

**CHANGING PATTERNS IN THE WORLD OF WORK
AND THEIR RELEVANCE TO THE CARIBBEAN
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My task this morning is to try to present the trends and patterns shaping the global labour market. The International Labour Office produced a report entitled "Changing Patterns in the World of Work" for the 95th Session of the International Labour Conference last year. I will share with you some of the findings and conclusions of this report and I trust that this will be useful for your reflections on and developing your strategies for Leading Change in Tourism within a Dynamic, Global Environment.

Drivers of Change

Globalization, the global economy, and the global market are terms that litter our daily discourse as we seek to understand and come to terms with the impact of changes wrought by trade and financial liberalization. The set of forces which are shaping and changing the way we work and how our labour markets function can be described as:

1. an intensification of global competition as a consequence of trade and financial liberalization as well as a dramatic reduction of transport and communication costs;
2. a technological transformation created by the diffusion of new means of information processing and communications;
3. a shift towards greater reliance on markets and a reduced role for the State, accompanied by, and sometimes at odds with, increased political pressure for improved living and working conditions triggered by the spread of democratic mechanisms of representation and accountability.
4. the development imperative, stemming from the urgent need to reduce poverty and inequality within and among nations. World leaders have committed to the Millennium Development Goals and to Decent Work

In other words, we are in the midst of a technological revolution, where the powers of the Nation State are eroded and it has trouble controlling fiscal and monetary policy; information flows; cultural norms; trade; and labour markets; and the human beings, the workers who make up the world labour markets are required, not only to cope, but to perform at increasingly high levels of competence.

Trends in the global labour market

Size and structure of the world's labour force

In 2005, the people of working age in the world numbered 4.5 billion. Over 3 billion persons were either working or seeking work. 84 per cent of these live in the developing countries of Asia and the Pacific, Africa, Latin America and the Caribbean as well as the transition countries of the Confederation of the Independent States and South Eastern Europe. China and India alone account for 40 per cent of the world's workers. Together, Latin America and the Caribbean account for a mere 8.4 per cent of the world's workers. By 2015, the working age population will grow to about 5.35 billion. These projections imply that the labour force will increase annually by about 43 million until then. Job creation will therefore have to exceed this net increase in persons seeking work.

Women constitute 40 per cent of the world's labour force; although women's participation in the labour has increased, they still continue to be disproportionately involved in housework and the care economy and women are over-represented in the informal economy, agricultural sector and in particular kinds of employment occupations. Compared to men, this leaves them with lower earnings, insecure jobs and without opportunities for advancement. Although the gender gaps in education have narrowed, including at the university level, this development has not been matched by similar increases in the share of women in professional and managerial jobs.

The number of the unemployed – that is those wanting to work but who could not find work – rose from 157.3 million to 191.8 million. In 2005 the unemployment rate for women was slightly higher than for men in the world as a whole, with 79 million women looking for work. Between 1995 and 2005, youth unemployment rates increased globally from 12.1 per cent to 13.7 per cent. The youth to adult unemployment ratio worsened slightly over the same period for the world as a whole. In developing regions in 2005, young persons were 3.3 times more likely to find themselves unemployed when compared with adult workers. This is significant because at the same time labour force participation rate of young people decreased. There are two reasons for this: on one hand, more young people are staying in education longer and on the other, more young people are not seeking jobs believing that there are few suitable employment opportunities available to them. Globally the number of people aged 60 years and over is growing faster than all other age groups; increasing life expectancy coupled with low fertility levels are contributing factors. Labour force participation for all workers above 50 years of age has increased worldwide and forecasts show that this trend will continue.

In short, although there is increasing share of women in the labour force, more women are unemployed than men and more young people are unemployed than adult workers. In addition, the numbers of older workers participating in the workforce is increasing. States face a daunting task of job creation to meet the demand created by the expanding work force.

Emergence of global production systems and changes in the international division of labour

Falling barriers to trade and investment, cheaper transportation and rapid technological advance has made it increasingly possible to break up production processes and locate them in different countries. This has created global production systems connecting developed and developing country product and labour markets. While some countries in a few developing countries have managed to move up the technology and skills ladder, the competitive advantage that businesses in already industrialized countries enjoy in terms of technology and investment finance makes it extremely difficult for new developing country enterprises to break into global markets. The failure to acknowledge that the playing field is not level for many developing countries, especially small developing countries, is a major source of tension in trade relations.

The data show that the share of industrial employment in total employment has declined from 28.7 per cent in 1995 to 24.8 per cent in 2005. In contrast to industrial employment, employment in services went up as a share of global employment from 34.4 per cent in 1995 to nearly 39 per cent in 2005. It should be noted that services include wholesale and retail; hotel and restaurants; transport; storage and communications; finance; property and business activities – including research and development; public administration; education; health and social work; community and personal services and domestic service. One of the fastest growing subsectors of services in industrialized countries was business services. Furthermore, services such as education, health, hotel and catering, as well as retail and transport are expanding in most countries.

