



FIRST ITEM ON THE AGENDA

The sectoral dimension of the ILO's work**Update of sectoral aspects regarding the global economic crisis: Tourism, public services, education and health****Introduction**

1. At its 306th Session (November 2009) the Governing Body asked the Office to continue monitoring the developments of the current crisis at the sectoral level through the gathering and dissemination of information; monitoring and assessment of policy actions taken by constituents; social and economic analysis and research; and identification and diffusion of best practices. This report provides information on recent developments and an analysis of the situation in the education, health, public administration and tourism sectors.¹ The document also addresses some of the recommendations set out in the Global Jobs Pact and by the Governing Body.

Recent developments²**Signs of recuperation in the economy are yet to be translated into jobs**

2. During the third and fourth quarters of 2009, global activity has gradually returned to growth in major emerging markets, as well as in a number of advanced economies. Real GDP rose in the third quarter of 2009 in China (8.9 per cent), India (7.9 per cent), United States (2.2 per cent), Japan (1.2 per cent), and the Euro area (0.4 per cent).³ Signs of recovery were also reported in some Latin American countries, notably Brazil. Preliminary

¹ The “sectors” referred to in this paper are those defined by the Governing Body for the Sectoral Activities Programme, but some references are to sectors as defined by others.

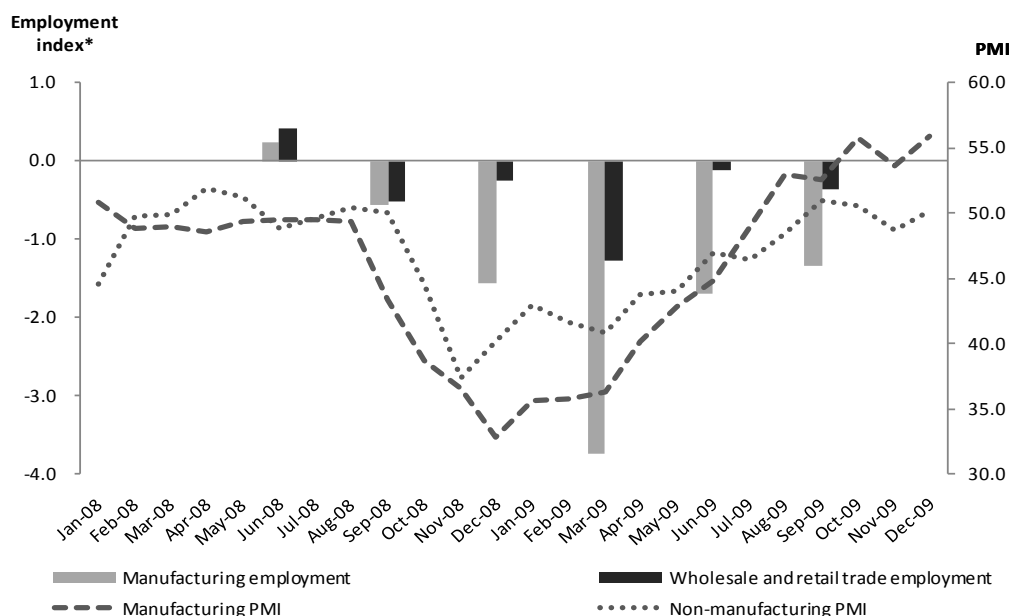
² The data in this paper are based on information available in Jan. 2010.

³ European Central Bank and US Bureau of Economic Analysis, Dec. 2009.

data relating to the fourth quarter suggest that economic activity is gaining momentum.⁴ A combination of more stable financial market conditions, significant macroeconomic stimulus measures, improved consumer spending, and a resumption of industrial production and world trade seem to be contributing to the recovery.

3. In December 2009, after contracting for several consecutive quarters, the Global Manufacturing Purchasing Managers Index (PMI) reported growth in both production and new manufacturing orders (see figure 1), signalling expansion in output worldwide particularly in emerging Asian economies and the United States. In the Euro area manufacturing production lagged behind the global trend. The data also suggest that firms have increased production levels closer to those of final sales and slowed the pace of inventory liquidation. The recovery in consumer durables (motor vehicles) and materials appears to be an important contributor to the turnaround in manufacturing production. Similarly, the service sectors' output, measured by the Global Services Business Activity Index (see figure 1) continued to grow for the fifth consecutive month suggesting broad-based improvements in retail sales of both goods and services. Outlays for motor vehicles, boosted by fiscal stimulus, temporarily helped this bounce.

Figure 1. Production and employment change indices in manufacturing and services



* The employment index represents the percentage change in employment as compared to the previous quarter.

Source: JP Morgan, PMI and ILO based on national Labour Force Surveys and official estimates of each country. Data for EU countries are provided by Eurostat.

4. The return of global trade to positive growth – around 4 per cent in the third quarter of 2009, boosted recovery in Japan, Republic of Korea, United States and some countries of the Euro area.⁵ External market conditions are yet to consolidate in emerging economies such as India and Brazil, which benefited from the strength of their domestic markets but are still awaiting improvements in their export markets.⁶ Exports of industrial supplies, capital goods, automotives and other consumer goods have shown increasing dynamism and appeared to be lifting shipping volumes in the transport sector. According to

⁴ US Federal Reserve: Minutes of the Federal Open Market Committee, Dec. 2009.

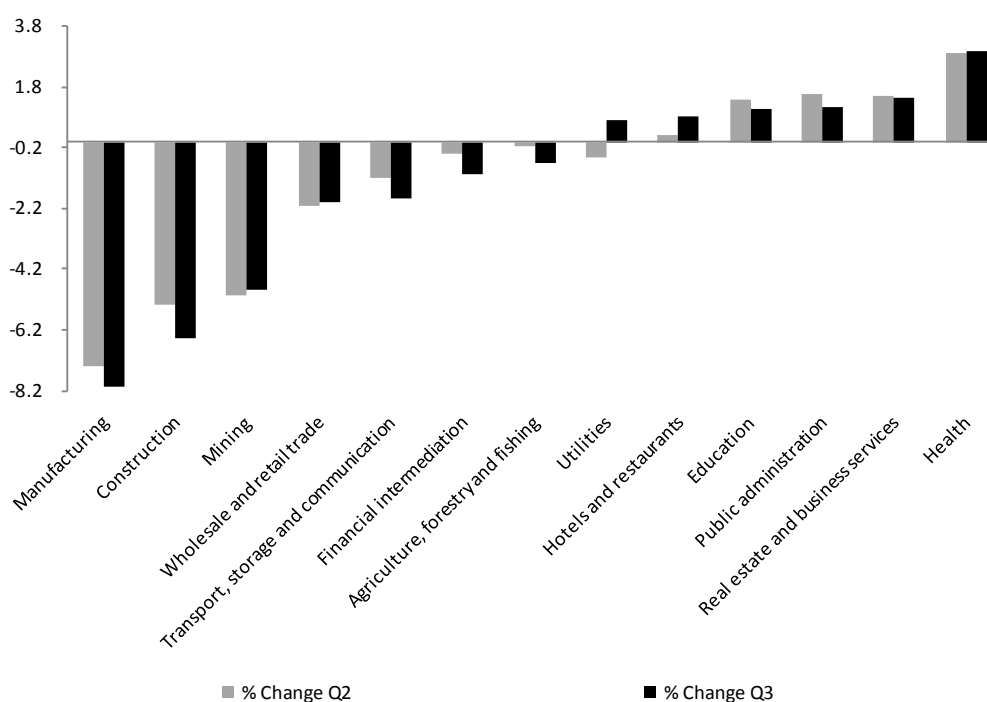
⁵ European Central Bank: *Monthly Bulletin*, Dec. 2009.

⁶ World Bank: *Trade Watch*, Dec. 2009.

Bloomberg data, the Baltic Dry Index (BDI)⁷ continued to pick up in the third quarter of 2009, though it remains below pre-crisis levels.

5. Conditions in the labour market continued to deteriorate globally in the third quarter of 2009, albeit at a slower pace. Employment declined (quarter-on-quarter) by 1.3 per cent in manufacturing, 0.5 per cent in transport, storage and communication and 0.4 per cent in wholesale and retail trade. On a year-on-year basis, job losses in manufacturing reached 9 million (8.1 per cent), while in wholesale and retail trade they totalled 2.1 million (2 per cent) over the same period. Conditions in the construction sector generally remained poor, mainly due to weak fundamentals in the non-residential buildings subsector. The number of jobs lost in this sector rose to 3.3 million (6.5 per cent) in September 2009 compared to 2008 (see figure 2).⁸
6. A few sectors – financial intermediation and business services, including real estate – showed signs of a mild jobs recovery in the third quarter of 2009, while employment resilience appeared to be consolidating in hotels and restaurants and agriculture (quarter-on-quarter) in the same period, even though employment declined in the latter sectors by 0.7 per cent year-on-year. In September 2009 jobs continued to increase in the health sector, while they declined slightly in education and public administration despite the steady growth registered in previous quarters, both in quarterly and year-on-year terms (see figure 2).

Figure 2. Percentage change in employment in major economic activities from 2008 to 2009 (selected economies)*



* See selected economies in table 1 in the appendix.

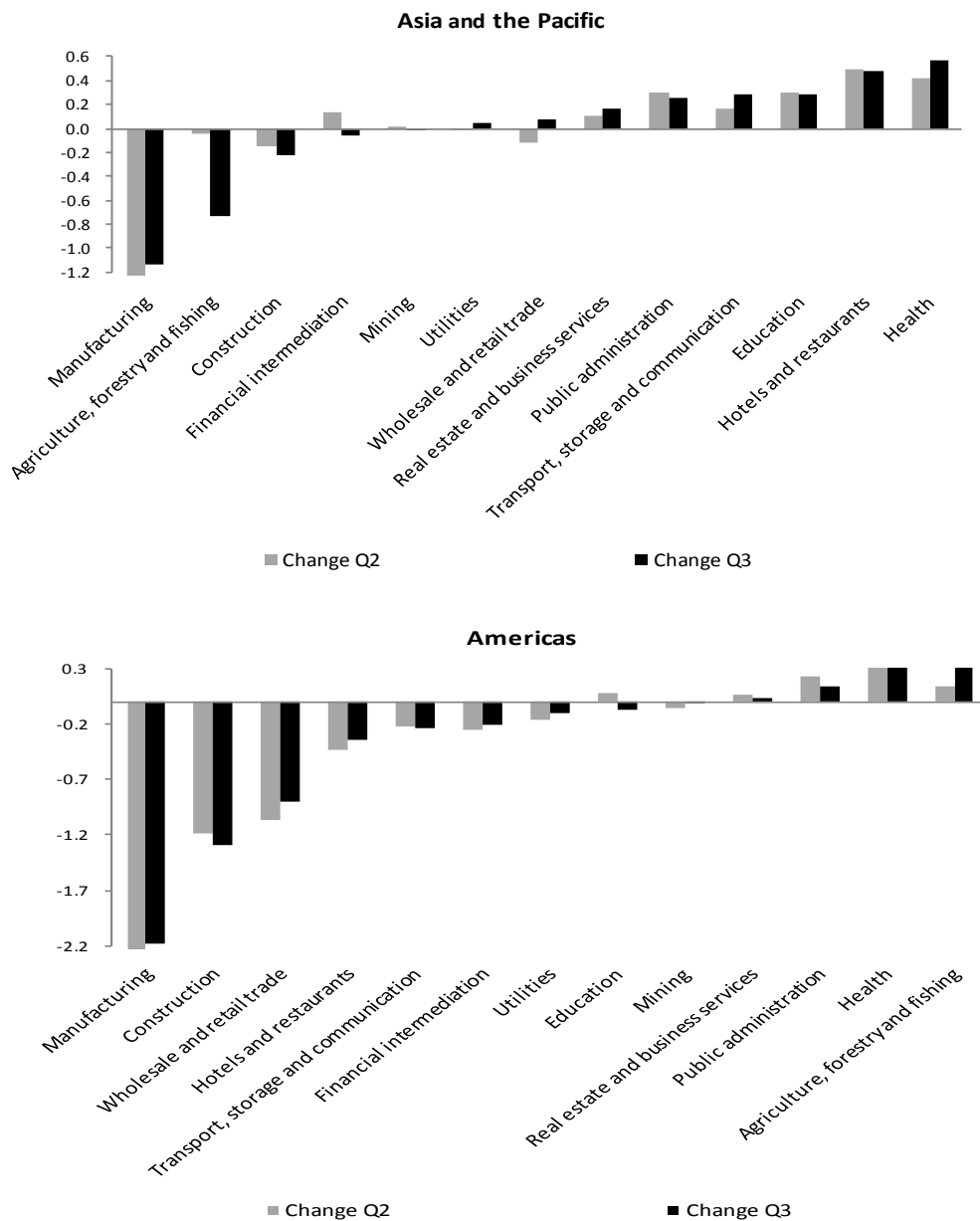
Source: ILO based on national Labour Force Surveys and official estimates of each country. Data for EU countries are provided by Eurostat.

