Unemployment growing by millions says ILO report

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The number of unemployed and underemployed workers has never been higher and will grow by millions more over the next few months as a result of the deepening global financial crisis. That is the conclusion of the International Labour Organization's *World Employment Report* published this week.

The ILO said the unemployment picture presented in the 1998-99 report contrasted sharply with the last report issued in 1996 when 'a number of encouraging signs heralded a global economic revival.'

ILO director general Michel Hansenne described the global employment situation as 'grim, and getting grimmer.'

According to the ILO, at least one billion workers--a third of the world's labour force--are either unemployed or underemployed. Of these some 150 million workers are unemployed. Ten million workers have been made unemployed so far this year due to the Asian financial crisis alone. This figure is expected to rise to at least 12 million by the end of the year.

The report also found that between 25 and 30 percent of the world's workers--numbering between 750 million and 900 million--were underemployed, that is, either in part-time work but wanting to work full time, or being paid less than a living wage.

One of the most revealing figures was on youth unemployment: some 60 million young people aged between 15 and 24 are in search of work but unable to obtain it.

The report provided a statistical indication of the impact of the Asian financial crisis. In Indonesia, it warned, 'real wages in 1998 could well fall further than the 15 percent or so expected drop in per capita GDP.' In another report the ILO found that jobs were being destroyed in Indonesia at the rate of around 15,000 per day.

In Thailand the number of jobless will rise to 2 million compared to between 400,000 and 700,000 two years ago. Korean job losses have almost doubled, with unemployment reaching 7 percent in July, and in Hong Kong the unemployment rate has climbed to 4.5 percent from 2.9 percent in 1997.

The report estimated that some 3.5 million workers would be sacked in China this year, with unemployment rising to 5-6 percent.

Figures on the Russian Federation and the central European states give an indication of the impact of capitalist restoration. The report noted that most people in this region continued to suffer a dramatic and painful decline in living standard. Unemployment had risen rapidly from zero to 9 percent and was accompanied by 'lower real wages and an increase in income inequality' as a result of immense economic and enterprise restructuring.

In Russia, where the size of the economy has been halved over the past decade, real wages have shrunk to less than 60 percent of their 1989 levels and in many cases wages are not paid for months. Unemployment is 10.4 percent in Poland, 9.2 percent in Romania, 13.2 percent in Bulgaria, 17.6 per cent in Croatia, 9.2 percent in Hungary and 5.4 percent in the Czech Republic.

The ILO found that in Latin America unemployment had continued to rise, even where there had been economic growth. While overall growth reached 5 percent in 1997, unemployment in the region increased, reaching 7.4 percent in 1997. Argentina, for example, recorded an annual growth rate of 5.8 percent between 1991 and 1997, but unemployment increased in those years from 6.3 percent in 1991 to 17.5 percent in 1995, before declining slightly to 15 percent in 1997.

In the European Union some 18 million workers are

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unemployed but, as the report noted, 'the picture does not take into account the considerable number of 'discouraged' workers who have given up hope of finding work, and involuntary part-time workers.' Long-term unemployed have 'poor prospects to find a job even if the overall macroeconomic environment improves.' More than 60 percent of the 9 million long-term unemployed in 1996 had been out of work for longer than two years.

The overall figures presented in the report amount to an indictment of the global capitalist system, but nowhere more clearly than with respect to the youth. Youth unemployment, the report noted, was running at 20 percent in many of the advanced capitalist countries of the OECD.

'Low growth has worsened the situation in Western Europe, and economic contraction and restructuring has severely limited access to new jobs in Eastern Europe,' the report said. In the development countries of Africa, Asia and Latin America, 'urban unemployment rates for young people often reach over 30 percent.' The new global turmoil had made young workers even more vulnerable to layoffs as employers react to recession by cutting back new hirings.

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