

UN warns global jobs crisis may last eight years

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The jobs crisis presently sweeping the globe may last for eight years, according to a report issued Wednesday by the International Labor Organization (ILO). The United Nations agency, meeting in Geneva, warned that sustained high levels of unemployment will imperil “social and political stability” internationally.

In his report to the Geneva conference, ILO Director-General Juan Somavia reported that “the global economic downturn has unleashed a deep and broad jobs crisis leading to a growing social recession worldwide.” He warned that “unemployment is expected to continue rising until the end of 2010, probably 2011.”

The report notes: “The last quarter of 2008 and the first quarter of 2009 have seen rapid and synchronized falls in investment, consumption, output and trade worldwide, leading to massive employment losses in very many countries.”

Commenting on a forecast by the International Monetary Fund of at least some recovery in global economic growth by the middle of next year, Somavia said that any upturn depended on the success of various national stimulus packages and the restabilization of the financial sector. “Both results are as yet uncertain,” he warned.

Even given a resumption of economic growth, the ILO chief said, the experience of past crises indicates that recovery of employment comes only after a “lag of four to five years.” Given the depth of the present crisis, the most severe since the Great Depression of the 1930s, and the already substantial unemployment rates before its onset, this prognosis is, if anything, optimistic.

“In short, the world is looking at a deep and prolonged global jobs crisis,” declared Somavia.

Among the major findings of the ILO are:

- Global unemployment rates are expected to rise to up to 7.4 percent this year, which would mean another 59 million workers losing their jobs, bringing the total number of unemployed internationally to 239 million. This would be the first time on record that global unemployment has passed the 7 percent mark.

- The ranks of the world’s impoverished people living on less than \$2 a day may swell by nearly 200 million people this year compared to 2007. Meanwhile, the number of those barely subsisting on less than \$1.25 a day is expected to increase by 53 million.

- Citing figures produced by the Food and Agriculture

Organization (FAO), the report notes that, far from advancing towards an international goal of halving the number of malnourished people by 2015, the present economic collapse has severely exacerbated the effects of the recent speculative escalation of food prices, adding many more to the 1 billion people who go hungry.

- The number of jobless youth is expected to increase by up to 17 million this year, raising the global youth unemployment rate from 12 percent in 2008 to 15 percent in 2009.

- Even in the 30 so-called developed countries that make up the Organization for Economic Cooperation and Development (OECD), half of the unemployed receive no jobless benefits. Where such benefits exist, they are frequently inadequate to meet the needs of the unemployed. In most of the so-called developing countries, there are no such benefits at all. As a result, 8 of 10 jobless workers worldwide lack any protection.

The report underscores both the global scope and the savage character of the assault on jobs.

In the “developed” countries of the OECD, it reports, more than 7 million workers became unemployed in 2008. Since then, the destruction of jobs has accelerated sharply. In the US, 5.4 million jobs were wiped out between July 2008 and February 2009, bringing the official unemployment rate by then to 8.5 percent, or over 14 percent, when the workers involuntarily working part-time are included.

Spain saw 766,000 jobs disappear in the first quarter of 2009 alone, raising the jobless rate to 17.4 percent, or 4 million workers unemployed.

Ireland saw its unemployment rate skyrocket from 4.9 percent in the first quarter of 2008 to more than 10 percent by February of 2009.

In the Russian Federation, the number of unemployed rose by fully 2 million between May 2008 and January 2009, while in South Korea, 1.2 million jobs were wiped out between June 2008 and February 2009.

In the “developing” countries, conditions are even worse, with millions upon millions losing employment and being forced into the so-called informal sector. The report pointed to the estimated 20 million Chinese workers forced to migrate from the coastal industrial export zones to rural western provinces. It noted that countries in South Asia and South and Central America that have relied heavily on remittances have been hit hard by the return of the newly jobless migrant workers.

The ILO report warns in particular of the consequences of the crisis for young workers, noting that the world economy would have to create 300 million new jobs between now and 2015 to provide employment for young men and women seeking work for the first time. Instead, at the present rate, world capitalism is destroying an even greater number of jobs.