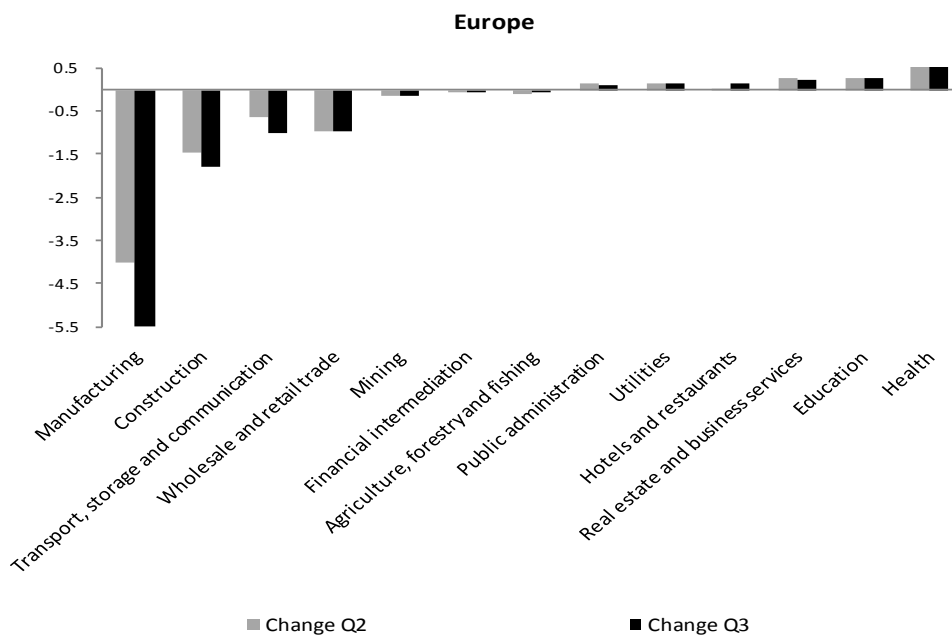
⁷ Measure of the cost of shipping bulk cargo by sea.

⁸ For further details see table 1 in the appendix.

7. Job losses have been unequally distributed across regions and between developed and developing economies. Overall, employment in the Asia and the Pacific region has shown greater resilience than in Europe and the Americas (see figure 3). Export-oriented sectors such as manufacturing and, to a lesser extent, agriculture felt the contraction in global demand since the crisis started to unfold over the region. These sectors, together with construction, reported the largest lay-offs in the third quarter of 2009 (year-on-year). In Europe, manufacturing, construction, wholesale and retail trade, and transport, storage and communication continued to report job declines (see figure 3). Manufacturing alone lost 5.4 million jobs (year-on-year) in the third quarter of 2009 – the largest fall across all regions. Other sectors remained relatively stable. In contrast, the expansion of the recession in the Americas was widespread across the economy and fewer sectors (agriculture, education, health and public administration) avoided lay-offs over the same period (see figure 3). The deterioration of the labour markets in this region was driven by the United States.

Figure 3. Employment change in major economic activities by region from 2008 to 2009
(selected economies,* in millions)



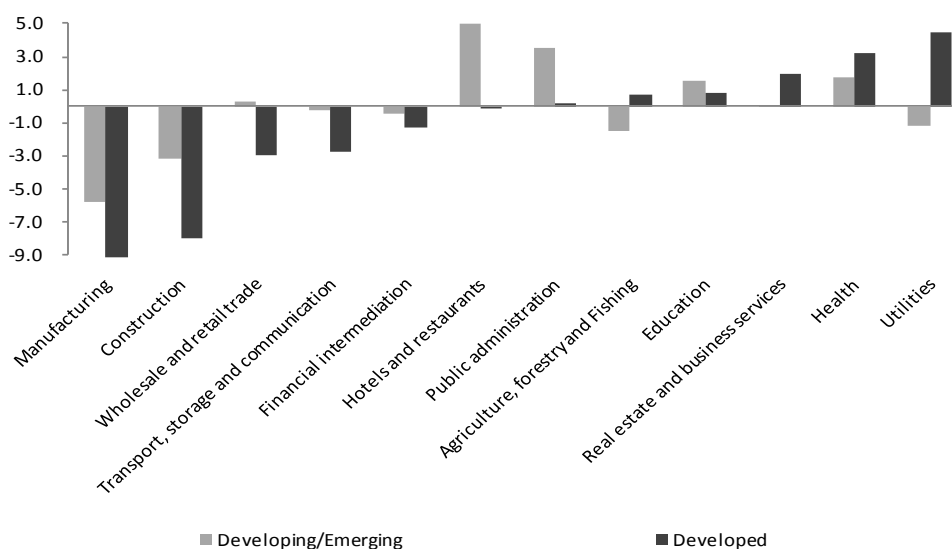


* See selected economies in tables 2.1–2.3 in the appendix.

Source: ILO based on national Labour Force Surveys and official estimates of each country. Data for EU countries are provided by Eurostat.

8. More sectors were affected by the employment downturn in developed countries than in developing economies. The jobs crisis was particularly severe in manufacturing, construction, wholesale and retail trade, transport, storage and communication and financial intermediation. In the third quarter of 2009 (year-on-year) nearly twice as many jobs were lost in these sectors in developed countries as compared to developing economies (see figure 4). While employment in hotels and restaurants has shown stability, signs of deterioration are perceived in agriculture over the same period in developing economies, mainly due to agro-climatic conditions.

Figure 4. Percentage change in employment from 2008 Q3 to 2009 Q3 by sector in developed and developing economies (selected economies)*

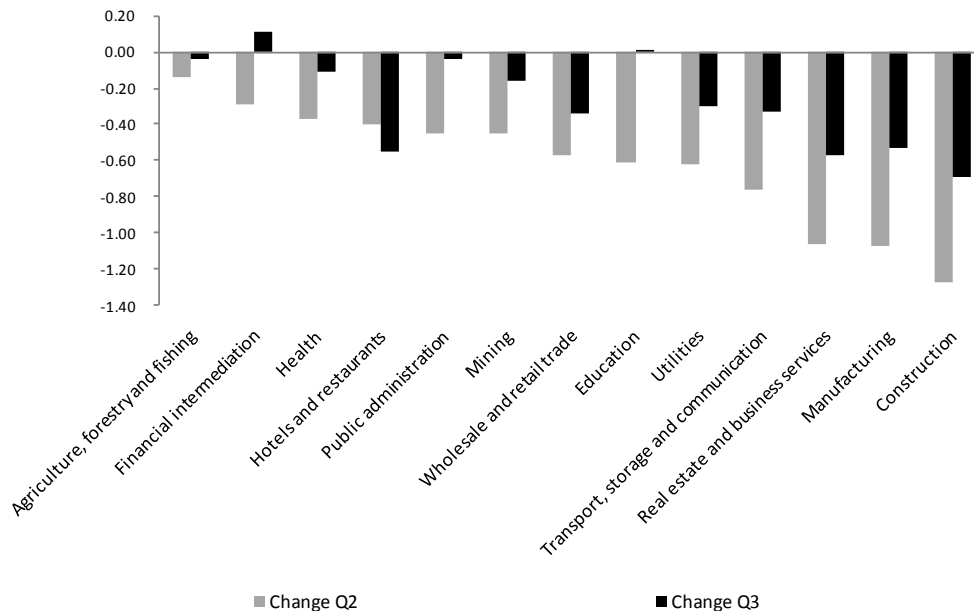


* See selected economies in table 1 in the appendix.

Source: ILO based on national Labour Force Surveys and official estimates of each country. Data for EU countries are provided by Eurostat.

9. Overall, the slowdown in the increase of unemployment in the third quarter of 2009 (year-on-year) seems to reflect a diminished pace of lay-offs as opposed to firms effectively hiring. While this trend may be attributed to improved economic activity, it also suggests a positive response to a range of reduced working time schemes introduced across sectors to prevent further lay-offs and smooth the adjustment process (see figure 5).

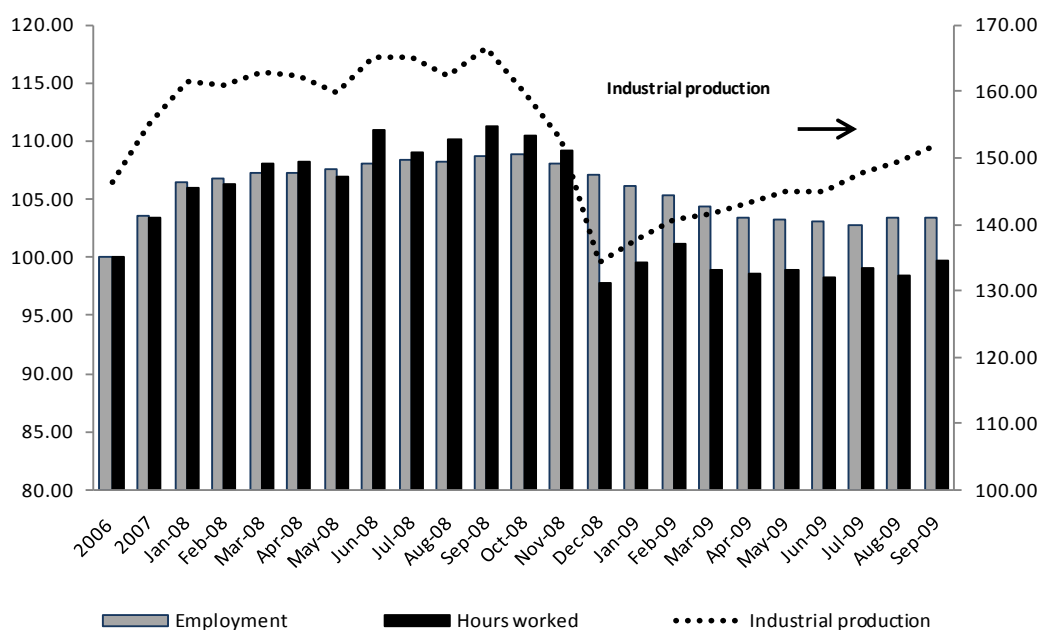
Figure 5. Change in average weekly hours of work from 2008 to 2009 by economic activity (selected economies)



Source: ILO based on national Labour Force Surveys and official estimates of each country. Data for EU countries are provided by Eurostat.

Employment lags could signal a potential risk for a jobless recovery

10. Previous crises suggest that employment gains typically lag behind business cycle fluctuations in the early stages of an economic upturn. The lags usually occur because firms need to restore productivity and keep efficiency gains until their confidence in demand stabilizes. Moreover, the lags tend to differ across sectors. Services, for instance, are more likely to add jobs faster than manufacturing, since demand for durable goods takes more time to re-establish. During the current recession employers were exceptionally uncertain about the future and tended to lay off workers much more sharply than in previous recessions. The substantial job losses in sectors such as manufacturing have set a very challenging level from which to recover (see figure 1 above).
11. When output is growing but employment fails to increase, questions about a “jobless” recovery emerge. Evidence from the manufacturing sector in some emerging markets (see figure 6) suggests that firms are not yet willing to add new jobs even if, in the aggregate, they have already realized solid gains in productivity. While this may signal that employer confidence in the durability of the expansion is still weak, it also could suggest that firms expect to meet any near-term increase in demand by raising their existing employees’ hours of work and further boosting productivity, thus delaying the need to add employees. In fact, after falling consistently for the last three quarters (year-on-year), aggregate hours of work across sectors started to increase in the third quarter of 2009 (see figure 5 above).

