



International
Labour
Organization

INTERNATIONAL LABOUR ORGANIZATION
RESEARCH DEPARTMENT

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The latest thematic edition of the *World Employment and Social Outlook 2015* focuses on the transformation of the employment relationship. The report, entitled *The Changing Nature of Jobs*, finds that the standard model of wage and salaried employment, entailing work on a permanent contract is less and less the norm. Today, less than one in four jobs corresponds to that model. The report also examines the implications of these changes for the economy and society, notably with respect to productivity trends, aggregate demand and income inequalities.

These emerging patterns raise major issues concerning employment regulations and social protection. Interestingly, countries have started to react – as documented in the report. However a more fundamental rethinking of policy making, at both the national and international levels, may be called for.

Raymond Torres, Director,
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REPORTS



World Employment and Social Outlook 2015: The changing nature of jobs

To download the report, summary and other information, please see:
<http://www.ilo.org/global/research/global-reports/weso/2015-changing-nature-of-jobs/lang--en/index.htm>

Chapter 1: Emerging patterns of employment: Global and regional trends

Question:

The report talks about a \$1.2 trillion global “wage gap”. What does this mean?

Answer:

\$1.2 trillion dollars is our estimate of the annual wages lost around the world due to the global jobs gap of 61 million that has opened up since the economic crisis of 2008 and 2009. The chapter argues that this global wage gap is a key indication of a vicious circle of slow economic growth and weak employment growth. Importantly, we estimate that closing the global jobs gap would add \$3.7 trillion dollars to the global economy – a 3.6% boost to global output – as increased wages would lead to more global consumption, and increased profits and investment levels.

Chapter 2: Employment patterns, poverty and income inequality

Question:

What strategies have countries adopted to reduce inequality?

Answer:

Countries have been able to reduce overall inequality largely due to the tax and social transfers system. For example: in Argentina, employment-rich economic growth was a significant factor, while rising minimum wages and the promotion of collective bargaining may also have contributed to the decline in inequality; in Uruguay, the restoration of wage councils and increase in real wages could have led to a reduction in income inequality; and in the United Kingdom, the introduction of a 50 per cent marginal income tax rate in 2010 on top incomes might have led to a reduction in income inequality. The chapter on employment patterns and inequality discusses these and other strategies that have been adopted to reduce inequality.

REPORTS

Chapter 3: Social protection coverage across employment patterns

Question:

The report has shown that most emerging and developing countries have made significant progress in addressing gaps in legal coverage for pensions, but what about effective social protection and income security?

Answer:

Progress in addressing gaps in legal coverage for pensions and including new categories of workers within the scope of laws and regulations have mainly been brought about by non-contributory mechanisms and attempts in extending coverage by legislating voluntary affiliation. These legal options have, however, led to very different levels of effective pension coverage and have raised a number of issues, including income security for the beneficiaries, as well as the availability, reliability and sustainability of public finances. Globally, since 2000, less than 60 per cent of the increase in legal pension coverage has been effectively implemented, calling for appropriate measures to make social protection more effective.

Chapter 4: Labour regulation and employment patterns

Question:

Is labour market regulation an obstacle to job creation?

Answer:

Chapter 4 reviews changes in employment regulation in 63 countries over the past two decades and finds that in most cases labour regulation is adapting to changing forms of work with no ill effects on job creation. Indeed, the chapter analyses the effects of changes in labour regulation on key labour market indicators including the unemployment rate. The analysis presented in the chapter highlights that there are no negative effects from increased labour regulation. Rather, the predictability of regulation is important and where anomalies need to be corrected, it is important to ensure adequate legal and social protection (as evidenced in Chapter 3). In short, there is a need for regulation to continue to adapt and the chapter calls for carefully designed approaches based on specific labour market conditions.

Chapter 5: Changes in global production patterns and impacts on enterprises and employment

Question:

How have global supply chains impacted on the world of work and what have been the implications for enterprises and workers?

