

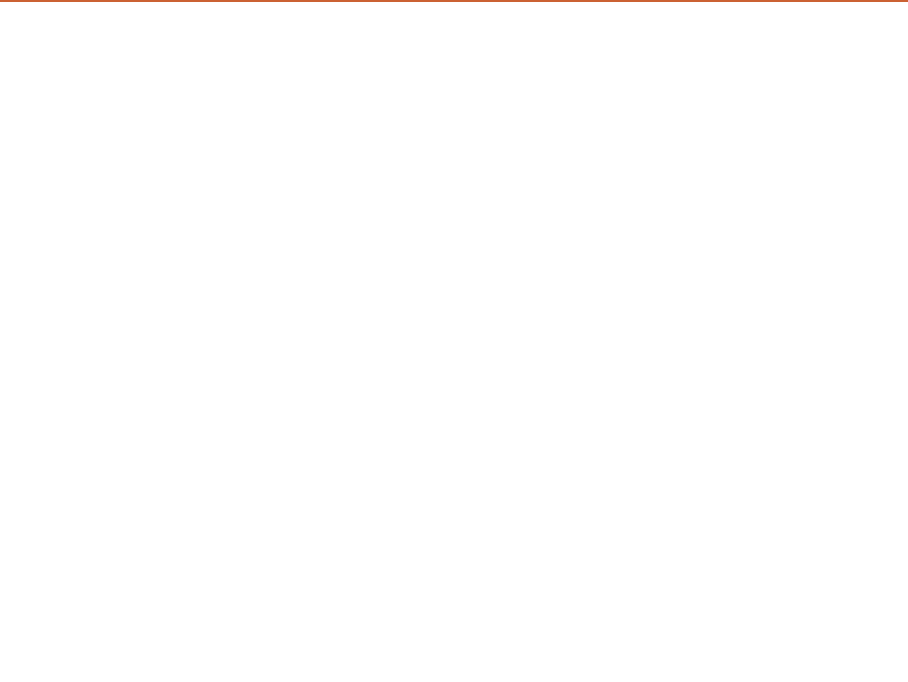
The ECA Region
The ECE Region
The ECLAC Region
The ESCAP Region
The ESCWA Region

**Full employment and
decent work for all:**

REGIONAL HIGHLIGHTS



UNITED NATIONS



Most countries are, at varying degrees, confronted with the same broad employment challenges: unemployment and underemployment, low-paying and precarious jobs, and barriers in the labour market for women, youth and other vulnerable segments in society. However, in order to address these challenges, the diversity in social and economic levels of development amongst regions, subregions and countries needs to be taken into account so that employment and its associated policies are tailored to each specific context.

In this context of cooperation, the regional commissions – ECA, ECE, ECLAC, ESCAP and ESCWA – in close liaison with the other United Nations agencies active in those areas, play a key analytical and advocacy role in addressing the world's employment challenges.

Exchanging experiences and best practices within and between regions can therefore support the development of national employment strategies and policies. This process can play a vital role in creating productive employment and decent work for all.

Full employment and decent work for all:

REGIONAL HIGHLIGHTS



UNITED NATIONS

QUICK FACTS

Official unemployment in Sub-Saharan Africa is estimated to have fallen only marginally to 9.7% in 2004. However, this figure grossly understates the employment challenge on the continent.

There were 229.4 million US\$2 per day working poor in Sub-Saharan Africa in 2005, representing 87% of total employment.

Though the official unemployment rate is lower for females than males in Sub-Saharan Africa (9.6% versus 10.6%), the reality is that women participate in unpaid home-based work and are over-represented in low paid jobs in the informal sector.

The official youth unemployment rate in Sub-Saharan Africa is approximately 20%, the second highest of all developing regions. Again, this figure suffers from mis-measurement and does not capture the working poverty and underemployment that Africa's youth experience.

In Sub-Saharan Africa there are over 49 million economically active children (26.4% of children aged between 5 and 14).

While official unemployment rates are higher in North Africa, levels of working poverty are lower than in Sub-Saharan Africa.

Africa is the most under-reported region with regard to employment indicators. Consequently, African governments still have an incomplete picture of the labour market issues in their countries.

