

# ILO says only one-fourth of the world's workers have solid jobs

AFP, Geneva

Only a fourth of the world's workforce have stable contracts, leading to growing job insecurity, a UN report said Tuesday.

The International Labour Organization report revealed a clear shift away from reliable full-time jobs, as short-term contracts and irregular hours become more widespread.

ILO chief Guy Ryder said the shift was contributing to the "widespread insecurity" affecting many workers worldwide.

The dwindling share of steady jobs comes against the backdrop of soaring global unemployment, with 201 million people jobless last year -- 30 million more than before the 2008 financial crisis, ILO said.

The organisation's main annual report, covering more than 180 countries and 84 percent of the global workforce, said a full three-quarters of workers have temporary or short-term contracts, held informal jobs or were in unpaid family work.

Among workers who earn salaries, only 42 percent have permanent contracts, said the ILO's 2015 World Employment Social Outlook Report titled *The Changing Nature of Jobs*.

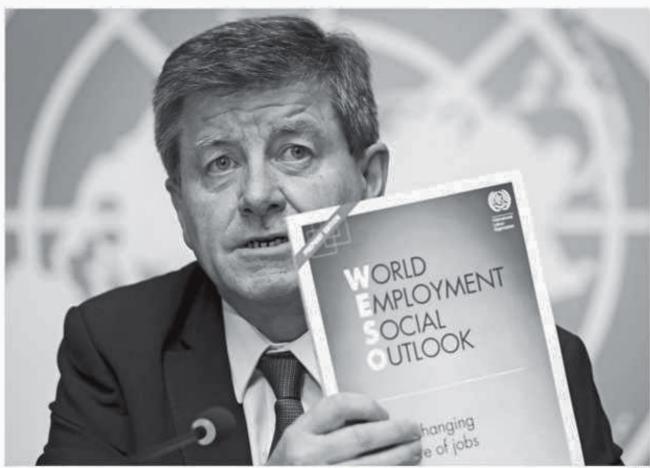
In such conditions, working is no guarantee of prosperity.

Many of the world's workers find themselves in dire poverty, with nearly a quarter of them last year living with their families on less than \$2 a day, and 10 percent of the global workforce lived on earnings of less than \$1.25, the report said.

This was however a vast improvement from two decades ago when half the world's workers lived below the \$2 poverty line threshold.

But while the proportion of workers wallowing in poverty dwindled, Tuesday's report showed a clear rise in part-time work, especially for women, after the global financial crisis.

"These new figures point to an increasingly diversified world of work," Ryder said, calling the shift



ILO Director-General Guy Ryder holds the World Employment Social Outlook 2015 report during a press conference in Geneva yesterday.

from standard jobs a "departure from long-term historical patterns."

"In some cases, non-standard forms of work can help people get a foothold into the job market," he said, warning though that the "emerging trends are also a reflection of the widespread insecurity that's affecting many workers worldwide today."

There were wide regional variations in terms of solid contract-bound employment with the figure standing at around 80 percent in developed economies and central and southeastern Europe but falling to about 20 percent in South Asia and sub-Saharan Africa.

The rest were self-employed or engaged in family jobs.

"The shift we're seeing from the traditional employment relationship to more non-standard forms of employment is in many cases associated with the rise in inequality and poverty rates in many countries," said Ryder.

"What's more, these trends risk perpetuating the vicious circle of weak global demand and slow job creation that has characterised the global

economy and many labour markets throughout the post-crisis period."

Ryder said this was a pointer to the pressing need for governments to help spur job creation and try and ensure income security for people on temporary contracts, who tend to earn far less than their permanent contract counterparts.

ILO said the income gap between permanent and non-permanent workers had ballooned over the past decade, and now towered as high as 65 percent in Uruguay and 43 percent in the Philippines.

Global employment growth has meanwhile stalled at around 1.4 percent annually since 2011, down from 1.7 percent on average between 2000 and 2007, the report said.

It argued for the need for stronger labour regulation to protect workers from arbitrary or unfair treatment.

"In Europe, labour protection has generally decreased since 2008 when the global financial crisis started," it said.

Ryder said another problem was that "productivity is growing faster than wages in much of the world."