Answer:

The number of jobs linked to GSC-related jobs has increased rapidly over the past decades. Out of a sample of 40 countries with available data, the report estimates that 453 million people were employed in GSCs in 2013. Although this is an increase from 300 million in 1995, it is below the pre-crisis peak of roughly 500 million. Since the crisis, most of the slowdown has been principally due to changes among emerging economies. In the sample, GSC-related jobs in emerging economies decreased by 44 million between 2008 to 2013. The report finds that the benefits of GSCs are not widely shared. In particular, economic benefits have accrued to firms in terms of higher productivity, and to workers in terms of greater opportunities for waged employment. But, this has not necessarily meant higher wages or better working conditions.

RECENTLY PUBLISHED

Huynh, P.; Kapsos, S. 2015. "Economic class and labour market segregation: Poor and middle-class workers in developing Asia and the Pacific", in A. Heshmati; E. Maasoumi and G. Wan (Eds): *Poverty Reduction Policies and Practices in Developing Asia* (New York and Manila, Springer and Asian Development Bank).

By Costas KARAFAKIS; Constantinos KATRAKILIDIS; Eftychia TSANANA.

INTERNATIONAL LABOUR REVIEW 2015 VOLUME 154/1 MARCH SPECIAL ISSUE: WHAT FUTURE FOR INDUSTRIAL RELATIONS?



Introduction: What future for industrial relations?

by S. Hayter

Three scenarios for industrial relations in Europe

by S. Hayter

*Alternative labour protection movements in the United States:
Reshaping industrial relations?*

by J. Fine

*The shifting boundaries of industrial relations:
Insights from South Africa*

by E. Webster

*Workers and social movements of the developing world:
Time to rethink the scope of industrial relations?*

by R. Sen and C-H. Lee

*Shaping the future of industrial relations in the EU:
Ideas, paradoxes and drivers of change*

by M. Keune

*Shrinking collective bargaining coverage, increasing income inequality:
A comparison of five EU countries*

by G. Bosch

RECENT EVENTS SEMINARS

Working for All? New Ideas and Innovative Strategies to Enhance Economic and Social Benefits in Trade Agreements

14 May 2015

In cooperation with the Canadian, Flemish and Swiss Governments, the European Commission, and the International Labour Organization (ILO) Office for Washington, DC, the Research Department of the ILO and George Washington University Institute for International Economic Policy organized a conference on the effectiveness of labour provisions in free trade agreements on 14 May 2015 at George Washington University in Washington, DC, entitled, 'Working for All? New Ideas and Innovative Strategies to Enhance Economic and Social Benefits in Trade Agreements'.

The conference focused on how trade agreements can promote employment, enhance the link between economic and social benefits and achieve sustainable development. It highlighted that complementary policies are key to inclusive growth and help in capitalizing opportunities from trade openness. Attendees discussed these issues and debated new ideas and strategies to encourage labour rights, job creation and tripartite dialogue.

The conference proceedings will shortly be posted on the Research Department website.

The launch of UN Women's Flagship Report in Geneva

Transforming Economies, Realizing Rights

21 May 2015

The Report focuses on the economic and social dimensions of gender equality. It aims to unravel some of the challenges and contradictions facing the world today. For example, at a time when women and girls have almost equal opportunities when it comes to education, why are only half of women of working age in the labour force globally, and why do women earn less than men? Similarly, while there is unprecedented global wealth, why are large numbers of women not able to exercise their rights to even basic levels of health care, water and sanitation? The report shows these inequalities are not inevitable. Economic and social policies can contribute to the creation of stronger economies, and to more sustainable and gender-equal societies, if they are designed and implemented with women's rights at their centre.

