quarter of 2010 compared to 2009. The pace of job losses also declined in *transportation, storage & communications* (-1.1 per cent) and *wholesale & retail trade* (-0.9 per cent) over the same period.

GDP Growth Rate (Q-on-Q) & Total Employment ('000s) from Q1-08 to Q2-10 in the G20*

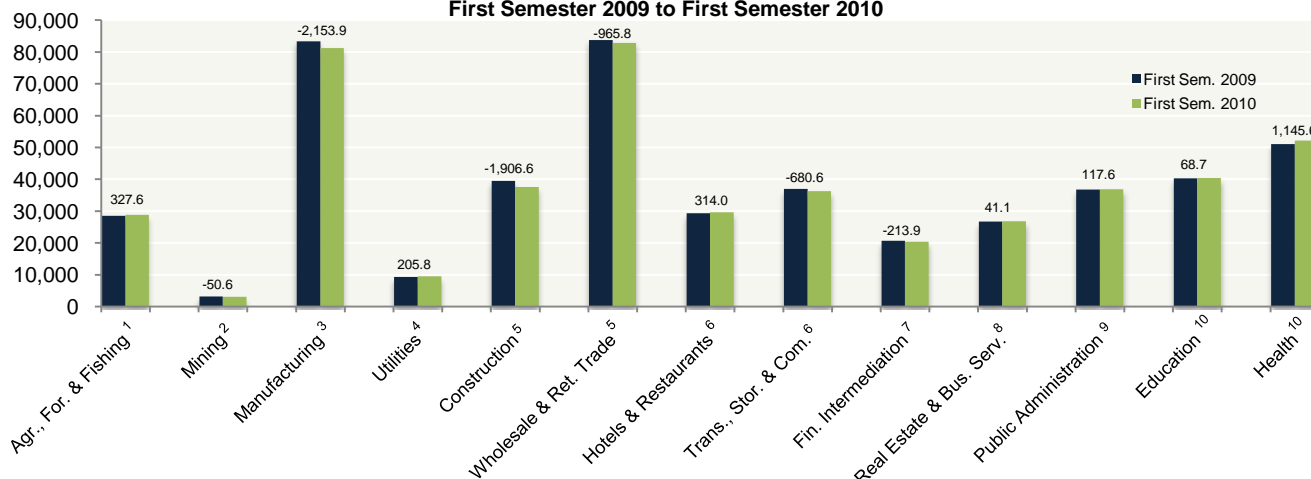


Source: ILO based on National Statistics Offices and OECD Quarterly National Accounts. *Data not included for China, India, Indonesia and Saudi Arabia. Note: GDP Growth Rate represents the average growth rate for selected economies. Total employment refers to aggregate employment levels for all sectors of the economy.

After showing some resilience, the pace of the recovery also slowed in *hotels & restaurants*. Employment grew 0.9 per cent in the second quarter of 2010 (year-on-year) compared to 1.2 per cent in the first quarter of the same year (year-on-year). A similar trend has been observed in public services in the first half of 2010 notably, in *education* and *health*. Employment grew 0.3 and 2.5 per cent, respectively, in the first quarter of 2010 compared to 0.04 and 2.0 per cent in the second quarter of 2010 (year-on-year). On aggregate, employment levels in *public administration* remained positive (0.4 per cent) in the second quarter of 2010 (year-on-year), despite announced austerity measures in a number of advanced G20 economies.

Agriculture and *mining* are among the sectors in which employment remained resilient in the first half of 2010. Employment rose 2.2 and 0.1 per cent, respectively, in the second quarter of 2010 compared to 2009.

