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UN labour agency urges job-creation policies in G20 economies



8 November 2010 – Members of the Group of 20 (G20) major economies should strengthen policies to create jobs and reverse the prevailing high rates of unemployment, the United Nations labour agency said today, three days ahead of the bloc's summit in the Republic of Korea's capital, Seoul.

In a new statistical update prepared for the 11-12 November G20 summit, the UN International Labour Organization ([ILO](#)) says that unemployment increased in ten of the group's 20 member countries this year compared to 2009, but declined in eight States. Most emerging economies have seen a decrease in unemployment this year, the study shows.

Although the report reveals employment growth in all countries in 2010, with emerging countries performing better than high-income economies, it also points out that the rise in employment has not been strong enough to reverse the downturn in the labour market during the economic crisis.

The analysis by ILO shows the number of people without jobs hovering at an all-time high of 210 million, some 30 million more than on the eve of the crisis in 2007, while real wages have declined by an average of 4 per cent below pre-crisis levels.

According to the study, G20 countries will need to create some 21 million jobs each year over the next decade – approximately half of the 44 million required globally – just to keep pace with the increase in the working age population.

“Unemployment is not the only issue,” [says](#) Rafael Diez de Medina, Director of the ILO Department of Statistics, who also noted that the agency found declining hours of work and labour force participation rates in high-income economies, and a significant increase in the number of discouraged workers.

”This is quite worrying,” he added, “since they are not part of the unemployment figures and have a clear impact on social cohesion. Time-related underemployment has stabilized in 2010, but remains high in several countries of the G20.”

The report’s other findings include the fact that for the 18 countries with available data in the first half of this year, 70 million people are registered as unemployed – 15.5 million in Europe, 22 million in other high income economies and 32.5 million in emerging economies.

Youth unemployment is on average twice the rate of total unemployment, at 19 per cent across G20 countries, while a reduction in male labour force participation was observed in all regions, whereas female labour participation increased in Europe and emerging economies.

The analysis calls for job-intensive growth policies that include higher investments and access to credit, greater attention to small enterprises and better protection of low-wage earners through minimum wages, among other recommendations.

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