Figure 6. Change in employment, working hours and industrial production in Brazil

Source: Central Bank of Brazil, seasonally adjusted indices.

12. In the mid-term, the trends of relocating labour across sectors as well as the loss of skills caused by long-term and permanent separations from employment also could limit the pace of employment recovery.

As the economy is yet to find a sustainable recovery pattern, the path for labour markets to return to pre-crisis levels remains long

13. Concerns remain about the economy's ability to generate a self-sustaining recovery without government support. The range of stimulus measures seems to have provided a necessary but temporary relief to troubled industries. For instance, recent evidence suggests that car sales increased in Germany, Italy, Portugal, Spain, United States and United Kingdom, which all introduced motor vehicle scrappage programmes. Spillover effects were also reported in Poland and Slovakia.⁹ Sales fell however when some of the initiatives started to expire.¹⁰ The forthcoming expiration of several tax incentives as well as an early withdrawal of other stimulus measures may jeopardize some of the early gains of such initiatives unless private sector consumption and investment responds promptly to the pickup in activity.
14. More importantly, in most countries the fundamentals of the economy are still fragile. Industrial capacity utilization is very low, trade continues below pre-crisis levels, lending to small businesses and households remains tight, and consumer consumption and confidence is subdued, mainly due to uncertainties over employment and the strength of the economic recovery. In this context, employers across sectors remain cautious in adding jobs and capital spending, even as demand for their products increases. Weak aggregate

⁹ OECD: *The Automobile Industry in and Beyond the Crisis*, Working Paper No. 745, 2010.

¹⁰ US Bureau of Economic Analysis.

demand appears to be the major concern in the mid-term. Under this scenario the economic recovery is likely to continue at a moderate pace in 2010 and employment growth would be rather slow relative to past recoveries.

Sectors in-depth: Education, health, public administration and tourism

15. Previous reports on the sectoral dimension of the current crisis focused on sectors where job losses were the main driver of labour market adjustments. However, not all sectors were similarly affected by the crisis; in fact some of them were more resilient and even added jobs as the crisis unfolded. Such is the case for education, health, public administration and tourism. While the effects of the economic slowdown were not immediate in these sectors, the repercussions of unprecedented fiscal deficits and government debt levels, both in developed and developing economies, may threaten labour market conditions in 2010 and beyond, particularly in public services. With government debt projected to reach 118 per cent of GDP by 2014 in advanced G20 economies,¹¹ many governments have already announced sharp cuts in public expenditure and, in some cases, freezes in salaries. These measures will certainly have an impact on workers in public services. Developing countries may be in an even more delicate situation, as many of them entered the crisis with a relatively weak structural fiscal position.
16. The following sections aim to analyse further the causes behind these trends and provide elements for better understanding the challenges in employment and working conditions that the four sectors may face as the economy and governments enter into an anticipated recovery in 2010–11.

Education and research

The impact of the economic recession on the sector has grown in 2009

17. During the period prior to the crisis, demand for education (enrolments) and employment in the sector continued to increase worldwide, though unevenly among regions. Employment nevertheless had slowed over the previous decade compared to enrolments, reflecting a worldwide teachers' shortage. The Office noted the beginning of fiscal and therefore public financing difficulties in a number of countries in 2009. Education and training largely depend on public financing, thus government fiscal constraints were affecting or likely to affect education generally or at certain levels. The most visible and immediate effects were apparent in European countries with relatively high growth rates but also heavy debts in proportion to their GDP, which were obliged to accept strict limitations on public spending in return for emergency International Monetary Fund (IMF) loans or other substantial financial bailouts in the first half of 2009.¹²
18. Recent projections of education financing are particularly grim for sub-Saharan Africa. The Education for All Global Monitoring Report 2010 estimates that slower growth and declining revenue will reduce resources available for education by US\$4.6 billion a year

¹¹ IMF: *The State of Public Finances Cross-Country Fiscal Monitor*, Staff Position Note, Nov. 2009.

¹² ILO: *Impact of the global economic recession on education*, SECTOR Notes, Sectoral Activities Department, Geneva, July 2009.

on average in 2009 and 2010, more than twice the current amount of international aid to basic education in the region; spending per primary school pupil could be as much as 10 per cent lower in 2010.¹³ Similar fears have been expressed in other regions, particularly regarding decisions of poor families to withdraw children from school. If these projections become reality, much of the shortfall will affect education sector workers, especially teachers, whose salaries comprise up to 90 per cent of government running costs for education in many countries, and will result in further cuts in the provision of basic learning materials and infrastructure.¹⁴

Employment developments – Slowing but still positive in many countries

19. Based on the data available on trends in 51 countries, principally developed countries but including some “emerging” and developing countries, up to September 2009 education employment continued to grow, albeit more slowly than in the first half of 2009. Compared to the same period in 2008, employment in education registered an overall increase of 1.1 per cent in these countries. Education employment growth between 2008 and 2009 was strongest in Asia and the Pacific (China and India not included) at 3.6 per cent. Growth in Europe was at the average of all regions. Growth was negative for the first time in nine countries of the Americas for which information is available, confirming previous trends (see figures 3 and 4 above and tables 2.1–2.3 in the appendix for countries covered).
20. While overall employment of men in the sector stagnated at the end of 2008 and in the first half of 2009, that of women continued to progress marginally (by over 2 per cent), largely due to employment growth in European countries.¹⁵ Such figures may reflect policy decisions to protect core teaching positions, where women are largely dominant. Overall, the education sector components of stimulus packages put into place in many high-income countries in particular no doubt contributed to protecting education sector jobs.
21. Such support also has its limits. In the United States, between 15 and 20 per cent of the 2009 stimulus package went to support teachers directly or indirectly (mainly in support of state and local school district public financing). Statistics from December 2009 show a small gain in overall employment in education services compared to the previous year, underpinning key principles of the Global Jobs Pact, notably encouraging protection and growth in employment through quality public services. However, the statistics also show a slight drop in local government employment in education and a significant increase in unemployment in the combined sectors of education and health from 3.8 to 5.6 per cent since December 2008.¹⁶

¹³ Education for All: *Reaching the marginalized*, EFA Global Monitoring Report 2010, UNESCO, Paris, and Oxford University Press, London, 2010.

¹⁴ S. Jouko: *Implications of the Global Recession on Quality, Equity and Financing of Education in Asia and the Pacific*, Paper for the Conference on the Impact of the Global Economic Slowdown on Poverty and Sustainable Development in Asia and the Pacific, Hanoi, 28–30 September 2009.

¹⁵ ILO: *Sectoral coverage of the global economic crisis: Trends in employment and working conditions by economic activity: Statistical update*, Sectoral Activities Department, Geneva, June 2009.

¹⁶ US Department of Labor: *The Employment Situation – December 2009*, Bureau of Labor Statistics, Washington, DC, Jan. 2010.

22. Currently available reports suggest that, while there has not been a dramatic fall in education employment across the board, certain countries, areas within countries (local government), levels of education, types of schools (private schools dependent wholly or partly on student fees) and types of jobs (non-teaching) are beginning to feel the effects of the continuing recession and reduced public investment or private spending capacity.
23. Most countries facing heavy indebtedness have been obliged to implement the largest employment reductions or freezes. From September 2008 to September 2009, education employment in Bulgaria fell by more than 10 per cent, in Iceland by 6 per cent and in Romania by almost 5 per cent. Education employment in Ireland, Latvia and Lithuania remained stable during this period. However, Ireland announced additional primary teacher posts beginning in 2010, despite budget reductions affecting salaries and benefits (see below), while Hungary increased employment in the sector by 4 per cent between 2008 and 2009. Other countries have similarly increased employment in education, for instance by close to 5 per cent in Poland and Portugal, by more than 5 per cent in the Czech Republic and Denmark, by 6 per cent in Thailand and by more than 10 per cent in Malaysia and the United Kingdom. Such examples underpin the importance of Global Jobs Pact recommendations on employment protection and growth linked to provision of public services of general interest to the society. At the same time, countries less affected by severe public financing constraints have reduced education sector employment, notably by nearly 4 per cent in France and 6 per cent in Norway. These varying national trends suggest that national policy choices to favour educational investments and consequent employment or not are as important as the overall public fiscal picture.
24. Employment has also been affected at certain levels, for example higher education. Despite the United States stimulus package, which provides financial support to state and local budgets, most states cut programmes in 2009 resulting in 80 per cent of public universities reporting in a survey that they had reduced either temporary or permanent staff positions while 50 per cent had actually laid off staff rather than simply reducing vacant posts.¹⁷

Effects on decent work parameters in the sector are mixed

25. The data available to the Office indicates a lengthening of working hours in education by an average of 0.6 hours by the second quarter of 2009. The available information does not provide enough information to understand why there has been an increase in the selected countries though it may reflect increased working time particularly in non-teaching jobs as employment in these categories has become more restricted.
26. Salaries in education have been affected differently by country. Countries facing high indebtedness¹⁸ and public financing constraints have imposed sometimes drastic cuts. Teachers' salaries in Latvia were slashed by 25 to 30 per cent in September 2009 but the Government later announced its intention to increase the financing of the teachers' salary

¹⁷ C. Keller: *Coping Strategies of Public Universities during the Economic Recession of 2009: Results of a Survey on the Impact of the Financial Crisis on University Campuses*, Association of Public and Land-Grant Universities, Washington, DC, Nov. 2009.

¹⁸ Education International: *Education: The Cost of the Crisis: A study on the effects of loans from international financial institutions on the education sector in Central and Eastern Europe and Central Asia*, Brussels, Aug. 2009.

bill to restore salaries and bonuses.¹⁹ Teacher salary cuts due to the recession and government budget cuts in Estonia in 2009 reduced salaries to 2008 levels.²⁰ Teachers along with other public sector workers in Ireland have experienced salary reductions of 5–10 per cent beginning January 2010.²¹

27. Countries not affected by severe public debts or those applying stimulus packages to education have generally not experienced drastic salary cuts. In the United States, there have been slight gains (1.8 per cent) in weekly earnings in education and health services in the year between December 2008 and 2009.²²
28. Fears were expressed at the outset of severe effects on education sector pensions, and in some countries, such as Peru, pension levels were indeed frozen despite considerable increases in the cost of living,²³ but there is no evidence that such fears have become reality on a large scale.

Social dialogue and the recession – Applied successfully in some countries, but not all

29. The Global Jobs Pact calls for engaging in social dialogue through tripartism and collective bargaining between employers and workers to work out constructive and sustainable responses to the current recession. A number of countries have followed such advice, although negotiations and other social dialogue mechanisms are not consistently applied and have failed to achieve results in some cases. Negotiations between municipal authorities and trade unions in Estonia have led to preserving pre-recession salary levels instead of their reduction to 2008 levels.²⁴ Similar negotiations on wage freezes in Croatia reportedly led to a compromise for a wage increase in 2010. Following negotiations in Nigeria planned 2009 salary increases were maintained, despite a worsening economic situation, and a national employment summit in which the teachers' union participated called for investment in sectors favouring economic growth, including education.²⁵ In Ireland on the other hand, teacher unions contend that the Government broke off negotiations over a public sector budget package and unilaterally imposed pay cuts on workers in December 2009.²⁶

¹⁹ N. Kolyako: “Teachers’ salaries in Latvia to be cut by half as of September” in *Baltic Course*, Riga, June 2009 and “Teachers’ salaries in Latvia will be raised 30 per cent in 2010” in *Baltic Course*, Riga, Oct. 2009.

²⁰ *Estonian Education Personnel Union: The salaries of teachers in Estonia in year 2009*, Tallinn, Jan. 2010.

²¹ Department of Finance: *Summary of 2010 Budget Measures Policy Changes*, Government of Ireland web site (accessed Jan. 2010); Irish National Teachers’ Organization: *Effect of public service salary reductions at various pay levels*, web site (accessed Jan. 2010).

²² US Department of Labor: *Real Earnings – December 2009*, Bureau of Labor Statistics, Washington DC, Jan. 2010.

²³ ILO: SECTOR Note, op. cit.

²⁴ Estonian Education Personnel Union, op. cit.

²⁵ ILO: SECTOR Note, op. cit.