Average Employment Level & Change ('000s) by Economic Activity in Selected G20 Economies: First Semester 2009 to First Semester 2010

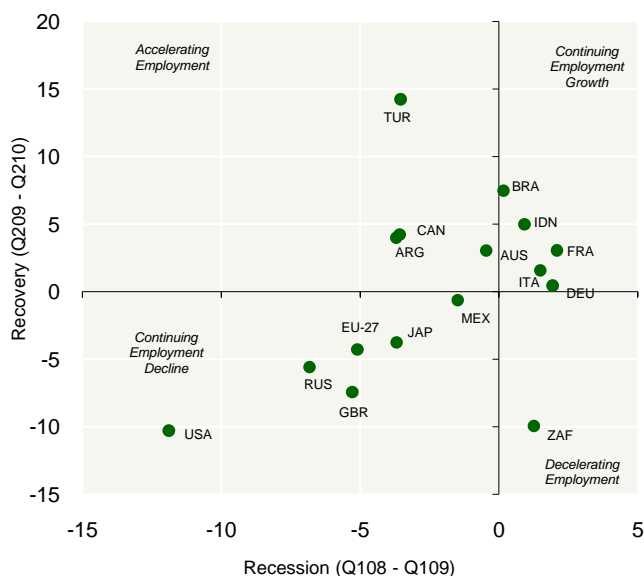


Source: National Labour Force Surveys and official estimates of each country. Data for European Union countries are provided by Eurostat. * Selected G20 economies include Australia, Brazil, Canada, the EU-27 member countries, Japan, Rep. of Korea, Mexico, Russia, South Africa, Turkey and United States. ¹Does not include Brazil, Canada and United States. ²Does not include Brazil, Japan, Rep. of Korea and Mexico. ³Does not include Brazil. ⁴Does not include Japan, Rep. of Korea and Mexico. ⁵Does not include Rep. of Korea. ⁶Does not include Brazil and Rep. of Korea. ⁷Does not include Brazil, Rep. of Korea and Turkey. ⁸Does not include Brazil, Japan, Rep. of Korea, South Africa and Turkey. ⁹Does not include Brazil, Rep. of Korea, South Africa and Turkey. ¹⁰Does not include Brazil, Rep. of Korea, Mexico, South Africa and Turkey.

In the aggregate, *construction* and *manufacturing* continued to be the sectors most impacted by the crisis, losing the largest number of jobs in the first semester of 2010, albeit at a slower pace.

Construction

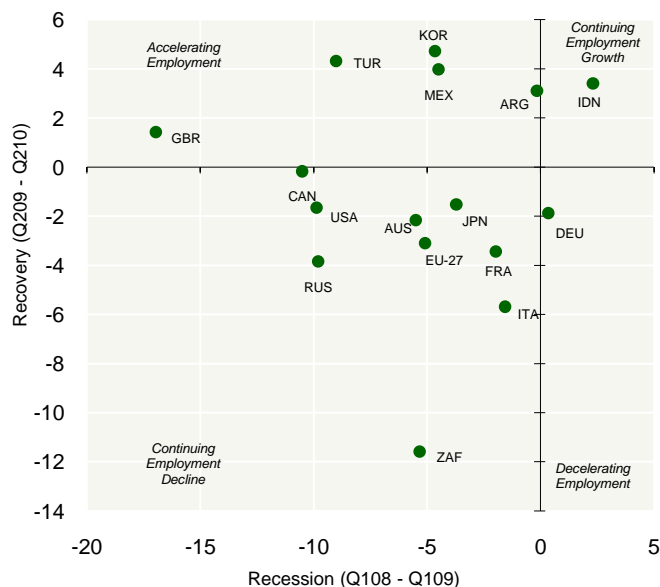
% Change in Employment During Recession & Recovery



Jobs in the *construction* sector are struggling to return notably in the U.S., the U.K., and Japan, whereas they continue to recover in Argentina and Turkey. *Manufacturing* labour markets remained troubled particularly in Europe and South Africa during the first half of 2010. Conversely, employment continued to rise in this sector in Turkey, the Republic of Korea, Mexico and Brazil, though at a slower pace.