MAJOR CHALLENGES

Jobless Growth

Overall macroeconomic conditions in ECA countries have improved considerably in recent years. In 2005, the economy of ECA countries as a group grew at a rate of 5.3%, with eight countries exceeding a growth rate of 7%. However, in most countries, economic growth remains



AFRICA
ECA

insufficient to create decent jobs, while in others, especially in the oil exporters, higher growth rates have not yet translated into the generation of better-paid and more productive work for the poor.

Working Poor

The number of the working poor in Africa has been increasing as a result of the declining availability of well-paid jobs and continuing exclusion of a sizeable proportion of the labour force from the benefits of economic growth. Underemployment is one of the root causes of working poverty in Africa, a phenomenon that is common to both urban and rural labour markets.

Lack of Opportunities for Women

The exclusion of women from high paying job opportunities persists, with significant costs to overall socio-economic development. Less than 10% of women in the sub-Saharan region are in formal employment compared with more than 20% for men, leading a larger majority of women to take up work in unpaid rural or low-paying urban informal jobs.

Youth Unemployment

Youth unemployment is a widespread problem in Africa stemming from the general lack of employment opportunity, high population growth and low literacy rates, poor quality education, and skills mismatch.

QUICK FACTS

The current levels of unemployment in the ECE Region are: European Union-15: 7.9%, New EU Member States: 13.4%, South-East Europe: 12.6%, Commonwealth of Independent States (CIS): 2.5%; United States of America: 5.1%, Canada: 6.8%,

In Western Europe moderate economic growth has increased employment but unemployment remains significant in the large continental economies. The average unemployment rate in the euro area fell slightly to 8.6% while unemployment in the non-euro countries is significantly lower.

Unemployment remains above double digits in the new EU Member States but varies considerably from 16.2% in Poland to 5.3% in Cyprus.

In South-East Europe unemployment is at double-digit rates throughout most of the region. The lack of job opportunities in the formal sector has created a large informal economy and has encouraged outward migration.

Official unemployment in the CIS remains relatively low but unregistered unemployment is significant and employment creation has been weak.

In the United States, the unemployment rate has continued to decline while in Canada robust employment growth has driven the unemployment rate to the lowest in over two decades.



EUROPE AND NORTH AMERICA *ECE*

MAJOR CHALLENGES

Economic Growth and Employment

In the current business cycle jobless growth is not an immediate concern in Western Europe and North America. However jobless growth appears to characterize the situation in the new EU members and South-East Europe, the Caucasus and Central Asia.

Much of the unemployment in Europe is structural in nature, as reflected in the relatively high proportion of the long-term unemployed and the concentration of unemployment amongst those with minimum job skills.

Inequality and the Working Poor

North America has achieved low unemployment at the cost of increasing inequality and even lower wages for the unskilled, while in much of Europe this increase in inequality has been limited but at the cost of higher unemployment.

In much of the CIS and the non-EU accession countries of South-East Europe significant segments of the employed labour force are still unable to earn enough to keep them out of poverty and cover their basic needs.

Youth Unemployment

In the EU-25 the unemployment rate for young persons (15-24) is approximately twice that of the overall labour force; youth unemployment is also high in South-East Europe and the CIS. This problem is due to the advantages of incumbency and youth's lack of job skills and work experience.

Labour Force Participation Rates

Much of Europe will need to address their currently low rates of labour force participation especially for older workers (55-64 years of age) in order to finance future pension obligations. In Western Europe this problem is due to labour market institutions that encourage early retirement, while in Eastern Europe this is more related to the lack of employment opportunities.

Structural Reform Associated with Transition

Although current unemployment in the CIS is low, much of the institutional reform and economic rationalization which created significant unemployment in Central and Eastern Europe has yet to be fully implemented in the CIS.

Limited Opportunities for Women

Although the unemployment rates for women are not especially higher than those of men, their participation rates especially in the transition economies are lower as opportunities for women in higher paying jobs are limited and there is a significant pay gap for equivalent work. Women also account for proportionally more part-time jobs which generally provide much lower benefits.

QUICK FACTS

Unemployment in the ECLAC region increased over the last few years as job creation was unable to compensate for the expansion of labour supply. Unemployment rates began to increase significantly from 1995 onwards, when a succession of economic crises had significant repercussions on available jobs.

While still at historically high levels, unemployment rates eased in 2004-2005 to 9.1% as a weighted average for 2005.