²⁶ “Teacher unions rule out return to talks on change”, Joint statement of four teachers’ unions, press release in the Irish National Teachers’ Organisation web site, 12 Dec. 2009.

Looking to the future: Continued recession and large public deficits are likely to impact education significantly in the years ahead

30. If the recession continues, the effects on education are likely to deepen. United States tertiary institutions are deeply pessimistic about future budget cuts and fiscal solvency of institutions, employment and core work in the coming 18 months. Projections for developing countries in Africa in the Education for All Global Monitoring Report 2010 suggest that a continued and prolonged recession in a context of already high public deficits will likely oblige local and national education authorities to further restrict education spending, affecting sectoral employment and teaching and learning conditions. Paradoxically, economic recessions tend to encourage individuals to prolong study, thereby increasing demand, and to seek more secure employment opportunities as teachers, thereby increasing recruitment possibilities. At the same time, the shortfall in public revenues and financing is likely to force restrictions on employment of education sector workers, their terms of employment, infrastructure and subsidies for access of poor children.

Health services sector

Effects of the recession have prompted cuts in health services' spending in some countries

31. Despite resilience in health expenditures in most countries, the crisis has led to cuts in some. Lithuania, Hungary and Romania announced reductions in projected health expenditures for 2009.²⁷ Latvia's 2009 health-care budget was cut by 21 per cent in comparison with the 2008 budget. Ireland is proposing to decrease health expenditure by 4.9 per cent in 2010 after years of consistent increases.²⁸ The OECD has recommended that Iceland reduce health expenditures to make public financing more sustainable after the collapse of the banking system.²⁹ Several African nations have also indicated that public health expenditures would be reduced. Previous crises in countries such as Indonesia, Thailand, and Russia have shown that, once national health budgets are reduced, it takes several years to reinstate per capita public health spending to pre-crisis levels.³⁰
32. Countries that maintain the proportion of total public spending or GDP earmarked for health services may still be unable to sustain public health services as the national economy shrinks. World Bank analysis of previous crises (Argentina in 2001 and Indonesia in 1997) indicates that real health expenditures may fall due to a combination of reduced revenue, currency devaluation and decreases in development assistance.³¹ An increasing number of countries is dependent on foreign assistance to supplement health-

²⁷ World Health Organization Regional Office for Europe: *Health in times of global economic crisis: Implications for the WHO European region*, Background paper, 2009.

²⁸ Irish Ministry of Finance: *Estimates for Public Services and Summary of Public Capital Programme*, web site (accessed Jan. 2009).

²⁹ OECD: *Economic Survey Iceland*, 2009.

³⁰ P. Gottret et al: *Protecting Pro-Poor Health Services during Financial Crises: Lessons from Experience*, World Bank, Health Nutrition and Population, Apr. 2009.

³¹ *idem*.

care budgets.³² If developed countries and charitable foundations scale back development assistance for health programmes, social health protection will be reduced.

33. On the other hand, some fiscal stimulus packages have earmarked health expenditures. China reported in 2009 that it would spend a portion of the more than US\$586 billion economic stimulus funds in support of public health and education in rural areas.³³ The Government of India announced plans to introduce new social protection measures including health, disability and life insurance for workers in the informal economy. Japan's increased spending on social welfare and public health was expected to reduce elderly health insurance premiums for low-income citizens and support designated hospitals.

The health sector has not suffered widespread job losses

34. The Global Jobs Pact encourages countries to maintain commitments to sustainable social protection systems and to provide a social protection floor that includes access to health care with minimum benefit guarantees. The extent to which the financial crisis will impact health workers depends upon each government's health-care budget allocations. Typically, the health workforce comprises the largest portion of the national health-care budget, at around 42 per cent.³⁴ In some developed countries health worker salaries reach 60 per cent of health-care spending.
35. Unlike other sectors, aggregate health services employment levels have continued to increase when compared with pre-crisis levels. Compared to the same period in 2008, employment in health services registered an overall increase of 2.3 per cent (see figure 3 above). Health services employment was strongest in Asia and the Pacific (China and India not included) at 6.2 per cent, gains also continued in Europe and the Americas at 2.3 per cent, although the rate of increase was slower than in previous quarters (see tables 2.1–2.3 in the appendix). The increase in health-care jobs depends on a number of complex factors driving the demand for health services. Moreover, aggregate levels do not show the entire picture. In some countries or regions, health facilities have terminated contracts of temporary or non-union health workers and frozen current staffing levels, leaving vacancies unfilled. The Latvian Ministry of Health responded to significant budget cuts by reorganizing several state health agencies and health facilities, reducing a number of administrative and clinical jobs.³⁵

Working conditions have been deteriorating for many years

36. The recession is yet another factor putting pressure on ministries of health to make tough decisions about how to allocate health services funding. To address the loss of public revenue the Estonian Ministry of Health adopted a number of reforms, such as increasing

³² Development assistance for health increased from US\$2.5 billion in 1990 to US\$13 billion in 2005. WHO: *Aid Effectiveness and Health*, Working Paper No. 9, series Making Health Systems Work, WHO/HSS/healthsystems/2007.2, Geneva, 2007.

³³ S. Khatiwada: *Stimulus packages to counter global economic crisis: A review*, Discussion Paper Series No. 196, ILO International Institute for Labour Studies, 2009.

³⁴ WHO: *Working Together for Health: World Health Report 2006*, Geneva.

³⁵ "Latvian healthcare sector hit by recessionary cutbacks", European Industrial Relations Observatory Online, 26 Oct. 2009.

working hours for clinical health staff, prompting fears of another wave of health-care worker migration.³⁶ Some countries have reduced doctors' contractual payments or have frozen the salaries of both hospital administrators and doctors.³⁷ At state hospitals in Hungary and Bulgaria salary levels of health workers have been frozen across the board.³⁸ In Iceland and some parts of the United States, nurses have lost opportunities for overtime, on-call or night shift premiums and have been encouraged to pick up additional regular hours or delay retirement. Nurses who have increased their working hours may have become the primary breadwinner for the household as unemployment rates in other sectors increase.³⁹ The Irish Nurses and Midwives Organization estimates that announced cuts in civil servants' wages would result in a 14 per cent reduction for low- and middle-income nurses and midwives.⁴⁰

The decent work gap for health workers undermines the provision of social health protection

- 37.** The health workforce shortage limits governments' capacity to provide social health protection. Calculations based on the ILO Global Staff Related Access Deficit Indicator reveal that one third of the global population has no access to health care due to gaps in the health workforce.⁴¹ In countries such as Burkina Faso and Uganda, the staff-related access deficit amounts to, respectively, 85 and 78 per cent of the population. Such staff deficits are closely correlated to human development. As a general rule, the higher the staff deficit, the lower the measured level of national development and the higher the levels of poverty.
- 38.** The Global Jobs Pact emphasizes that international labour Conventions and Recommendations promote better working conditions for all workers. Decent working conditions for the health workforce are essential to improve the quality of, and access to, health services. Due to the higher risk of exposure to communicable diseases and hazardous substances, health workers must receive priority access to health services and income protection. Reducing the decent work gap for health workers and increasing the fiscal space for health service investments could significantly improve health services and social health protection, thereby at least partially alleviating the negative social impacts of the current crisis.
- 39.** Addressing the decent work gap for health workers also requires challenging the largely sex-segregated nature of the sector. In many countries, men occupy a very small percentage of nursing positions while they fill most leadership roles. The health workforce

³⁶ Health Policy Monitor: *Health policy in times of crisis: Challenge and opportunity*, Bertelsmann Stiftung, Dec. 2009; "Estonian healthcare workers protest against cuts in spending", European Industrial Relations Observatory Online, press release, 16 Dec. 2009.

³⁷ E.B. Frindinnskottir and J.A. Jonsson: "The Impact of the Economic Recession on Nurses and Nursing in Iceland", Iceland Nurses Association, 2009 (unpublished draft); J. Avery and K. Evans: *Recession Now Hits Jobs in Health Care*, FiLife online, 13 Apr. 2009.

³⁸ WHO Regional Office for Europe, op. cit.

³⁹ Iceland Nurses Association and K. Darc: "Recession temporarily eases nursing shortage; staffing levels frozen, older workers stay put", in *San Diego Union Tribune*, 8 May 2009; and J. Dorschner: "Hospitals cutting back", in *The Miami Herald*, 6 June 2009.

⁴⁰ Irish Nurses and Midwives Organization, Press Release, 9 Dec. 2009.

⁴¹ ILO: *Social Health Protection. An ILO strategy towards universal access to health care*, Paper No. 1, Social Security Policy Briefings, Geneva, 2008, figure 4.5, p. 27.

would benefit from programmes to eliminate discrimination and reduce sex segregation of health workers both at the bedside and in managerial functions.

Social dialogue mechanisms have in some cases limited negative impact on services and workers but the record is mixed

40. The Iceland Nurses Association participated in the negotiation of a stability pact between workers, employers and the Government in 2009. As a result nurses will not be getting pay increases but will have a greater chance of protecting existing jobs and working conditions.⁴² The Association has also proposed that the Ministry of Health establish a task force to consider and propose health sector reform options to maintain system functions during the short term and to reconstruct health services after the recession. Latvia's Trade Union of Health and Social Care Workers participated in social dialogue regarding the budget cuts in health care but the social partners failed to reach consensus on working conditions in the sector.⁴³ The failure of social partners to resolve problems facing health workers reflects the difficulty and complexity of the current challenges.

Trends in health services suggest even greater challenges for the health workforce in the future

41. The economic crisis has hit the health services sector during a time of ongoing transformation. Globally, demand for human resources is increasing due to trends such as ageing populations, long-term chronic disease management and the difficulty of treating communicable diseases such as HIV/AIDS and influenza H1N1. The chronic shortage and inequitable distribution of health workers has been a global challenge for many years. The long-term projections for the retirement of the "baby boom" generation and longer life expectancies in many countries suggest that in many countries demand for health workers will continue to increase while shortages persist. In Iceland one quarter of the nurses is between 55 and the retirement age of 64.⁴⁴

Public administration

The recession has generated increased demand for government intervention and public services at the same time as it has reduced governments' capacity to respond

42. Many economic stimulus packages have included public employment as an objective, but the decline in economic activity has reduced government revenue and the ability of individuals to pay for services. National treasuries have had to address crises in many sectors and have been stretched to meet essential service and pension obligations. At the same time, demand for public services has increased in order to offset loss of employment and lower personal income.

⁴² Frindinnskottir and Jonsson, op. cit.

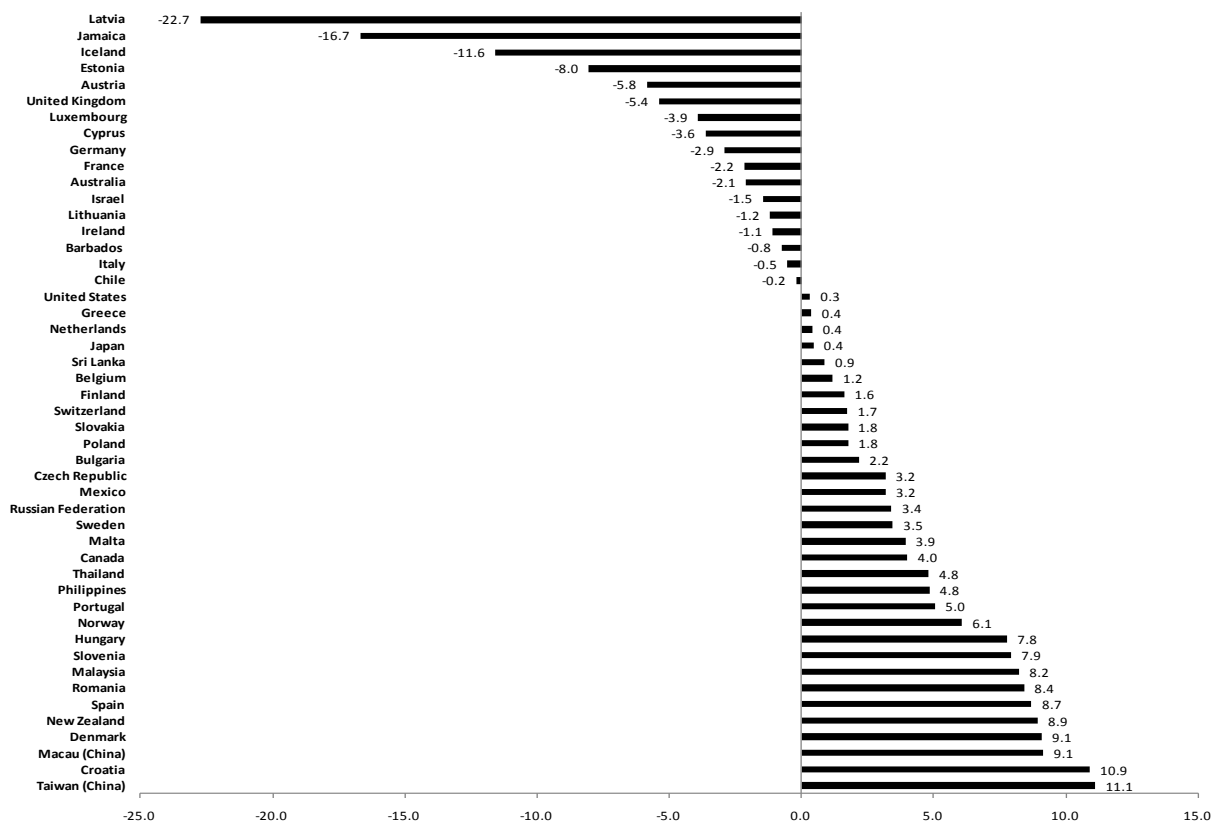
⁴³ "Latvian healthcare sector hit by recessionary cutbacks", European Industrial Relations Observatory Online, 26 Oct. 2009.