## UK inflation turns negative for first time since 1960

AFP, London

Britain's annual inflation rate sank into negative territory last month for the first time in more than half a century, official data showed on Tuesday.

The rate hit minus 0.1 percent in April, the Office for National Statistics (ONS) said in a statement, risking a period of deflation for Britain's economy.

Prices were pushed into negative territory on the back of falling transport services -- notably air and sea fares -- and the earlier timing of Easter.

That was the lowest rate on record -- since the data series began in 1996 -- and comes after two previous months of zero inflation.

The ONS added that it was the first time that inflation has turned negative since 1960, citing comparable historic estimates.

## Falling growth hurts German investor sentiment

AFP, Frankfurt

Investor sentiment in Germany is at its lowest level in five months after weaker-than-expected growth in the first quarter begins to deflate exaggerated expectations for Europe's biggest economy, data showed on Tuesday.

After already slipping last month, the widely watched investor confidence index calculated by the ZEW economic institute fell by a steeper-than-expected 11.4 points to 41.9 points in May, ZEW said in a statement.

Analysts had been expecting a much shallower decline this month to around 49.0 points and the index is now at its lowest level since December 2014.

"Financial market experts have adjusted their optimistic expectations downward in May due to unexpectedly poor growth figures in the first quarter of 2015 and turmoil on the stock and bond markets," said ZEW president Clemens Fuest.

"However, only a small number of survey participants actually expect a deterioration of the economic situation," he added.

Growth in Europe's biggest economy slowed unexpectedly in the first quarter, with first-quarter gross domestic product (GDP) expanding by a modest 0.3 per-

cent, down from 0.7 percent in the preceding three months.

For the survey, ZEW questions analysts and institutional investors about their current assessment of the economic situation in Germany, as well as their expectations for the coming months.

The sub-index measuring financial market players' view of the current economic situation in Germany slipped by 4.5 points to 65.7 points in May, ZEW said.

Despite the steeper-than-expected drop, analysts insisted the German recovery remains on track. "Today's ZEW index shows that German investors have lost parts of their earlier optimism," said ING DiBa economist Carsten Brzeski.

But despite the drop, both components of the ZEW "remain far above their historical averages."

The expert conceded there were still major risks for the German economy.

These included the Greek crisis, which "could still escalate and is clearly more dangerous and explosive than financial market participants seem to believe."

Weak growth in the United States could harm German exports. And what appeared to be a new strike culture in Germany -- with train drivers set to stage an open-ended walk-out -- could also have a negative impact, Brzeski said.



Rashed Ahmed Chowdhury, chairman of Mutual Trust Bank, poses while Anis A Khan, managing director of the bank, and Hossain Khaled, managing director of Anwar Group of Industries, exchange documents of a payroll banking agreement at a programme recently.



Atiur Rahman, governor of Bangladesh Bank, and Md Arfan Ali, deputy managing director of Bank Asia, hand over a SME loan disbursement cheque to Sarnalata Roy, an entrepreneur, at a seminar in Sylhet recently. Pierre Mayaudon, ambassador and head of delegation of the European Union in Bangladesh, was also present.



Md Nurun Newaz Salim, chairman of NCC Bank, cuts a cake at a programme to mark the bank's 22nd anniversary at its head office in Dhaka on Sunday. Golam Hafiz Ahmed, managing director, was also present.

## Vodafone sees net profits tumble

AFP, London

Vodafone's annual net profits slumped dramatically but the performance was skewed by the sale of its stake in Verizon Wireless, the British company said Tuesday.

Earnings after taxation collapsed to £5.76 billion (\$9.0 billion, 8.0 billion euros) in the year to March 31, the world's second-largest mobile operator said in a results statement.

That compared with an enormous net profit of £59.25 billion in the previous 2013/2014 financial year, when earnings were boosted by the sale of its 45-percent stake in Verizon Wireless to Verizon for \$130 billion.

The deal -- one of the biggest transactions in global corporate history -- was agreed in September 2013 but completed in February 2014.

In a separate development last week, US telecoms giant Verizon announced plans to buy faded Internet pioneer AOL for \$4.4 billion.