“Tens of millions of young people are about to leave school and enter a depressed labor market,” the report states. “A lack of decent work opportunities at an early age may permanently compromise the future employment prospects of youth.”

The agency also pointed, without providing any specifics, to the ruthless way in which the crisis has been utilized by capitalist ruling classes around the world to increase profits by driving down the basic conditions of the working class—including to the level of slavery. “Freely negotiated collective agreements are no longer respected, and workers have to concede hard-won wage levels and benefits in order to retain any credible prospects of future employment and income,” the report states. “The risk of clandestine labor or illegal child labor as cheap alternatives is growing in many countries, as is the recourse to forced or compulsory labor.”

The picture of social devastation presented in the ILO document found fresh confirmation in the release of grim new figures even as the report was being presented.

In the US, it was reported Wednesday that private employers had eliminated another 532,000 jobs in May, confirming the continued downward spiral of the world’s largest economy.

In Europe, the European Union announced that unemployment had topped 9.2 percent in the 16-nation Eurozone, the highest level in a decade, with 3.1 million people having lost their jobs between April 2008 and last month. The number of unemployed in the Eurozone has risen to 14.6 million, roughly the equivalent of the combined populations of Ireland and Portugal.

Meanwhile, the United Nations Children’s Fund (UNICEF) reported that hunger in South Asia is at a “40-year high” as a result of the food and fuel price increases compounded by the onset of the global economic slump. Compared to two years ago, 100 million more people are going hungry. The World Bank recently put the number of people in the region who are chronically hungry at 400 million, with three quarters of the region’s 1.2 billion population living on less than \$2 a day.

Perhaps the most striking feature of the ILO report is its repeated and—for a document issued by a UN agency—surprisingly explicit warnings to the governments and ruling elites of the world about the potentially revolutionary implications of a protracted crisis of unemployment.

“Prolonged employment crises carry major risks for social and political stability,” the document states, adding, “The consequences for personal and family well-being, the welfare of societies, the stability of nations, and the credibility of national and multilateral governance are incalculable.”

It goes on to note that the “middle classes—the bedrock of social and political stability—have been weakened, with declining shares in total income and increasing polarization,” and to warn, “Perceptions of unfairness are mounting, breeding social tensions.”

The report cites the Economist Intelligence Unit’s recent survey, which listed 95 out of 165 countries as facing high or very high risk of instability, with only 17 rated as low risk.

Moreover, it quotes the recent testimony of the US director of national intelligence, Dennis Blair, who told Congress: “The primary near-term security concern of the United States is the global economic crisis and its geopolitical implications.” The report continues, noting that Blair “further explained that economic crises persisting over one to two years increased the risk of regime-threatening instability.”

The ILO’s answer to this desperate crisis is as empty as its warnings are stark. It has proposed a “Global Jobs Pact,” which consists of little more than a pious appeal to the world’s governments “to place employment and labor market issues, together with social protection and respect for workers’ rights, at the heart of stimulus packages and other relevant national policies to confront the crisis.” It likewise advocates “social dialogue”—by which it means tripartite collaboration between big business, the government and the trade union bureaucracies—as a “consensus-building tool.”

The reality, however, is that in country after country, the capitalist solution to the crisis is the destruction of jobs and living standards of working people. Within this process, the unions, in the US, Britain, Germany and elsewhere, have collaborated in cutting wages and giving up jobs, while seeking to divert the anger of workers along nationalist and protectionist lines in order to protect the real source of rising unemployment and inequality, the profit system.

The ILO, as an agency that represents member states of the UN, has no interest in exposing the roots of the crisis in the historic failure of capitalism. Nonetheless, its report makes it clear that social contradictions on a world scale are being intensified by the global economic crisis to a level that makes an eruption of class struggle and political upheavals inevitable. Working people cannot and will not accept years of unemployment, poverty and hunger and the relegation of an entire generation to the scrap heap.

Successful resistance to these conditions can be found only by means of an international struggle to unite the working class on the basis of a socialist program to put an end to the profit system and build a new society based on equality and the utilization of the world’s resources to meet human needs rather than corporate profit and the accumulation of wealth by a financial oligarchy.



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