⁴⁴ Frindinnskottir and Jonsson, op. cit.

The recession has had an uneven impact on employment in public administration

43. Public administration is one of the largest sectors for formal sector employment in almost all countries. Recent data show that it accounted for almost 43.4 million workers in 42 countries with available data in the third quarter of 2009. Between September 2008 and September 2009, almost a quarter of the measures taken by 52 governments included increases in public employment.⁴⁵ Employment in public administration in 49 countries and regions within countries with available data ranged from a gain of 11.1 per cent in Taiwan (China) and of 10.9 per cent in Croatia to a drop of 23.8 per cent in Latvia (figure 7). The average increase of 1.1 per cent shows a slower pace of growth than observed in the year before June 2009. Public sector employment decreased in 17 of these countries, most of which also reduced public budgets considerably. Eleven countries increased employment in public administration during the year but decreased in the last quarter, some after exhausting their fiscal space for stimulus hiring; five other countries behaved the opposite way, possibly driven by increased demand for services. The Global Jobs Pact confers priority attention to employment promotion and creation through, among other approaches, provision of quality public services. As seen in the examples below, many governments have used public employment as a means to achieve this. However, since many social, political and economic factors influence public employment, not every fluctuation is attributable to the current crisis.

Figure 7. Public administration: Percentage change in employment from 2008 to 2009 Q3 (selected economies)

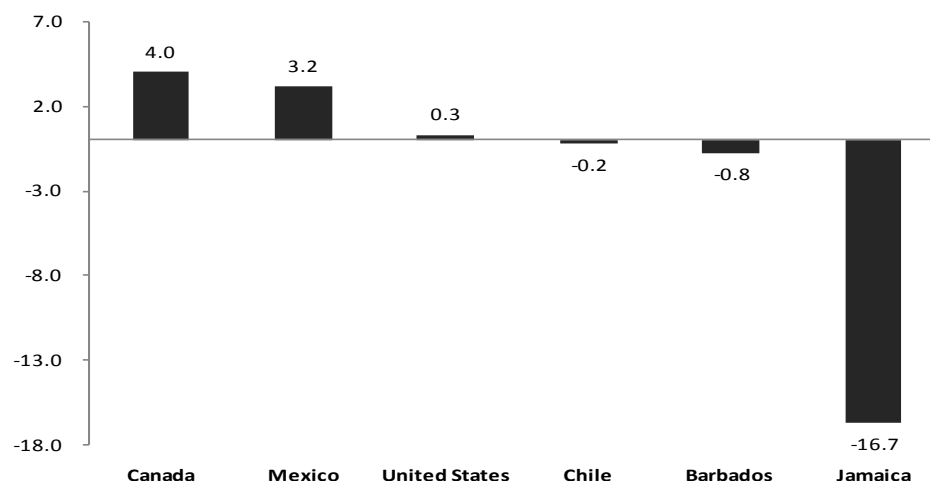


Source: National Labour Force Surveys and official estimates of each country. Data for EU countries are provided by Eurostat.

⁴⁵ ILO: *Protecting people, promoting jobs: A survey of country employment and social protection policy responses to the global economic crisis*, an ILO report to the G20 Leaders' Summit, Pittsburgh, 24–25 September 2009.

44. Five of the six countries sampled in the Americas increased employment in public administration. This did not necessarily result from countercyclical measures since the same trend was also observed in 1995–2008, except in Mexico. However, government employment growth slowed down or was reversed in the United States (where state and local governments have reduced expenditures), Barbados, Chile, Canada, Jamaica (figure 8) and the main metropolitan areas in Brazil.⁴⁶ Mexico has recently laid off public employees while the Dominican Republic attempted to develop labour-intensive employment opportunities.

Figure 8 Public administration: Percentage change in employment in the Americas Q3 2008–09 (selected economies)



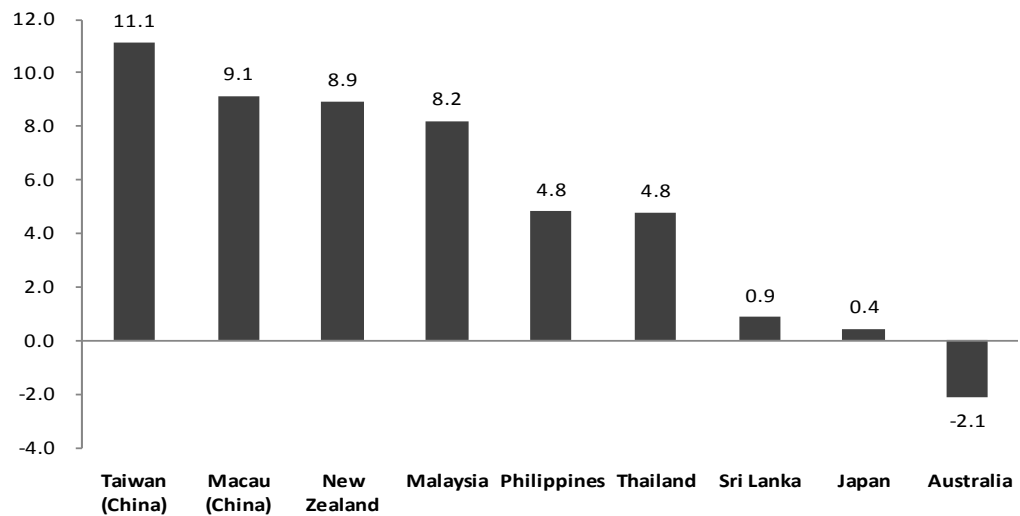
Source: National Labour Force Surveys and official estimates of each country.

45. In 1995–2008 most of the countries in Asia and the Pacific increased public employment, and six of the seven selected countries and Hong Kong (China) and Taiwan (China) did so in the year ending in September 2009 (figure 9). Japan has faced a decade of slow economic growth, but its central Government offered financial support to local governments hiring jobseekers. Bangladesh, China, India, Indonesia, Nepal and Pakistan included measures to increase public employment in their stimulus packages. Only Australia and Israel continued reducing their payroll during the third quarter. This could be a sign of recovery of public finances in other countries, although the Government of Kazakhstan imposed a hiring freeze in 2009. Thailand also recovered in the third quarter from a reduction in the previous quarter. The International Institute of Labour Studies has reported that, in some Middle Eastern countries, “the relatively large share of public sector employment in total employment has buffered the negative effect of the crisis on employment”.⁴⁷

⁴⁶ Official estimates: Instituto Brasileiro de Geografia e Estatística (IBGE).

⁴⁷ International Institute of Labour Studies: “World of work 2009: Snapshot of the Middle East”.

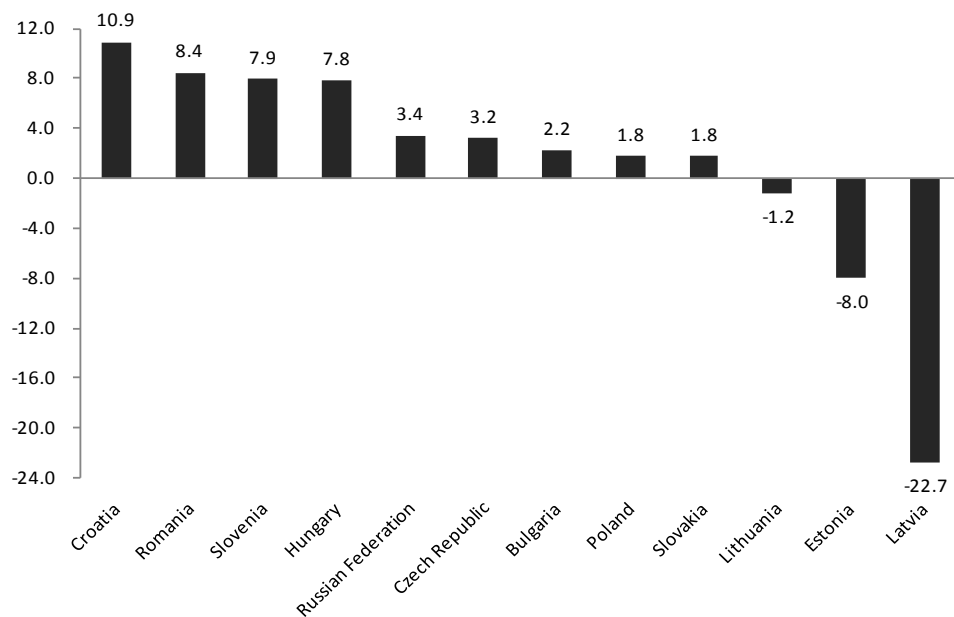
Figure 9. Public Administration: Percentage change in employment in Asia and the Pacific Q3 2008–09 (selected economies)



Source: National Labour Force Surveys and official estimates of each country.

- 46.** In 1995–2008, every country in Eastern Europe except Hungary reduced public employment. Nonetheless, employment increased in 75 per cent of the countries of this region (where data are available), including in countries of the Commonwealth of Independent States, but four of them reversed part of the increase during the third quarter of 2009 (figure 10). The region is one of the worst hit by the crisis, which has affected public finances, forcing several countries to look for international loans. As a result, seven of the countries reduced public employment in the third quarter of 2009, five of which had increased employment in the previous three quarters. Hungary, Romania and Serbia increased public employment as a countercyclical measure.

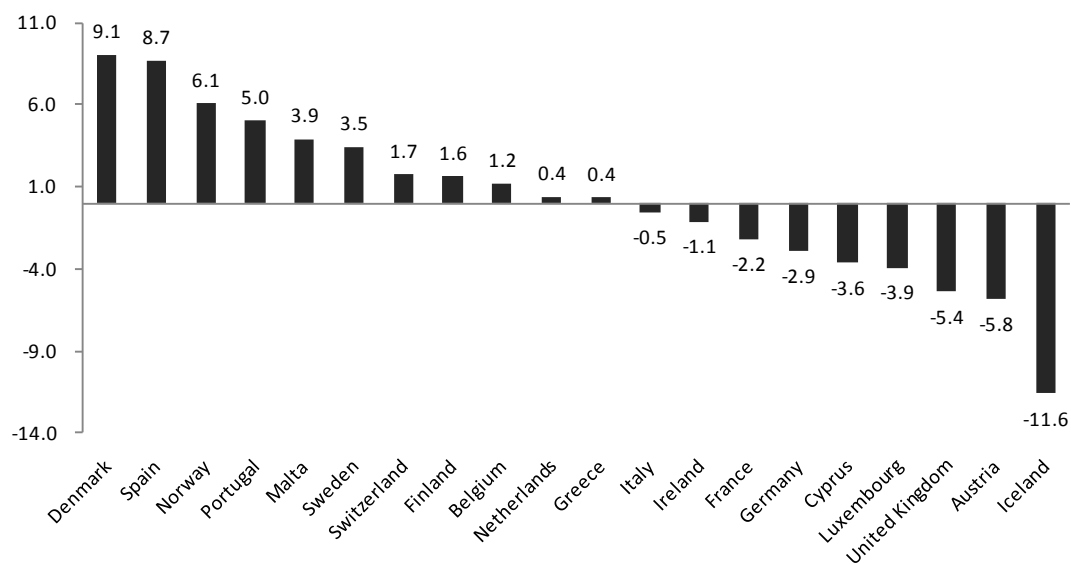
Figure 10. Public administration: Percentage change in employment in Eastern Europe and the Commonwealth of Independent States Q3 2008–09 (selected economies)



Source: National Labour Force Surveys and official estimates of each country. Data for EU countries are provided by Eurostat.