Manufacturing

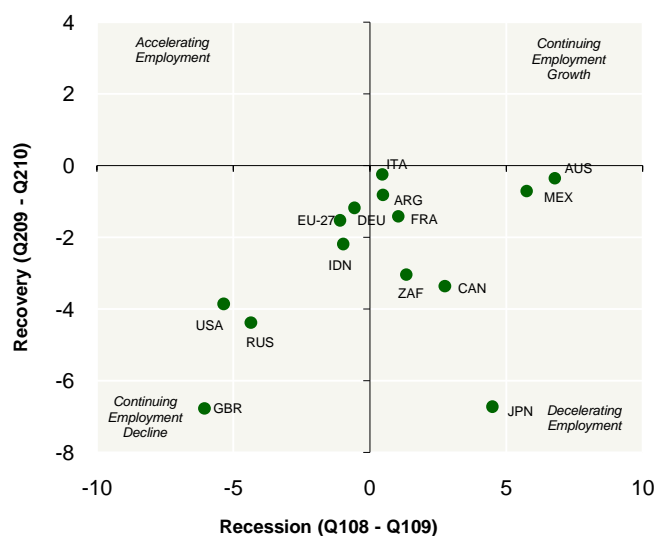
% Change in Employment During Recession & Recovery



The pace of job losses also declined in *transportation, storage & communications* (-406,200) and *wholesale & retail trade* (-767,200) in the second quarter of 2010 (year-on-year), signalling that the recovery is slowly progressing in these sectors and that they remain dependent on the volatility observed both in domestic and export markets in the first half of the year.

Transport, Storage & Communication

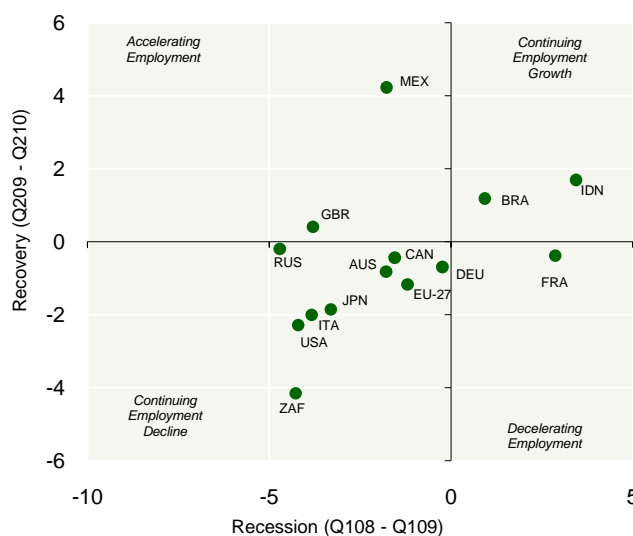
% Change in Employment During Recession & Recovery



The recovery in *wholesale & retail trade* seems to be strengthening in Brazil, Russia and Mexico while it remains difficult in Canada, Italy and Australia.