Due to the demographic transition in the ECLAC region, the growth rates of labour supply are shrinking (currently standing at 2.5% per annum, compared to 3.8% in the 1970s and 2.9% in the 1980s). On the other hand, the overall participation rate is rising, because of increasing labour market participation of women.



From 1990 onwards, employment grew faster in low-productivity sectors. In the ECLAC region as a whole, the share of the informal sector in urban employment rose from 42.8% in 1990 to 47.4% in 2003.

At the regional level, between 1990 and 2004 average real wages in the formal sector increased at an annual rate of 0.4% which roughly matches the growth of labour productivity in the region.

MAJOR CHALLENGES

Economic Growth and Employment

The ECLAC region is not in a situation of jobless growth; the link between economic growth and job creation remains intact and periods of economic revival have always led to greater job creation. Deficient economic growth was therefore the chief cause of weak job creation, especially in the formal sector, during the 1990s and the first years of the present decade.

LATIN AMERICA AND THE CARIBBEAN *ECLAC*

Youth Unemployment

In a sample of 18 Latin American countries in 2003, the urban unemployment rate was 11.4%, while the rate for young people (15-24 years) was 21.3%.

Lack of Opportunities for Women

One of the most striking phenomena of the last 20 years is the increase in the number of economically active females in the population. However, this influx into the labour market is marked by their concentration in precarious, poorly paid jobs in low-productivity sectors. Even though women and men are negatively affected by the increasing trend towards informal, precarious employment in the region, women's income is even lower than men's in both low-productivity employment and the types of employment in which more highly educated workers engage.

Migration in Search of Jobs

The last few years have witnessed heavy migration out of the ECLAC region. Apart from the long-standing flow of Mexican, Central American and Caribbean people to the United States, emigration outside the region has expanded sharply in response to severe economic crises.

Declining Fringe Benefits

Due to the increasingly precarious nature of employment, social security coverage is deteriorating. The proportion of wage earners paying into the social security system fell from 66.6% in 1990 to 63.6% in 2003.

QUICK FACTS

In 2005, overall unemployment in the ESCAP region was 4.6% (by sub-region: East Asia: 3.8%; South-East Asia and the Pacific: 6.1%; and South Asia: 5.0%).

Despite a decline in recent decades, agriculture still accounts for over 50% of total employment.

In some ESCAP countries, the rural informal economy still provides the majority of employment opportunities, mostly for unskilled labour.

Asia-Pacific is home to over 122 million working children aged between 5 and 14 (64% of the world total).

Underemployment is higher among women than men, in rural more than in urban areas, and in the agricultural, fisheries and forestry sectors more than in others.



MAJOR CHALLENGES

Jobless Growth

Despite sustained economic growth, employment generation has been limited and outpaced by labour force growth. While Asia-Pacific has grown at an average rate of 5.3% per year during the past 10 years, employment in the region has grown by only 1.5% annually compared to 1.6% labour force growth per year.

Causes of jobless growth include: (a) the promotion of more capital-intensive investments to substitute labour; (b) high fertility rates leading to increased labour supply in many countries.

Working Poor

A large proportion of those employed, particularly in the informal economy, do not earn a decent income. In 2005, 83% of workers in South Asia lived with their families on less than US\$2 per person per day

ASIA AND THE PACIFIC *ESCAP*

(almost as high as in Sub-Saharan Africa). In South-East and East Asia, the share was 58% and 46%, respectively.

Many employment opportunities in the ESCAP region are in low productivity jobs, mostly in small and medium-sized enterprises, particularly in the informal sector.

Youth Unemployment

Youth unemployment in the region is several times higher than overall unemployment rates – up to 16.9% in South-East Asia. South Asia has over 16.3 million unemployed youth – the largest population of unemployed youth by sub-region in Asia-Pacific (2005).

Unemployment is high among youth, including educated youth; as of 2005, 39 million young people were unemployed (over 45% of the world total). In some ESCAP countries, over half the tertiary education graduates are unemployed.

More young women tend to be unemployed, except in East Asia where more young men are unemployed. In two industrialized economies of the region (Australia and New Zealand), the male youth unemployment rate is higher than the female youth unemployment rate.

QUICK FACTS

The ESCWA region continues to suffer from internal and external conflicts, which have severe consequences on the economic, social and environmental systems in the region. These negative effects are particularly evident in unemployment rates that are twice as high as the world's average.

