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# Global unemployment rises above 200 million

By Mike Head

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Official worldwide unemployment climbed to more than 200 million for the first time last year, according to the International Labour Organization (ILO), a UN agency, underscoring the deepening impact of the global economic crisis that erupted in 2008.

In its annual "Global Employment Trends" report, issued today, the ILO said an estimated 201.8 million people were jobless in 2013, up by nearly 5 million in one year. This is a new high, exceeding 2009's record of 198 million.

Youth were the biggest casualties, with 74.5 million people aged 15–24 unemployed in 2013, an increase of more than 700,000. There were a staggering 37.1 million fewer young people in employment in 2013 than in 2007.

This is a damning indictment of world capitalism. Five years after the financial crash, the youth unemployment rate rose to 13.1 percent. This was "a historical peak"—more than double the 6.1 percent rate for the whole workforce and almost three times the adult rate of 4.6 percent.

Joblessness was most acute in the euro zone, where the percentage of people out of work hovered at a record 12.1 percent in November for the eighth consecutive month. North Africa remained the hardest-hit region, with an unemployment rate of 12.2 percent, followed by the Middle East on 10.9 percent. North America and other developed economies followed on 8.6 percent.

These figures undoubtedly underestimate the real level of unemployment, as they rely on official government statistics that do not count those who have run out of jobless benefits, or are working a few hours a week or have stopped looking for work.

To try to explain the worsening trend, the ILO invoked the term "jobless recovery." It warned of even higher unemployment for at least the next four years, despite soaring corporate profits and stock market prices. Its projections further expose the myth of "recovery" being pushed by governments around the world.

Even based on "consistently too optimistic" International Monetary Fund forecasts of global economic growth increasing to 3.6 percent in 2014, from 2.9 percent in 2013, the ILO said the unemployment toll would reach 215 million by 2018. "Should a sustainable economic recovery fail to materialise once again," however, that number would rise to 220 million.

The UN agency noted the glaring disparity between the boom on global financial markets, and the worsening situation facing workers. Guy Ryder, the ILO's director-general, commented that "corporate profits are up and global equity markets are looking forward to another year of plenty," but "businesses have been sitting on cash or buying back their own stocks, rather than investing in productive capacity and job creation."

Ryder warned that these processes were "sowing the seeds of further, and perhaps deeper social unrest." His comments followed a report by Oxfam that the world's richest 85 people control as much wealth as the poorest 3.5 billion people, half the world's population.

The ILO cited the FTSE global all cap index, which tracks 7,200 publicly traded stocks across 47 countries. The index gained more than 18 percent in the year to mid-December 2013, and had risen more than 158 percent since the low reached in March 2009. Yet unemployment grew, as corporations rewarded shareholders, at the cost of jobs, and governments continued to impose austerity measures.

The ILO said the jobs market remained "deeply scarred" by the global financial crisis. Worldwide employment rose by a mere 1.4 percent in 2013, adding 40 million jobs, but that failed to keep pace with the 42.6 million people expected to enter the labour market every year. "As a consequence, the crisis-related global jobs gap, measuring the number of jobs lost in comparison to pre-crisis trends, widened further to 62 million workers in 2013."

On top of the official jobless total, an estimated 23 million "discouraged workers" remained outside or dropped out of the labour force because of the grim job prospects. By 2018, "the global gap is projected to rise to 81 million; this includes some 30 million discouraged workers who might never come back to the labour market."

Young people will continue to be particularly affected by the "uneven recovery." The biggest rise in the youth unemployment rate was in the Middle East, where it reached more than 27 percent. Central and south-eastern Europe, the former Soviet states, east and southeast Asia, the Pacific and North Africa all saw substantial increases.

In addition, the proportion of young people not in employment, education or training (NEETs) continued to rise. Turkey's rate was near 35 percent, and Mexico's 25 percent. Some of the worst rates were in Europe. In Spain, Italy, Greece and Ireland more than one in five young people were NEETs.

These statistics still mask the real situation, with mounting numbers of workers being forced into insecure and low-paid work, often without access to social security or healthcare.

According to the ILO, "vulnerable employment"—that is, either self-employment or work by contributing family workers—now accounts for almost 48 percent of total employment. "In contrast to wage employment trends, vulnerable employment around the world increased by 13.4 million in 2013 compared with an increase of only 5.3 million in 2012 and 3.3 million in 2011," the report stated.

The number of workers classified by the ILO as "working poor" declined marginally, at a slower rate than in previous decades. In 2013, an estimated 375 million workers—11.9 percent of the world's workforce—lived on less than $US1.25 a day, while 839 million—26.7 percent—received $2 a day or less.

The outlook deteriorated for the long-term unemployed. "In many advanced economies, the duration of unemployment has doubled in comparison with the pre-crisis situation," the ILO reported. The average length of joblessness hit nine months in Greece and eight months in Spain. "Even in countries where encouraging signs of an economic recovery have appeared, such as the United States, long-term unemployment affects more than 40 percent of all jobseekers."

Throughout its report, the ILO's primary concern was not the human cost of deepening joblessness, but the implications for economic growth and political discontent. It concluded by impotently pleading for governments to moderate "aggressive" austerity measures in order to help create "the incentive required for companies to expand and create jobs" and address "the declining share of economic growth going to workers."

Even if its proposed "rebalancing of macroeconomic policies" were to occur, the ILO's simulation suggested that in high-income G20 countries, unemployment would be reduced by just 1.8 percentage points by 2020, still leaving about 200 million out of work.

But there is no prospect of any such softening of economic policy. As the ILO's report itself documents, the ruling elites and their governments all over the world are seeking to impose the burden of the economic breakdown on the working class.