



22 January 2014

ILO GLOBAL EMPLOYMENT TRENDS REPORT FOR 2014 THE RISK OF A JOBLESS RECOVERY

INITIAL IOE OVERVIEW AND RELATED ACTIVITY

The ILO has released its [Global Employment Trends Report for 2014 – The Risk of a Jobless Recovery](#), which addresses:

- **Macroeconomic challenges and global labour market developments**
- **Regional economic and labour market developments**
- **Policies for a stronger labour market and more inclusive growth**

The Report is particularly insightful in providing a fairly nuanced analysis of eight regions: Developed Economies and European Union, Central and South-Eastern Europe (non-EU) and CIS, Latin America and the Caribbean, East Asia, South-East Asia and the Pacific, South Asia, Middle East and North Africa, and Sub-Saharan Africa. The diversity within each region is also highlighted. You are encouraged to take a close look at the analysis of your respective region and to share your thoughts, either by email to IOE Adviser, [Ms Siew Sze Lee](#), or during the IOE conference call being organised for 19 February 2014.

The Report introduces the new **ILO Hiring Uncertainty Indicator** which explains that employers are not hiring because of their perception of the economic outlook. This is an interesting indicator, though too much emphasis risks diverting attention from addressing structural factors that may be affecting hiring decisions, such as rigidity of labour markets.

While structural factors are repeatedly identified in the Report's regional analyses as the reasons for lacklustre economic performance and slow employment creation, the **Report still considers weak aggregate demand as the main reason inhibiting economic and jobs recovery** especially in advanced economies and it arrives at three policy recommendations:

- **Address weak aggregate demand through improved labour incomes and less fiscal consolidation**
- **Address high hiring uncertainty through better policy coordination**
- **Address inactivity and skills mismatch through active labour market policies.**

The policy recommendations call for closer scrutiny. A large portion **proposes expansionary fiscal policies** without considering the potential adverse consequences. Also, despite the informal economy being identified as an important issue, the policy recommendations make no reference to it.

Finally, the Report calls for the recommendations of the [2009 Global Jobs Pact](#) to be revisited. **This is a point for employers to highlight in any comment on the Report: that policy recommendations should include promoting the environment for sustainable enterprises**, since the Pact underlines the key role of the private sector in any recovery, and policies that support and promote sustainable enterprises, entrepreneurship, SME development, real infrastructure development and rural producers are prerequisites for job creation.

For more detailed analysis of the Report, the IOE will organise a discussion via conference call for its [Employment Policy Working Group](#), which is open to all members, on 19 February. You are most welcome to participate by registering with [Ms Siew Sze Lee](#) by 12 February. The conference call will be chaired by Mr Roberto Suárez, IOE Deputy Secretary-General.