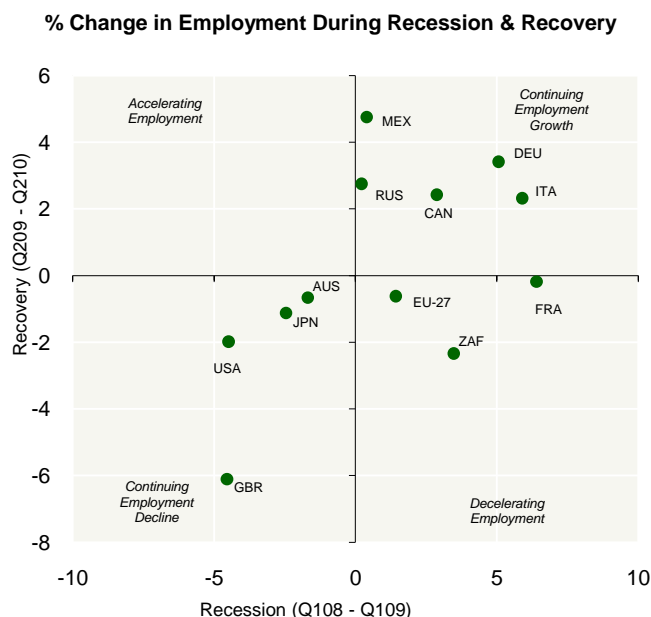
Wholesale & Retail Trade

% Change in Employment During Recession & Recovery



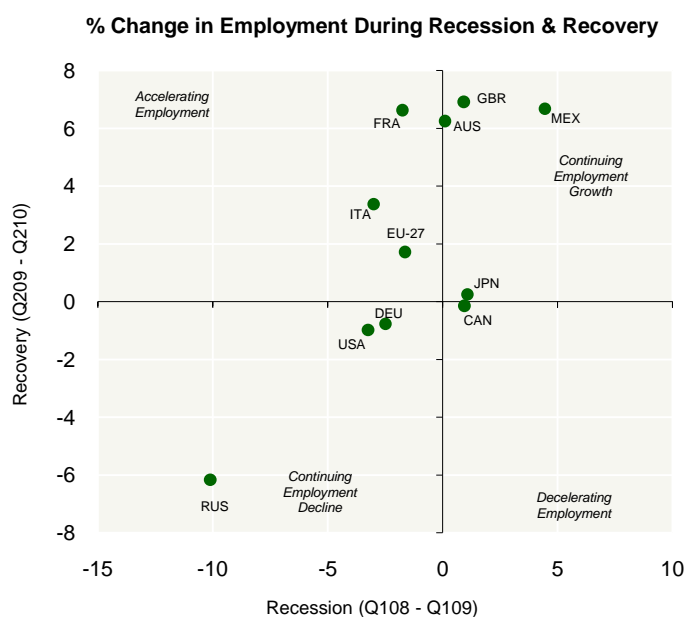
Volatility also persists in *financial intermediation* mostly in advanced G20 economies. The industry is still restructuring in the U.S. and Europe, particularly the U.K., where employment continued to decline in the first semester of 2010 (year-on-year).

Financial Intermediation



After showing some resilience, the pace of the recovery has also slowed in *hotels & restaurants*. Employment grew by 265,200 in the second quarter of 2010 (year-on-year) compared to the 362,800 jobs added in the first quarter of the same year. This was particularly observed across European countries, Australia and Mexico. However, the recovery in this sector continued in the U.K, Italy, France and Japan.

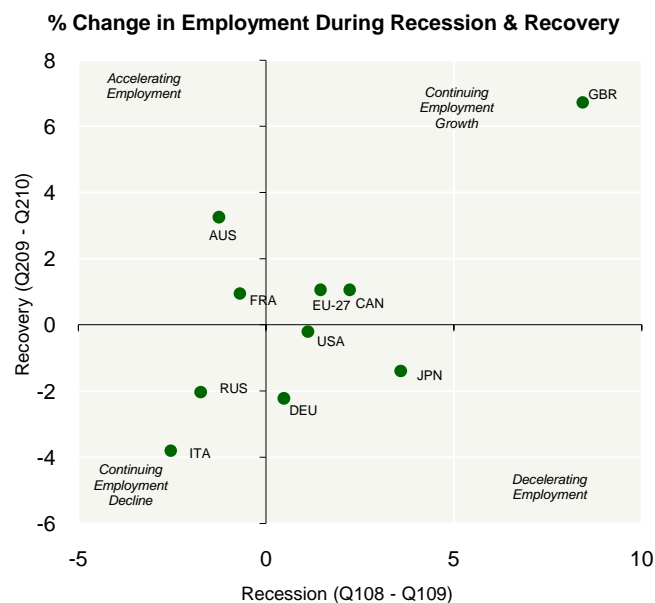
Hotels & Restaurants



A similarly slowing trend was seen in *education* and *health* in the first half of 2010. Employment grew by 120,600 and 1.3 million, respectively, in the first quarter of 2010 compared to 0.04 and 2.0 per cent in the second quarter of 2010 (year-on-year).

