

# ILO report: Worldwide unemployment over 200 million

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The International Labor Organization, in its annual report on global labor conditions issued Monday, forecast that more than 200 million workers will be unemployed in 2012. The United Nations agency estimated that 50 million jobs had been wiped out since the 2008 financial crisis, and predicted no worldwide recovery in jobs and incomes for at least another five years.

The World of Work Report 2012 forecast a global unemployment rate of 6.1 percent in 2012, with total world unemployment rising from 196 million in 2011 to 202 million in 2012. The unemployment total is projected to rise by another five million in 2013, and the rate to 6.2 percent. (The percentage rates are artificially low because the ILO uses the official unemployment reported in each country, when actual rates are much higher. In the US, for example, the official rate is 8.3 percent, but counting those who are involuntarily working part-time or have stopped looking for work, the real rate is closer to 14 percent).

Unemployment is projected to continue rising until it hits 210 million by the end of 2016, the report said, adding, "It is unlikely that the world economy will grow at a sufficient pace over the next couple of years to both close the existing jobs deficit and provide employment for the over 80 million people expected to enter the labor market."

The report condemns the austerity policies adopted in most of the industrialized countries, particularly in Europe and the United States, saying that slashing spending on social programs had produced "devastating consequences" for employment while budget deficits had actually increased because austerity measures exacerbated the economic slump.

The report notes that dozens of countries, particularly in Europe, have enacted measures to "reform" their

labor markets, by making it easier for employers to fire workers or cut their wages and benefits. In virtually every case, the result was to "reduce job stability and exacerbate inequalities while failing to boost employment levels." The result has been the growth of a massive army of long-term unemployed: 40 percent of the job seekers aged 25-49 in the developed countries are chronically unemployed people who have not worked in more than a year.

Some key findings of the ILO report deserve to be quoted:

## **The unprecedented and protracted nature of the crisis:**

"This is not a normal employment slowdown. Four years into the global crisis, labor market imbalances are becoming more structural, and therefore more difficult to eradicate. Certain groups, such as the long-term unemployed, are at risk of exclusion from the labor market. This means that they would be unable to obtain new employment even if there were a strong recovery."

## **The bankruptcy of austerity policies:**

"In countries that have pursued austerity and deregulation to the greatest extent, principally those in Southern Europe, economic and employment growth have continued to deteriorate. The measures also failed to stabilize fiscal positions in many instances."

## **The growth of part-time, temporary and "precarious" jobs:**

"In addition, for a growing proportion of workers who do have a job, employment has become more unstable or precarious. In advanced economies, involuntary part-time employment and temporary employment have increased in two-thirds and more than half of these economies respectively."

## **The catastrophic impact on youth:**

“Youth unemployment rates have increased in about 80 percent of the advanced economies and in two-thirds of the developing economies. On average, more than 36 percent of jobseekers in advanced economies have been without work for more than one year.”

### **Rising poverty and inequality:**

“[T]he crisis has led to an increase in poverty rates in half of advanced economies and one-third of developing economies. Similarly, inequality has increased in approximately one-half of the advanced economies and one-quarter of the emerging and developing economies. Inequalities have also widened in terms of access to education, food, land and credit.”

### **Growth of popular discontent and social unrest:**

“Out of 106 countries with available information, 54 per cent of the countries reported increase in the score of the Social Unrest Index in 2011 compared to 2010 (the higher the score, the higher the estimated risk). The two regions of the world that show the most heightened risk of unrest are Sub-Saharan Africa and the Middle East and North Africa but there are also important increases in advanced economies and also in Central and Eastern Europe.”

While the ILO economists and analysts are liberal supporters of capitalism, generally adhering to the standpoint of Keynesian reformism, rather than the free market nostrums of the ultra-right, the figures they have compiled are a staggering indictment of the profit system. They have supplied the data, but only a Marxist perspective can supply the political alternative for the working class.

The massive growth of joblessness, amidst growing social need, is a devastating indictment of the capitalist system. Millions of people need work, yet this vast human potential cannot be mobilized because of the profit motive and the dictatorship of finance capital.

To answer the failure of the capitalist system, the working class must advance a comprehensive, global socialist program, making a direct revolutionary assault on the fundamental causes of the crisis: private ownership of the means of production, and the division of the world into antagonistic nation-states, each dominated by a capitalist elite seeking to maximize its own profits and power.

The working class must take the wealth of society, produced by its labor, into its own hands, by seizing the

assets of the giant multinational corporations and placing them in public ownership and under democratic control. The development of the world economy must then proceed on the basis of an international plan, drawn up to produce both rapid economic growth and the abolition of poverty and social misery, raising the living standards of working people all over the world to a decent level.

This program is neither utopian nor farfetched. On the contrary, it is the perspective of continued capitalist depression, social polarization and imperialist war that is unrealistic, even preposterous, from the standpoint of the interests of the vast majority of the human race.

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