Shift away from agricultural work and the growth of the informal economies in developing countries

Industrialization in developed countries led to a concentration of people in urban centres. A similar process has been under way in developing countries over the last century. The movement of people from rural to urban areas and the consequent rise in the number of urban dwellers are part of a general development pattern that characterizes the transformation of economies and societies based on agriculture to more diversified systems of productions. Despite large-scale migration to cities, the rural workforce is still very large in the developing world where the share of agricultural employment in total employment remained at 48 per cent in 2005. It should also be noted that the declining share of agricultural employment coincided with a rise in services from 28.0 per cent in 1995 to 32.6 per cent of employment in the 1995-2005 period. Within the several categories of services, the fastest growing in employment is commerce, which includes the petty trading informal activities that dominate the towns and cities of developing countries.

Recent ILO research shows some evidence of the informal economy shrinking in the faster growing economies of East and South East Asia where the rise of manufacturing industry is powering development. In the countries where informality is retreating, the numbers of working poor are also declining. In countries where informality is on the rise, the numbers of working poor are increasing or remain the same. Women make up a substantial proportion of

informal workers, in part because of the continuing burden of family responsibilities or as a result of discrimination. This puts great pressure on women to take up insecure jobs in the informal economy as self-employed and wage workers.

Poverty and incomes from work

Nearly 1.4 billion workers are unable to earn enough to lift themselves and their family members above the US\$2 a day poverty line. This is roughly the same total as in 1994. Of that total 535 million working women and men are surviving on US\$1 a day or less. As the most severe problems of subsistence-level poverty have waned in industrialized countries, relative poverty – often set at half of the median income of the population - has increased in many developed countries.

Income gaps between the poorest and the richest countries are widening, for example in 1990 the average US citizen was 38 times richer than the average Tanzanian. Today the average American is 61 times richer. At the same time income inequality is increasing within countries. Of the 73 countries for which data are available, 53 countries (with more than 80 per cent of the world's population) have seen inequality rise, while only nine (with 4 per cent of the population) have seen it narrow. Where average real wages have increased in some developing countries, this has been accompanied by an increase in income inequality. This means simply that those at the top end of the earnings spectrum have done better than those at the bottom end.

Skills shortages

The current process of economic and technological transformation requires a constant renewal of skill on the part of workers, employers and managers. This favours those countries best able to meet this demand for enhanced skills. Worldwide, enterprises increasingly require a workforce that is more flexible, more skilled (especially in terms of computer literacy) and more adaptable to rapid changes in the business environment. What is more, firms need to re-organize their management methods to exploit fully the potential of new technologies than can provide frontline production and service workers with vastly increased information. High-skilled occupations, including professional, technical, and administration categories, recorded the highest growth of all occupation in the 1980s and 1990s. This was accompanied by slower growth in some lower-skilled industrial occupations and increased employment in some lower-skilled service sector jobs.

Given the skill-biased nature of the current economic and technological transformation, worker training – i.e. formal education, vocational training and training in enterprise-specific activities—assumes an increasingly crucial role. Public and private institutions, including educational institutions, employment agencies, counselling and community organizations, are all instruments intended to assist individuals develop skills to find and retain formal employment. However, these institutions and formal training systems face a number of

challenges, particularly in developing countries. Currently, vocational training options are often oriented to rigidly defined occupations, and focus on narrowly defined technical skills at a time when there are enormous shifts in employer needs. In both developed and developing countries, considerable effort is required to rapidly improve literacy rates and general education levels, as well as to equip those in the informal economy with skills for which there is a demand – or, conversely, to create demand for the skills that informal workers have to offer.

Equality of opportunity in employment

Discrimination in the world of work not only constitutes an abuse of fundamental principles and rights at work but represents a huge cost to society. By excluding members of certain groups from work or by impairing their chances of developing market-relevant capabilities, discrimination in the labour market lowers the quality of jobs to which these persons can aspire. This in turn enhances their risk of becoming or remaining poor, which further reduces their ability to obtain jobs that can lift them out of poverty. Consequently, discrimination deprives individuals, communities and the society as whole of the full benefits of the capabilities of these individuals. Although there are some signs of progress in the struggle against gender discrimination in the world of work, women are still less likely than men to be in regular wage and salaried employment; women continue to contribute more to household work than men; and women are more likely to earn less than men for the same time of work even in occupations that are considered traditionally female. Women still also generally receive lower levels of education, making it more difficult for them to get more productive and better-paid jobs. Ethnic minorities, indigenous and tribal peoples, “coloured” people and migrant workers are victims of discrimination based on religious or cultural characteristics or even national origin.