47. In 1995–2008, ten of 13 countries in Western Europe for which data are available increased public employment. In 2009, 55 per cent of the countries did so (figure 11), some to stimulate the economy while others reduced employment to reduce spending. The changes ranged from a 9.1 per cent countercyclical increase in Denmark to an 11.6 per cent decrease in Iceland, which faced a severe economic downturn and obtained an IMF loan. It is reported that the Irish Government may cut as much as 5 per cent of public employment while the United Kingdom may cut up to 380,000 jobs by 2015. Four of the countries that increased employment in the year started reducing it in the third quarter, but five of those that reduced employment in the year reversed course in the third quarter.
48. Despite limited data availability from Africa, there are reports that show signs of stress in public administration employment. For instance, Ghana has announced plans to freeze net hiring in public administration to comply with conditions for a US\$300 million loan. On the other hand, South Africa increased public employment as part of its stimulus package.

Figure 11. **Public administration: Percentage change in employment in Western Europe Q3 2008–09** (selected economies)



Source: National Labour Force Surveys and official estimates of each country. Data for EU countries are provided by Eurostat.

The crisis has also affected public sector salaries and pensions unevenly, but not hours of work

49. In terms of salaries, while Latin American governments tended to increase wages, Western European governments tended to freeze them to allow for fiscal space and Eastern European governments tended to reduce them to obtain international loans (table 1). Since public administration is a high-multiplier sector, its wage levels influence effective demand, which the Global Jobs Pact promotes as a way to accelerate jobs recovery.

Table 1. Changes in public administration salaries, selected countries

Country	Salary increases	Salary reductions	Salary freezes	Reduced increases
Argentina	X			
Australia	X			X
Plurinational State of Bolivia	X			
Botswana				X
Bosnia		X		
Brazil	X			
Canada	X			
Chile	X			
China			X	
Croatia		X		
Cyprus	X			
Dominican Republic	X			
Estonia		X		
Greece			X	
Ireland		X		
Jamaica			X	
Latvia		X		
Lithuania		X		
Mexico		X		
Moldova			X	
Peru	X			
Russian Federation	X			
Serbia			X	
Spain				X
Sweden			X	
Thailand		X		
Ukraine	X			
United Kingdom			X	
United States local governments		X	X	X

50. Some austerity measures have been carried out by means other than monthly salary reductions. In Ireland, a new pension levy reduced net pay, and a proposed pay schedule review may diminish pay levels. Greece initially compensated partly for its salary freezes by giving allowances to specific categories of employees, but has announced reductions in 2010. The Dominican Republic and Peru increased Christmas bonuses for 2009, instead of raising wages. Local governments in the United States and Australia have reduced employment, while their federal counterparts increased it.

51. Concerning pensions, contributions have shrunk as a result of the decline in employment and wage levels in the wake of the crisis. The crisis has also affected public pension investments, including personal savings for retirement. In Serbia, the Government agreed with the IMF to freeze pensions until 2011. Retirement incomes are especially in jeopardy for workers who must retire before the recovery, who lack a pension scheme or whose pensions are not adjusted to the fluctuations of wages and prices. The Global Jobs Pact encourages “providing minimum benefit guarantees in countries where pension or health funds may no longer be adequately protected and considering how to better protect workers’ savings in future scheme design”.
52. In terms of hours of work, the data available concerning 39 countries indicate a shortening of the working week in public administration by an average of 0.04 hours by the third quarter of 2009, which is not significant in relation to overall hours in this sector. However, local governments in the United States are currently implementing or considering plans to schedule days without pay in lieu of lay-offs.

The public sector has used social dialogue and other measures to mitigate the impact of the crisis, with mixed results

53. Several countries adopted social dialogue measures to confront the crisis. In Croatia, Germany and Slovenia, government and workers’ representatives reached wage agreements to address the effects of the crisis. In Latvia and Romania, attempts to reach agreement failed and governments enacted unilateral measures. In the Dominican Republic, the Government organized a summit meeting during which business, civil society, Government and workers discussed measures to preserve jobs and to ensure social protection. In the United States, public sector unions at the state and local levels have made concessions in collective bargaining. In Botswana, where collective bargaining takes place, unions toned down their demands for salary increments during 2009.
54. Some countries have also used the public services to alleviate unemployment in other sectors. Ukraine established a nationwide public works programme to provide job opportunities to the unemployed. Hungary established a retraining programme which required long-term unemployment insurance beneficiaries to participate in public works. Kenya emphasized enhanced training for public servants in place of dismissals. These training programmes invest in skills development, skills upgrading and reskilling to improve employability as proposed by the Global Jobs Pact.

The public sector faces strong challenges in the recovery from the crisis

55. A recent ILO working paper reached a number of conclusions regarding the future of public administration, notably that public sector workers could face freezes or even wage cuts for the next several years in the context of the negative impact of huge stimulus packages on public finance, spiralling budget deficits and public sector pay continuing to account for an important part of public spending.⁴⁸ The consequences would be particularly important in countries where public servants are not protected by collective bargaining rights. The Asian Development Bank has suggested that governments should

⁴⁸ L. Rychly: *Social dialogue in times of crisis: Finding better solutions*, Working Paper No. 1, Industrial and Employment Relations Department, ILO, May 2009.

expect to reverse stimulus spending in order to enhance its impact.⁴⁹ Should such prospects materialize, social dialogue will be essential for governments and social partners to manage social conflict and avoid breakdowns in services.

Tourism⁵⁰

The tourism industry is one of the world economy's fastest growing sectors

56. In 2008, international tourist arrivals reached 922 million and receipts grew by 1.7 per cent to US\$944 billion.⁵¹ Tourism generates more than 9 per cent of global GDP. It accounts for more than 220 million jobs, representing between 6 and 7 per cent of the overall number of jobs (direct and indirect) and more than 75 million direct jobs worldwide in the formal economy.⁵² The sector is a leading contributor to export earnings and offers significant opportunities in the areas of employment creation, sustainable development, economic diversification, poverty alleviation, investments, enterprise creation and local empowerment.⁵³

The tourism and travel industry was not immune to the impacts of the global recession

57. Travel and tourism demand is strongly related to economic conditions in developed and emerging countries – a growing economy will generally produce an increase in trade and tourism spending. Following several years of consecutive growth, a decline in international tourism began in the second half of 2008 and intensified in 2009. A sharp decrease in tourist flows, shorter stays, restrictions on business travel expenses and the restraint of spending at destinations led to a significant contraction of economic activity across regions. While tourist arrivals remained stable in Africa, they fell dramatically in the Middle East (see figure 12). The increase in unemployment, weak consumer confidence, market volatility, and strong reductions in household wealth contributed to this trend.

⁴⁹ P.C. Padoan: *Fiscal Policy in the Crisis: Impact, Sustainability and Long-Term Implications*, Working Paper Series No. 178, Asian Development Bank Institute, Dec. 2009.

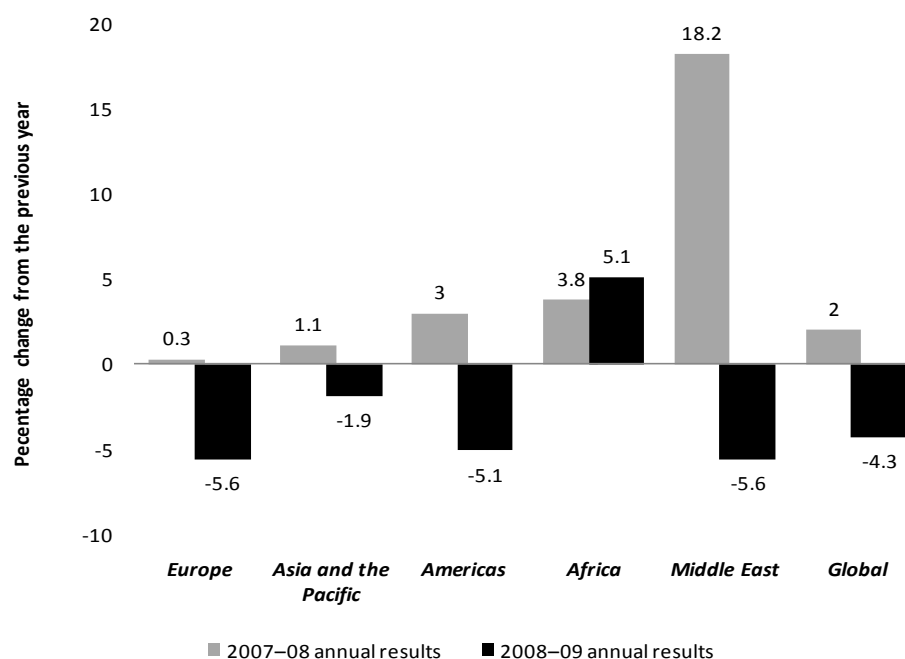
⁵⁰ This sector includes hotels, catering and tourism. For the purpose of this section, the analysis focuses on the employment impact of the crisis on the subsectors hotels and restaurants.

⁵¹ In 1950 the travel industry recorded 25 million; in 1980 there were 277 million international tourist arrivals. UNWTO: *Tourism Highlights*, 2009 edition.

⁵² UNWTO: *Roadmap for Recovery, Tourism and Travel*, Sep. 2009.

⁵³ See also Bolwell, Dain and W. Weinz: *Reducing poverty through tourism*, Working Paper No. 266, Sectoral Activities Department, ILO, Geneva, Oct. 2008.

Figure 12. Regional international tourist arrivals



Source: UNWTO: *World Tourism Barometer*, Vol. 8, Jan. 2010.

58. The United Nations World Tourism Organization (UNWTO) has reported that worldwide international tourism arrivals declined by 4 per cent to 880 million in 2009 (figure 12). Following the negative trend during the first three quarters of 2009, revenues from international tourism are projected to have diminished by 6 per cent in 2009.⁵⁴

Employment has shown greater resilience in the sector compared to other industries ... but in general working hours and remuneration declined

59. The sector has traditionally faced problems related to: the high rate of part-time, temporary, casual and seasonal employment; irregular working hours, comparatively low pay, little job stability, poor career prospects and consequently high turnover; and the high and increasing rate of subcontracting and outsourcing, with its potential implications for working conditions.⁵⁵
60. The crisis has had a significant, regionally distinctive impact on global employment in hotels and restaurants (see figure 13). On a global level a strong improvement is seen between the second quarter of 2008 and 2009. However, the third quarter of 2009 compared to the same period in 2008 clearly shows a slowdown. The Americas were most affected, although a slight recovery is apparent in the third quarter. The most resilient region appears to be Asia and the Pacific. Its positive employment development has led to an increase at the global level between the second quarter of 2008 and that of 2009. The labour market in Europe has shown signs of recovery. The recent European increase and the high employment rate in Asia and the Pacific likely result from the existence of

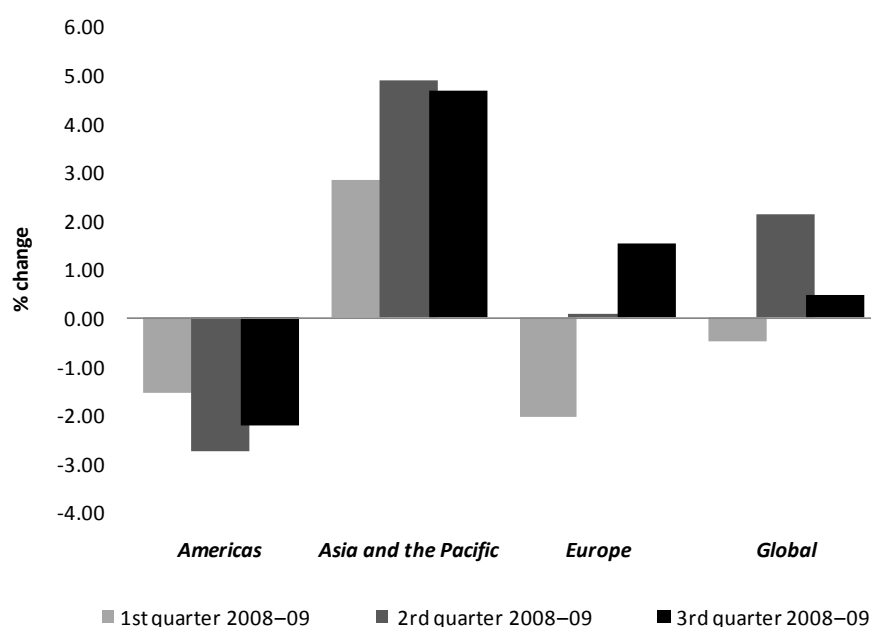
⁵⁴ UNWTO: *World Tourism Barometer*, Vol. 8, Jan. 2010.