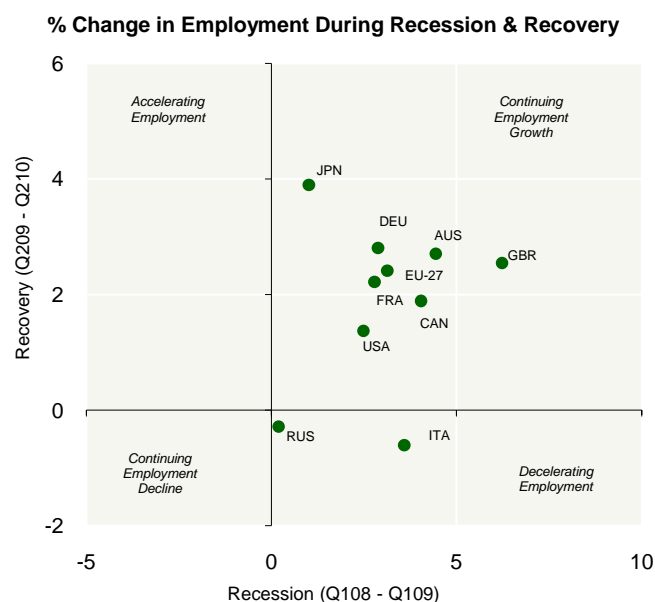
Some of the employment declines may have resulted from initial measures taken in advanced G20 economies to respond to government fiscal difficulties at either national or local levels. Job gains lost momentum in Italy, France, Canada and Japan in both sectors and deteriorated further in the Russian Federation in the education sector.

Education



Nonetheless, the *health* sector has by far been the most active in adding jobs during the economic slowdown both in advanced and emerging G20 economies.

Health

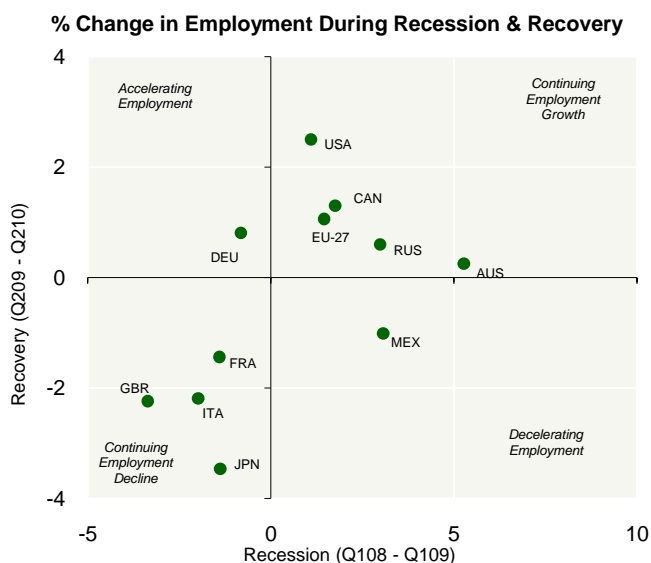


On aggregate, employment levels in *public administration* remained positive, adding 132,000 jobs in the second quarter of 2010 (year-on-year), despite announced austerity measures in a number of developed economies.



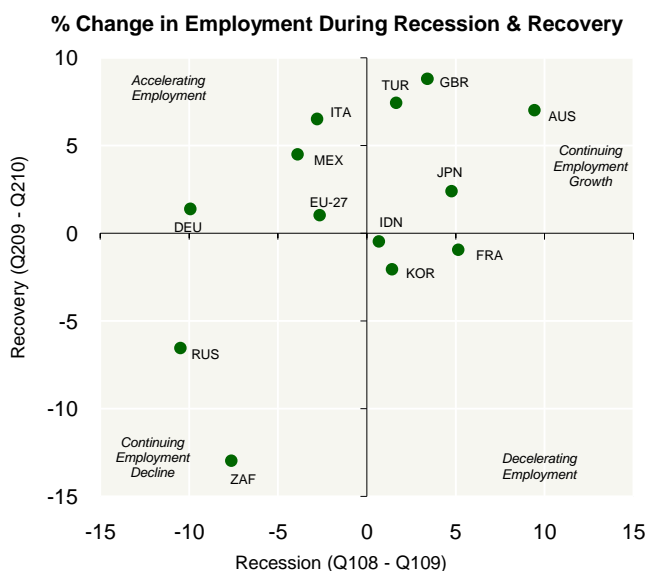
Nevertheless, employment began to slow down in Mexico and France and continued to decline in the U.K. over the same period. In contrast, jobs continued to climb in this sector in Australia, Canada and the U.S. In the latter, however, public jobs were temporary due to hiring needs for the 2010 census.