Keynote Speaker:

Ms. Lakshmi Puri, United Nations Assistant Secretary-General and Deputy Executive Director of UN Women

High Level Panel Discussion:

His Excellency Mr. Jan Knutsson, Permanent Representative of Sweden to the United Nations Office and other international organizations in Geneva

Mr. Joakim Reiter, Deputy Secretary-General of the United Nations Conference on Trade and Development (UNCTAD)

Mr. João Lucas Quental Novaes de Almeida, Minister Counsellor, Permanent Mission of Brazil to the United Nations Office and other international organizations in Geneva

Ms. Sarah Cook, Director of the United Nations Research Institute for Social Development (UNRISD)

Moderator:

Mr. Raymond Torres, Director, Research Department at International Labour Organization (ILO)

RECENT EVENTS SEMINARS

Brainstorming on the Future of Work - 22 May 2015

The Director-General, **Guy Ryder**, held a brainstorming meeting on 22 May 2015 to discuss the Future of Work.

The invited guests included:

Prof. Iain Begg, Professor, London School of Economics and Political Science, London;

Dr Kemal Dervis, Vice President and Director, Global Economy and Development, The Brookings Institution, Washington DC;

Prof. Frédéric Lerais, Director-General, Institut de Recherches Economiques et Sociales, Paris ;

Ms Lakshmi Puri, Assistant Secretary-General of the United Nations and Deputy Executive Director of UN Women, New York.

A debate on the future of work was followed by a second debate on emerging patterns in the world of work and possible underlying factors. There was a final discussion on the role of policies in tackling changes in work patterns.

RESEARCH DEPARTMENT SEMINARS 2015

Philippe Askenazy, Centre national de la recherche scientifique, Paris School of Economics (CNRS-PSE), Centre pour la recherche économique et ses applications (CEPREMAP) and Institute for the Study of Labor (IZA)

16 February 2015

Presentation: "Productivity puzzles in Europe".

This seminar discussed productivity puzzles in Europe following the Great Recession

Martin Ravallion, Georgetown University

24 March 2015

Presentation: "Are the World's Poorest Being Left Behind?"

The ILO Research Department organizes a seminar on poverty reduction and the consumption floor in developing countries.

Sam Hickey (University of Manchester), Anna McCord (University of Cape Town) and Tom Lavers (ILO)

1 April 2015

Presentation: "The Political Economy of Social Protection in Africa"

This seminar discussed the political economy of social protection in Africa.

FUTURE EVENTS

World of Work Summit “Climate change and the World of Work”

Thursday, 11 June, 10 a.m.–1 p.m. and 2.30 p.m.–6 p.m.

Assembly Hall of the Palais des Nations

The World of Work Summit provides a unique opportunity to participate in a stimulating, open, and interactive panel discussion. The focus of this year’s panel is on the implications of climate change for workers, enterprises and communities. Ahead of the crucial negotiations that aim to reach agreement to address global climate change later in 2015 in Paris, the objective of the panel is to initiate a far-reaching reflection on what the world of work can do to help build resilience and create solutions in pursuit of social justice, productive employment and a just transition; and what policies can best anticipate and address the problems and challenges that the world of work will face.

The event will be moderated by a prominent journalist and will include an open floor session. The discussion will be opened by ILO Director-General, Guy Ryder.

The Summit will also provide space for presentations by eminent personalities, including by His Excellency President John Dramani Mahama of Ghana, by His Excellency Mr Juan Carlos Varela of Panama and by the 2014 Nobel Peace Prize Laureate Mr Kailash Satyarthi. Following the closing of the Summit, the discussion of the reports of the Chairperson of the Governing Body and of the Director-General will resume, if time allows.

Open Online Course on Workers’ Rights in a Global Economy

Global Labour University is launching a free Massive Open Online Course on Workers’ Rights in a Global Economy

Starting on 1 June 2015, the six weeks online course will discuss what Global Workers’ Rights are and which instruments and strategies can be used to implement them.

For further information please go to:

<http://www.global-labour-university.org/383.html>

Forthcoming publications:

International Labour Office (ILO) and European Commission (EC). Forthcoming. *Inventory of labour market measures in the EU 2008–13: The crisis and beyond* (Geneva).

International Labour Office (ILO) and European Commission (EC). Forthcoming. *Country monographs: France; Greece; Germany; Ireland; Italy; Latvia; Netherlands; Poland; Spain; Sweden; United Kingdom* (Geneva).

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