⁵⁵ See also ILO: “Tourism labour standards and their contribution to gender equality”, presentation at www.ilo.org/public/english/dialogue/sector/sectors/tourism/emp-tourism.htm.

temporary, casual, seasonal or part-time contracts in the sector, from improvements in domestic and regional tourism,⁵⁶ as well as from specific government measures aimed to limit the impact of the crisis.

61. The impact of the crisis has been unequally distributed between male and female workers – worldwide, women are nearly twice as likely to be employed in the sector as men. In contrast to many other industries, the female share of total employment tends to be relatively high: women make up between 60 and 70 per cent of the labour force in the sector.⁵⁷ This obvious dissimilarity between men and women could be due to the typically high quantity of part-time, temporary, casual and seasonal employment in the sector for female workers, which is especially present in times of crisis. The significant employment rise in Asia and the Pacific could also be explained by a more rapid increase of female employment. The employment rate of women increased from 362,200 to 615,100 between the first half of 2008 and that of 2009, while male employment grew from 178,000 to 224,500 during the same period.

Figure 13. Regional percentage change in employment in hotels and restaurants (selected economies)⁵⁸



Source: National Labour Force Surveys, official estimates of each country and Eurostat.

62. The industry relies substantially on consumers' disposable incomes. Given the severity of the crisis, many people reduced non-essential living expenses, or postponed their travel plans. The UNWTO reports that overall unemployment is expected to rise in many countries in 2010. However, a full recovery is not foreseen to take place before 2013 with

⁵⁶ Especially in China and India, having a core and expanding domestic market.

⁵⁷ ILO: *Gender*, Issues Brief, Sectoral Activities Department, Geneva, 2009.

⁵⁸ Selected economies include: Australia, Hong Kong (China), Japan, Macau (China), Malaysia, New Zealand, Philippines, Singapore, Sri Lanka, Taiwan (China), Thailand, Barbados, Canada, Jamaica, Mexico, United States, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, Israel.

emerging economies playing a key role. The global situation, including a delayed impact of the crisis on tourism, might also have a lagging effect on tourism revenues and profits. Further research on employment is required in order to obtain a more precise conclusion on employment development, especially concerning lay-offs depending on contract types (seasonal, temporary, casual/full time).

63. Impact on working hours and remuneration has been variable. In most OECD countries the average weekly working hours declined by -0.4 per cent between the first quarter of 2008 and that of 2009 and by -0.3 per cent between the second quarters of the same years, enabling firms to reduce lay-offs in the sector. Based on the available information, average monthly earnings decreased significantly between the third quarters of 2008 and 2009 in Thailand (-7.37 per cent), while the impact was less strong in Singapore (-2.89 per cent), United Kingdom (-0.67 per cent) and the United States (-0.52 per cent). Average monthly earnings grew in Canada (+0.27 per cent) and considerably in Australia (+6.37 per cent).⁵⁹

Strengthening aggregate demand through public-private partnerships ... in some cases launching training and skills development programmes

64. Tourism can be a key driver of economic recovery, especially because of its linkages to other economic sectors. It acts more to mitigate than to amplify the economic crisis. Moreover, over the past few years sustainable tourism has become synonymous with opportunities for growth, employment and reduction of sales costs. It could become a way to innovate and create competitive advantages for those companies and destinations able to transform the concept into new modes of operation and management.⁶⁰
65. Countries have been active in implementing response measures to strengthen aggregate demand in the field of marketing and destination promotion and in the field of public-private partnerships.⁶¹ Since the beginning of 2009 countries predominantly carried out monetary and fiscal measures, followed by travel facilitation proceedings. Also in line with the Global Jobs Pact recommendations some governments have launched small and medium enterprise programmes (for example New Zealand's "Small Business Relief Package") or implemented training and skills development programmes (for example, Greece, Malta and Singapore) to maintain jobs and train staff during periods of reduced working time. Pro-active human resources or employment measures and environmental or regional cooperation measures have been implemented to a limited extent.⁶²

Social dialogue initiatives encouraging cooperation and policy coherence

66. Although the industry historically has not been strong on social dialogue, recent joint statements or agreements between the ILO and international partners could point the way

⁵⁹ National Labour Force Surveys, official estimates of each country and Eurostat (working hours only).

⁶⁰ See also World Economic Forum: *The Travel and Tourism Competitiveness Report 2009*.

⁶¹ "Committed to Tourism, Travel and the Millennium Development Goals, Tourism and the G20", in *UNWTO NEWS*, magazine of the World Tourism Organization, Year XXIII, Issue 2/2009. A complete database on national stimulus measures for the tourism sector is available at the UNWTO web site.

⁶² UNWTO: *UNWTO Roadmap for Recovery, Tourism and Travel*, Sep. 2009.

towards proactive measures to reduce this deficit, and in turn limit the impact of the crisis and help find ways to mitigate redundancies.⁶³ Following the Global Jobs Pact's encouragement to strengthen international cooperation and partnerships and social dialogue, the ILO and UNWTO agreed in September 2009 on a joint statement on employment and tourism.⁶⁴ A similar statement was issued by the ILO and the International Hotel and Restaurant Association (IHRA) in January 2010. These statements aim to enhance sustainable development through the exchange of information, to undertake action programmes at the pilot level in selected regions and hotel chains, and to tackle on a cooperative basis issues like HIV/AIDS, child labour, migrant labour, gender policy and other cross-cutting issues. These initiatives also aim to provide examples of cooperation in terms of private–public partnerships, and to encourage constituents to improve cooperation between labour and tourism ministries, authorities and stakeholders.

Further ILO sectoral responses to the economic recession and implementation of the Global Jobs Pact in education, health, public administration and tourism

67. In accordance with the provisions of the Global Jobs Pact and in the interest of national decision-making, international cooperation and policy coherence, the ILO should especially seek to promote knowledge-sharing and social dialogue to confront and facilitate the recovery. A series of sectoral meetings in Geneva in 2010 will provide opportunities to deepen and broaden this approach, especially in the areas of skills development and employability, technical and vocational education and hospitality and tourism employment. The meetings include a cross-sectoral Symposium on Sectoral Skills Development and Training Strategies for Sustainable Global Recovery (29–30 March 2010); a Global Dialogue Forum on Vocational Education and Training (focusing on teachers' training, roles, employment and teaching conditions, on 29–30 September 2010); and a Global Dialogue Forum on New Developments and Challenges in the Hospitality and Tourism Sector and their Impact on Employment, Human Resources Development and Industrial Relations (23–24 November 2010).
68. Subject to available resources and work objectives already established in the Programme and Budget for 2010–11, the Office will seek to undertake additional activities to assist constituents in finding solutions to challenges posed by the economic downturn for service delivery, employment and decent work in the selected sectors. In this context it will:
- continue to monitor and publish briefing notes or other analyses, based on cooperation among Office units and constituents where possible, on: the evolution of the crisis and the recovery of the industry or service; reforms affecting service delivery in each sector (access and quality) and implications for larger societal objectives (education, social protection, governance, leisure, etc); and the terms and conditions of employment of the sectoral workforce in the four sectors; such analysis to emphasize regions where data gathering has been weak;
 - provide technical advice and assistance to constituents in member States and to other international organizations and financial institutions, when requested, on policy options to meet the objectives of the Global Jobs Pact in the concerned sectors, which would look at, for instance: alternatives to public sector employment and salary reductions in the face of high indebtedness, budget shortages and loan requirements;

⁶³ Bolwell, Dain and W. Weinz: *Guide for social dialogue in the tourism industry*, Working Paper No. 265, Sectoral Activities Department, ILO, Geneva, Oct. 2008.

⁶⁴ Available at www.ilo.org/public/english/dialogue/sector/index.htm.

public employment guarantee schemes and emergency public works programmes; increased investment in infrastructure, research and development, public services and “green” production; and services as important tools for creating jobs and stimulating sustained economic activity;

- strengthen cooperation among all units to ensure that research and relevant work in headquarters and the field addresses the implications of financing and investments, changing employment and working conditions on service delivery, relevance of employability and skills in the concerned sectors. This work could include gathering good practices at country and sectoral levels in line with the provisions of the Global Jobs Pact;
- strengthen efforts to secure ratification and application or implementation of international labour and sectoral standards and tools (codes of practice, guidelines, etc.) as policy solutions for recession-generated challenges;
- encourage more international partnerships such as those recently concluded with sectoral constituents and international organizations in tourism so as to promote improvement in the quality of service and employment through qualification, skills development, language competencies and the improvement of working conditions to attract employees capable of providing competitive service;
- assist constituents in member States where requested with capacity building on social dialogue mechanisms and policies to address the impact of the crisis on the concerned sectors with sustainable recovery policies.

Geneva, 25 February 2010.

Submitted for information.

Appendix

Table 1. Employment level and change in major economic sectors (in thousands, selected economies) *

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Change Q1 2008-09 (%)	Change Q2 2008-09 (%)	Change Q3 2008-09 (%)
Agriculture, forestry and fishing ¹	60 772.6	64 301.2	66 835.7	63 653.1	60 915.1	64 187.8	66 377.1	142.6	-113.4	-458.6
								0.2	-0.2	-0.7
Mining ²	3 959.7	4 123.4	4 106.1	4 110.8	3 868.1	3 913.6	3 905.0	-91.6	-209.8	-201.1
								-2.3	-5.1	-4.9
Manufacturing ³	111 874.0	112 145.8	111 514.5	109 780.1	105 680.6	103 888.4	102 488.5	-6 193.4	-8 257.3	-9 025.9
								-5.5	-7.4	-8.1
Utilities ⁴	9 898.7	10 048.0	10 162.5	10 265.3	10 053.1	9 995.7	10 236.4	154.5	-52.3	73.9
								1.6	-0.5	0.7
Construction ⁵	52 020.4	52 547.3	52 034.8	50 971.4	50 030.9	49 734.5	48 658.4	-1 989.5	-2 812.7	-3 376.5
								-3.8	-5.4	-6.5
Wholesale and retail trade ⁶	107 331.4	107 788.7	107 220.3	106 947.8	105 592.9	105 480.1	105 098.0	-1 738.6	-2 308.7	-2 122.3
								-1.6	-2.1	-2.0
Hotels and restaurants ⁷	35 735.2	36 327.2	36 494.2	35 561.5	35 567.0	36 405.1	36 795.5	-168.2	77.8	301.3
								-0.5	0.2	0.8
Transport, storage and communication ⁸	45 477.9	45 480.1	45 561.6	45 570.6	45 428.5	44 927.3	44 702.6	-49.4	-552.9	-859.0
								-0.1	-1.2	-1.9
Financial intermediation ⁹	24 289.4	24 501.7	24 692.2	24 264.4	24 253.4	24 408.8	24 433.0	-36.0	-92.9	-259.2
								-0.1	-0.4	-1.0
Real estate, renting and business services ¹⁰	30 146.7	30 397.0	30 493.6	30 394.0	30 736.2	30 854.3	30 925.9	589.5	457.3	432.3
								2.0	1.5	1.4

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Change Q1 2008–09 (%)	Change Q2 2008–09 (%)	Change Q3 2008–09 (%)
Public administration ¹¹	43 237.4	43 830.0	43 986.2	44 078.9	43 946.9	44 516.3	44 477.4	709.5	686.3	491.3
								1.6	1.6	1.1
Education ¹²	44 881.4	45 046.2	44 522.2	45 250.4	45 418.6	45 683.2	44 992.5	537.2	637.0	470.2
								1.2	1.4	1.1
Health ¹³	53 131.3	53 460.2	53 994.9	54 473.2	54 656.6	55 025.2	55 616.7	1 525.3	1 565.0	1 621.7
								2.9	2.9	3.0

* Developed economies include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Republic of Korea, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States. Developing/emerging economies include: Barbados, Brazil, Bulgaria, Chile, Colombia, Croatia, Cyprus, Czech Republic, Estonia, Hong Kong (China), Hungary, Jamaica, Latvia, Lithuania, Macau (China), Malaysia, Philippines, Romania, Russian Federation, Slovakia, Slovenia, South Africa, Sri Lanka, Taiwan (China), Thailand and Bolivarian Republic of Venezuela.