Public Administration

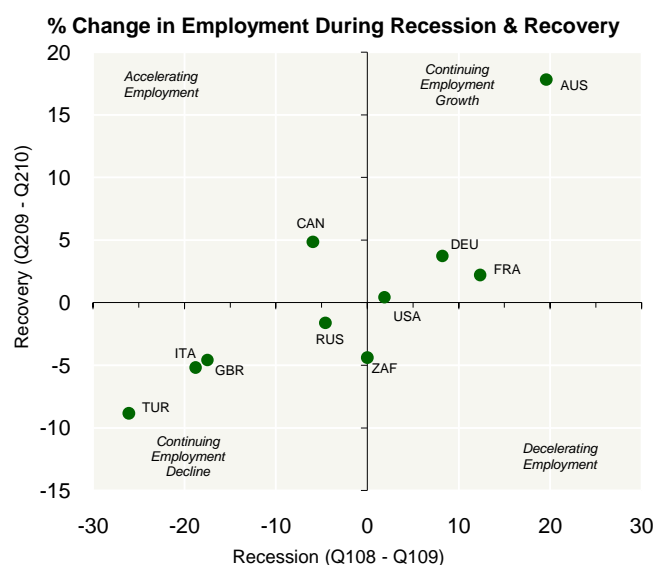


Agriculture and **mining** remained resilient among G20 economies. Employment grew in agriculture by 654,700 in the second quarter of 2010 compared to 2009. Labour markets responded positively in both sectors in Australia. In contrast, the recovery in **agriculture** seems to be struggling in South Africa and Russia.

Agriculture

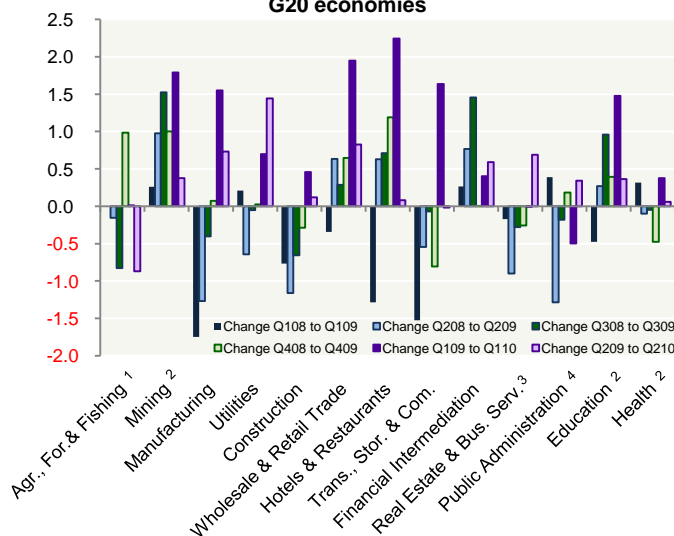


Mining



Labour markets continued to adjust across sectors in the first semester of 2010 not only through changes in employment levels, but also in hours of work. After falling throughout 2009, hours of work across G20 economies began to resume in the first and second quarters of 2010 (year-on-year), most notably in manufacturing, hotels & restaurants and wholesale & retail trade. While job sharing and reduced working hours have been critical to mitigate further employment losses, there are some emerging concerns over the role this strategy may play in delaying the jobs recovery in the near term.

Change in Average Actual Weekly Working Hours in Selected G20 economies



Source: National Labour Force Surveys, official estimates and Eurostat. Selected G20 economies include Australia, Canada, EU-27 members, Japan and United States. ¹Does not include Canada, Japan and United States. ²Does not include United States. ³Does not include Canada and Japan. ⁴Does not include Japan and United States.