## Greece in final stretch of troubled loan talks

AFP, Athens

Greece on Monday entered the final stretch of tortuous talks with its international creditors on a bankruptcy-saving loan deal, with the government calling for a breakthrough by the end of the month.

"A deal is required immediately, this is why we are talking about the end of May, to resolve these critical liquidity issues," government spokesman Gabriel Sakellariadis told reporters.

Greece's new radical Syriza-led government and its EU-IMF creditors have been stuck in a deadlock for four months over the reforms needed to release a final 7.2 billion euros (\$8.2 billion) in bailout funds.

European economic affairs chief Pierre Moscovici lamented that the Greek anti-austerity government seemed more interested in ditching promised reforms than in making proposals of its own.

"They are more eager to say what they don't want to keep in the programme than to propose alternatives," Moscovici told a news conference in Berlin, while insisting that "some progress" had been made in some areas in recent days.

Later Monday, To Vima daily reported a European Commission proposal to break the deadlock.

It offered to give Athens next month a combined 3.7 billion euros in EU and ECB funds from the ongoing bailout in return for legislation on fiscal measures worth 5.0 billion euros, To Vima said.

Both the Greek government and

the European Commission could not confirm the reported proposal.

"We are not aware of such a proposal. We continue to work towards a comprehensive deal, together with the ECB and the IMF, as well as the Eurogroup. Progress is being made, albeit at a slow pace," Commission spokeswoman Annika Breidhardt said in Brussels.

Moscovici insisted that the "only scenario we consider at the Commission is a strong Greece in the eurozone."

He added that "nobody is working on others. We all consider that it's possible to reach an agreement."

Athens objects to further wage and pension cuts in an economy sapped by a six-year recession, but has offered to make a number of privatisations and step up tax collection.

The delay has led to concerns Athens is running critically short of cash and may soon end up defaulting, which could set off a messy exit from the euro.

The country faces a hefty repayment schedule to the International Monetary Fund and the European Central Bank in the coming months, and also needs to continue paying salaries and pensions.

"I think we are very close to an agreement", Finance Minister Yanis Varoufakis said on Greek television late Monday, pointing to "maybe in a week".

"A break with creditors is not in our plans" nor "a change of currency", he said. At the same time, Varoufakis said "pensions and salaries were sacred... an absolute priority" and that he would "prefer a default with the IMF rather than on salaries".

Over the weekend, Greek newspapers reported that the country came close to not making a 750-million-euro debt repayment to the International Monetary Fund last week.

Creditors had been warned in writing of the risk, Varoufakis confirmed, expressing confidence Greece "would not arrive at the point of being unable to pay the IMF".

He also criticised creditors of bringing "nothing new to the discussions", unlike Greece.

Around 1.5 billion euros are now due to the IMF in June, and then more than six billion euros must be paid to the European Central Bank in July and August. This year is Greece's "toughest in terms of bond maturities until 2030", Sakellariadis said.

German Economy Minister Zigmund Gabriel over the weekend floated the idea of a third bailout package if reforms are implemented. The country is on the tail end of back-to-back bailouts totalling 240 billion euros, and the prospect of another lifeline remains controversial for many eurozone partners.

However, as Greece remains unable to borrow on the markets, another bailout seems inevitable, Greek daily Naftemporiki said Monday.

"By the end of December, the state must repay 12.55 billion euros in (principal) debt and 2.95 billion in interest," and therefore the 7.2 billion euros left in its current bailout "does not suffice".

Another 1.5-1.6 billion must be paid in salaries and pensions each month, plus 8.2 billion in state



Md Mahfuzur Rahman, head of card division at National Bank, Jhumu Khan, managing director of Dr Jhumu Khan Laser Medical, exchange a deal at NBL Card Division premises in Dhaka on Sunday. The bank's platinum and gold cardholders will enjoy special discounts at the medical centre.



Syed Asaduzzaman, managing director of Best Electronics, presents an award to one of the company's best performing dealers at a conference in Dhaka on Sunday. Syed Ashab Zaman Rafid, a director, was also present.



Md Abdul Hannan, chairman of Mercantile Bank Foundation, poses with the recipients of Mercantile Bank Abdul Jalil Education Scholarship at a cheque and certificate distribution ceremony among students in Chandpur recently.