People experience discrimination in the labour market differently. The severity of the disadvantages that confronts an individual will depend on whether the person is for example a young black man or an older woman with a disability. Furthermore, discrimination has clear life-cycle dimensions. If no remedial action is taken, disadvantages tend to accumulate and intensify over time with negative repercussions on life after work. For example women’s interrupted careers, lower pay and fewer contributions, as well as earlier retirement records, mean that social protection benefits are on average lower for women than for men.

Diversity in conditions of work

The bulk of work in industrial countries is done within a stable employment relationship, usually of indeterminate length. A study of European countries has revealed that employment stability of the workforce is beneficial to productivity levels, human capital investment and worker motivation. In developing countries, the majority of employment relationships are informal and insecure. This hampers the developmental transition from the household-based economy to more complex and productive systems for organizing productive work.

There is increased pressure for flexibility; this is focused on the ease of hiring and firing and on working time. This can involve shift or on-call work and other flexible-time arrangements. In many industrialized countries, more people are working longer hours than the standard 35- to 40-hour week, while increasing numbers work shorter hours. Consequently, the numbers of workers who are working the standard work week are decreasing. In a number of developing countries the average work week remains longer than in developed countries and ranges from 40 – 50 hours per week.

Occupational accidents and diseases account for the deaths of 2.2 million persons each year, while 270 million suffer serious non-fatal injuries and a further 160 million women and men fall ill from work-related causes. Changing occupational and sectoral structure of employment is altering the pattern of work hazards. Some of the most dirty and dangerous jobs have been disappearing from industrialized countries. This trend reflects both a shift from mining, manufacturing and agriculture towards services and the redesign of production processes accompanied by technological changes in favour of safer work environments. However, other hazards are emerging. Stress and violence at work are becoming recognized as significant hazards to safety and health at work. While the increase in electronic surveillance and monitoring of workplaces and workers may contribute to safety and health standards, it can also reduce privacy and lead to the possibility of discrimination in the case of an illness.

The number of people living with HIV globally reached its highest level in 2005: an estimated 40.3 million people. The estimates for the Caribbean are 500'000 persons living with HIV. Apart from the social and financial burden to the individual, the loss of large numbers of workers and damage to the labour productivity is hitting many economies hard. The incidence and patterns of spread of the disease are connected to the movement of persons in search of work and poverty. Migrants, transport workers and people involved in sex services are at high risk of infection.

New challenges for social security

Social security systems aim to support individuals at times in their life when income from work is inadequate or if they are not able to work at all. Formal social security can be understood as a set of institutions, measures, rights, obligations and transfers whose primary goal is to guarantee access to health and social services and to provide income security to help cope with certain significant risks and to help prevent or alleviate poverty. These systems now face new demands triggered by factors such as the need to extend coverage to the world's poorest people, shifting patterns in employment, pressures for greater mobility in labour markets, changing family arrangements, ageing populations and new health hazards.

Countries can be divided roughly into two groups at different stages of development of social security systems. The first group consists of industrialized countries which have national frameworks covering a reasonably large proportion

of the population. The second group comprises most developing countries which have a thin formal system covering few people and which continue to rely on informal systems.

A decent formal sector job remains the greatest source of income security. These jobs provide relatively reliable income that can be shared with family or household members but also provide earnings for contributions to national social security schemes. There are issues to be addressed with the frameworks of national systems but again creation of productive work is a basis for addressing coverage of the large majority of the population.

Policy and political environment

International influences on work (technological transformation, global competition, reliance of markets, reduced role of the State, the development imperative) are of a long-term nature. To address the negative trends and patterns demands an international policy and political environment where cooperation between governments, investors, civil society flourishes in a pragmatic fashion and produces a more transparent world with a balance between efficiency, social justice and security. This scenario produces projections for economic growth and sustainable development that is superior to other possible trajectories for the governance of globalization. There is a growing policy consensus about labour markets which entails:

1. adopting ILO Core Labour Standards;
2. addressing the Social Dimensions Of Globalization; and
3. promoting and realizing the ILO concept of Decent Work.

What are core labour standards? The eight fundamental labour standards set out the fundamental principles and rights at work; these are:

- Freedom of Association, the Right to Organize and Collective Bargaining
- No Forced Labour
- No Discrimination (or equal opportunity and treatment), and
- No Child Labour.

What is the Decent Work? Decent Work means productive work in which workers' rights are protected, which generates an adequate income, with adequate social protection. It also means sufficient work in the sense that all should have full access to income earning opportunities. It marks the high road to economic and social development, a road in which employment, income and social protection can be achieved without compromising workers' rights and social standards.

The primary goal of the ILO today is therefore to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.

Thank you.