Although it is difficult to compute precise estimates of the region's unemployment rates, recent calculations put this rate at between 10-19% in Oman, Egypt, Syria, Jordan, Bahrain and Lebanon and at 20-30 % in Palestine, Iraq and Yemen.

Youth unemployment accounts for 53% of total unemployment.



MAJOR CHALLENGES

Jobless Growth

Despite an 11% growth in the real GDP of the region over the last two years, there was only a 1% decline in the unemployment rate.

Youth Unemployment

The unemployment rate for youth in the Arab region is the highest in the world (approximately 25%). In Morocco, Algeria and Oman the youth unemployment rate exceeds 38% and it is more than 26% in Saudi Arabia, Egypt and Jordan. In Syria, Lebanon and Jordan slightly less than 20% of youth are unemployed.

Most unemployed youth are educated. The unemployment rates among those that graduate from middle and secondary schools is over 25% in Oman, 22.4% in Egypt and 31% in Algeria.

Each year over 500,000 enter the labour market in the ESCWA region, the majority (90%) are in the age cohort of 15-24. Providing employment opportunities for these new entrants would require an overall rate of sustained economic growth of over 6% per year.

WESTERN
ASIA
ESCWA

Among the major reasons for the high unemployment rates among youth in the region are:

- The mismatch between the outputs of the educational system and the labour market requirements.
- The cheap labour bias in most of the economies of the region but particularly the oil producing States.
- Large immigrant inflows from Asia.
- Poor career counselling at all educational levels.
- Absence of public and private placement services.
- Wage compression and declining real wages which encourage emigration into non-regional labour markets.
- Poor training systems and programmes.
- Limited participation of the private sector in the educational system and labour market.

Lack of Opportunities for Women

In the ESCWA region, but particularly in the Gulf Cooperation Council (GCC) countries, there is an increasing tendency towards the feminization of unemployment. Female unemployment rates are typically at least twice as high as male unemployment rates.

Social Cohesion Covenant

In response to challenges posed by the opening of economies and technological innovations, such covenant should lead to a comprehensive policy response for creating an environment conducive to full, productive and decent work for all. Its fundamental elements would include: a new institutional setting of the labour market, a new design of social protection systems, an integral set of active labour market policies, and policies to include the informal sector. All of these components should be based on responsible macroeconomic policies and policies for productive development.

Reducing economic volatility

Although not sufficient, stable growth is a necessary condition for employment creation, and countercyclical fiscal and monetary policies play a key role in this regard.

Reducing labour market rigidities

In all regions more pro-active labour market policies would be beneficial.

Promoting youth and women employment

The productive integration of youth and women – especially from poor households – into the labour market is necessary for present and future growth prospects, social mobility, and the interruption of the intergenerational transmission of poverty. Therefore, in addition to macroeconomic and labour market policies, specific measures aimed at enlarging employment opportunities for women and youth are necessary – in particular the setting up of targeted training and retraining schemes, and the effective enforcement of legislation against discrimination in the labour market.

Facilitating the creation of small and medium-sized enterprises

Given the limitations of labour demand for less skilled persons, the strengthening of small and medium-sized enterprises and, especially, micro-enterprises is key in job creation, as these types of production units are not only labour intensive in general, but specifically relatively intensive in low skilled labour.

Valorising the social role of the private sector

The private sector could also play a greater role in assisting States to enhance security and stability by exercising its social corporate responsibility including through key investments to help diffuse tensions (for example, investments to generate more youth employment and/or target vulnerable regions) and investing in training facilities for workers.

SOME POLICY OPTIONS FOR ADDRESSING EMPLOYMENT CHALLENGES

For more information please contact:
Regional Commissions New York Office
New York, NY 10017, U.S.A.

You can also consult the Web
pages of each regional commission

Economic Commission for Africa (ECA)
Addis Ababa, Ethiopia
<http://www.uneca.org>

Economic Commission for Europe (ECE)
Geneva, Switzerland
<http://www.unece.org>

Economic Commission for Latin America
and the Caribbean (ECLAC)
Santiago, Chile
<http://www.eclac.cl>

Economic and Social Commission for
Asia and the Pacific (ESCAP)
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Economic and Social Commission for
Western Asia (ESCWA)
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<http://www.escwa.org.lb>



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