¹ Does not include: Brazil, Canada, Hong Kong (China), Macau (China), Singapore, Switzerland and United States. ² Does not include: Barbados, Brazil, Cyprus, Denmark, Estonia, Iceland, Ireland, Israel, Japan, Republic of Korea, Latvia, Lithuania, Luxembourg, Macau (China), Malta, Mexico, Singapore and Sri Lanka. ³ Does not include: Brazil and Ireland. ⁴ Does not include: Estonia, Ireland, Japan, Republic of Korea, Luxembourg, Malta, Mexico, Singapore and Sri Lanka. ⁵ Does not include: Barbados, Republic of Korea and Sri Lanka. ⁶ Does not include: Colombia, Republic of Korea, Turkey and Bolivarian Republic of Venezuela. ⁷ Does not include: Brazil, Chile, Colombia, Republic of Korea, South Africa, Turkey and Bolivarian Republic of Venezuela. ⁸ Does not include: Brazil and Republic of Korea. ⁹ Does not include: Brazil, Republic of Korea, Sri Lanka and Turkey. ¹⁰ Does not include: Brazil, Chile, Republic of Korea, Luxembourg, Malta, South Africa, Sri Lanka, Turkey and Bolivarian Republic of Venezuela. ¹¹ Does not include: Brazil, Colombia, Hong Kong (China), Republic of Korea, Singapore, South Africa, Turkey and Bolivarian Republic of Venezuela. ¹² Does not include: Brazil, Chile, Colombia, Republic of Korea, Mexico, Singapore, South Africa, Turkey and Bolivarian Republic of Venezuela. ¹³ Does not include: Brazil, Chile, Colombia, Republic of Korea, Mexico, South Africa, Turkey and Bolivarian Republic of Venezuela.

Source: National Labour Force Surveys and official estimates of each country. European data are provided by Eurostat.

Table 2.1. Employment level and change in major economic sectors in Asia and the Pacific (in thousands, selected economies) *

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Change Q1 2008–09	Change Q2 2008–09	Change Q3 2008–09
Agriculture, forestry and fishing ¹	31 405.2	33 586.0	35 746.7	34 308.4	32 070.2	33 534.9	35 016.4	665.0	-51.1	-730.3
Mining ²	394.3	441.7	468.3	428.8	465.7	455.0	459.7	71.4	13.4	-8.7
Manufacturing	32 243.6	32 208.1	31 707.2	31 571.0	31 005.6	30 431.6	30 573.2	-1 238.1	-1 776.5	-1 134.0
Utilities ³	532.1	577.9	548.2	566.8	578.7	563.8	600.4	46.5	-14.1	52.2
Construction ⁴	13 129.6	13 133.9	12 549.2	12 451.6	13 148.8	12 981.7	12 324.3	19.3	-152.2	-224.9
Wholesale and retail trade ⁵	30 844.2	31 054.9	30 613.2	30 756.5	30 785.4	30 942.6	30 683.9	-58.8	-112.3	70.7
Hotels and restaurants ⁵	10 083.9	10 211.4	10 235.2	10 155.4	10 369.9	10 713.3	10 715.2	285.9	501.9	480.0
Transport, storage and communication ⁵	7 661.3	7 497.8	7 382.1	7 471.5	7 978.2	7 659.4	7 661.9	316.9	161.6	279.7
Financial intermediation ⁴	3 830.7	3 920.7	3 941.5	3 794.5	3 806.7	4 057.8	3 888.5	-24.0	137.0	-53.0
Real estate, renting and business services ⁶	5 237.5	5 288.1	5 259.3	5 340.6	5 332.2	5 391.9	5 429.9	94.8	103.8	170.6
Public administration ⁷	7 411.4	7 658.9	7 594.9	7 694.7	7 759.3	7 959.8	7 853.5	348.0	301.0	258.6
Education ⁸	7 553.2	7 667.7	7 757.3	7 769.5	7 776.6	7 961.8	8 039.5	223.3	294.1	282.2
Health ⁵	9 170.5	9 290.5	9 288.8	9 471.1	9 471.7	9 706.4	9 863.5	301.2	415.9	574.7

* Selected economies include: Australia, Hong Kong (China), Japan, Republic of Korea, Macau (China), Malaysia, New Zealand, Philippines, Singapore, Sri Lanka, Taiwan (China) and Thailand.

¹ Does not include: Hong Kong (China) and Macau (China). ² Does not include: Japan, Republic of Korea, Macau (China), Singapore and Sri Lanka. ³ Does not include: Japan, Republic of Korea, Singapore and Sri Lanka. ⁴ Does not include: Republic of Korea and Sri Lanka. ⁵ Does not include: Republic of Korea. ⁶ Does not include: Japan, Republic of Korea and Sri Lanka. ⁷ Does not include: Hong Kong (China), Republic of Korea and Singapore.

⁸ Does not include: Republic of Korea and Singapore.

Source: National Labour Force Surveys and official estimates of each country.

Table 2.2. Employment level and change in major economic sectors in the Americas (in thousands, selected economies) *

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Change Q1 2008–09	Change Q2 2008–09	Change Q3 2008–09
Agriculture, forestry and fishing ¹	10 969.9	10 886.1	11 135.3	11 088.1	10 863.1	11 024.1	11 557.4	-106.8	10 969.9	10 886.1
Mining ²	1 283.7	1 329.2	1 304.6	1 396.9	1 224.5	1 269.5	1 290.1	-59.2	1 283.7	1 329.2
Manufacturing ³	26 826.5	27 012.3	26 541.6	25 998.9	24 993.6	24 673.8	24 363.3	-1 832.9	26 826.5	27 012.3
Utilities ⁴	4 312.6	4 486.2	4 509.6	4 472.7	4 304.8	4 317.6	4 402.2	-7.8	4 312.6	4 486.2
Construction ⁵	16 004.7	15 882.1	15 792.2	15 533.0	15 022.6	14 700.8	14 498.1	-982.1	16 004.7	15 882.1
Wholesale and retail trade ⁶	38 420.7	38 322.7	38 167.2	37 821.9	37 323.3	37 253.9	37 261.7	-1 097.4	38 420.7	38 322.7
Hotels and restaurants ⁷	15 543.8	15 671.1	15 573.5	15 307.0	15 301.5	15 239.8	15 229.9	-242.4	15 543.8	15 671.1
Transport, storage and communication ³	11 499.7	11 524.1	11 516.8	11 446.4	11 416.2	11 294.9	11 273.4	-83.5	11 499.7	11 524.1
Financial intermediation ³	10 814.0	10 951.0	10 971.3	10 673.0	10 623.1	10 698.0	10 771.1	-190.9	10 814.0	10 951.0
Real estate, renting and business services ⁸	1 170.5	1 200.0	1 231.5	1 215.1	1 248.0	1 268.7	1 259.2	77.5	1 170.5	1 200.0
Public administration ⁹	16 263.6	16 403.5	16 485.8	16 430.0	16 493.8	16 634.4	16 619.6	230.2	16 263.6	16 403.5
Education ¹⁰	14 577.7	14 702.6	14 709.2	14 718.6	14 756.7	14 774.4	14 640.8	179.0	14 577.7	14 702.6
Health ¹⁰	17 233.1	17 337.6	17 479.3	17 617.8	17 683.9	17 764.8	17 887.1	450.8	17 233.1	17 337.6

* Selected economies include: Barbados, Brazil, Canada, Chile, Colombia, Jamaica, Mexico, Bolivarian Republic of Venezuela and United States.

¹ Does not include: Brazil, Canada and United States. ² Does not include: Barbados, Brazil and Mexico. ³ Does not include: Brazil. ⁴ Does not include: Mexico. ⁵ Does not include: Barbados. ⁶ Does not include: Colombia and Bolivarian Republic of Venezuela. ⁷ Does not include: Brazil, Chile, Colombia and Bolivarian Republic of Venezuela. ⁸ Does not include: Brazil, Chile and Bolivarian Republic of Venezuela. ⁹ Does not include: Brazil, Colombia and Bolivarian Republic of Venezuela. ¹⁰ Does not include: Brazil, Chile, Colombia, Mexico and Bolivarian Republic of Venezuela.

Source: National Labour Force Surveys and official estimates of each country.

Table 2.3. Employment level and change in major economic sectors in Europe (in thousands, selected economies) *

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Change Q1 2008–09	Change Q2 2008–09	Change Q3 2008–09
Agriculture, forestry and fishing ¹	17 554.0	18 993.4	19 139.4	17 438.8	17 192.0	18 871.4	19 106.3	-362.0	-122.0	-33.1
Mining ²	1 948.7	2 006.5	2 019.2	1 964.1	1 844.9	1 870.1	1 856.2	-103.9	-136.4	-163.0
Manufacturing ³	50 389.1	50 504.4	50 916.2	49 850.6	47 384.2	46 488.6	45 429.4	-3 004.8	-4 015.7	-5 486.8
Utilities ⁴	4 942.6	4 868.4	4 983.8	5 116.7	5 054.5	4 995.7	5 120.2	111.9	127.2	136.4
Construction	21 623.9	22 244.4	22 436.4	21 647.3	20 591.7	20 788.2	20 635.6	-1 032.2	-1 456.2	-1 800.8
Wholesale and retail trade ⁵	34 530.6	34 911.6	34 887.1	34 845.3	34 105.5	33 943.8	33 917.3	-425.1	-967.8	-969.8
Hotels and restaurants ⁵	9 975.7	10 321.5	10 551.7	9 968.1	9 772.3	10 330.4	10 714.1	-203.4	9.0	162.4
Transport, storage and communication	22 809.9	22 996.2	23 130.1	23 022.5	22 473.6	22 369.1	22 119.5	-336.3	-627.0	-1 010.7
Financial intermediation ⁵	7 879.4	7 852.2	8 048.5	8 052.0	7 983.0	7 838.3	7 988.8	103.6	-13.9	-59.7
Real estate, renting and business services ⁶	23 350.0	23 517.1	23 616.7	23 449.3	23 765.7	23 790.7	23 826.6	415.7	273.6	209.9
Public administration ⁵	19 431.4	19 639.0	19 770.3	19 826.7	19 564.0	19 797.0	19 871.2	132.7	158.0	100.8
Education ⁵	22 407.9	22 324.0	21 708.9	22 406.2	22 540.5	22 594.7	21 968.0	132.6	270.7	259.1
Health ⁵	26 455.8	26 563.0	26 952.9	27 100.9	27 210.6	27 285.2	27 581.8	754.8	722.3	628.9

* Selected economies include: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and United Kingdom.

¹ Does not include: Switzerland. ² Does not include: Cyprus, Denmark, Estonia, Iceland, Ireland, Latvia, Lithuania, Luxembourg and Malta. ³ Does not include: Ireland. ⁴ Does not include: Estonia, Ireland, Luxembourg and Malta.

⁵ Does not include: Turkey. ⁶ Does not include: Luxembourg, Malta and Turkey.

Source: National Labour Force Surveys and official estimates of each country. European data are provided by Eurostat.