

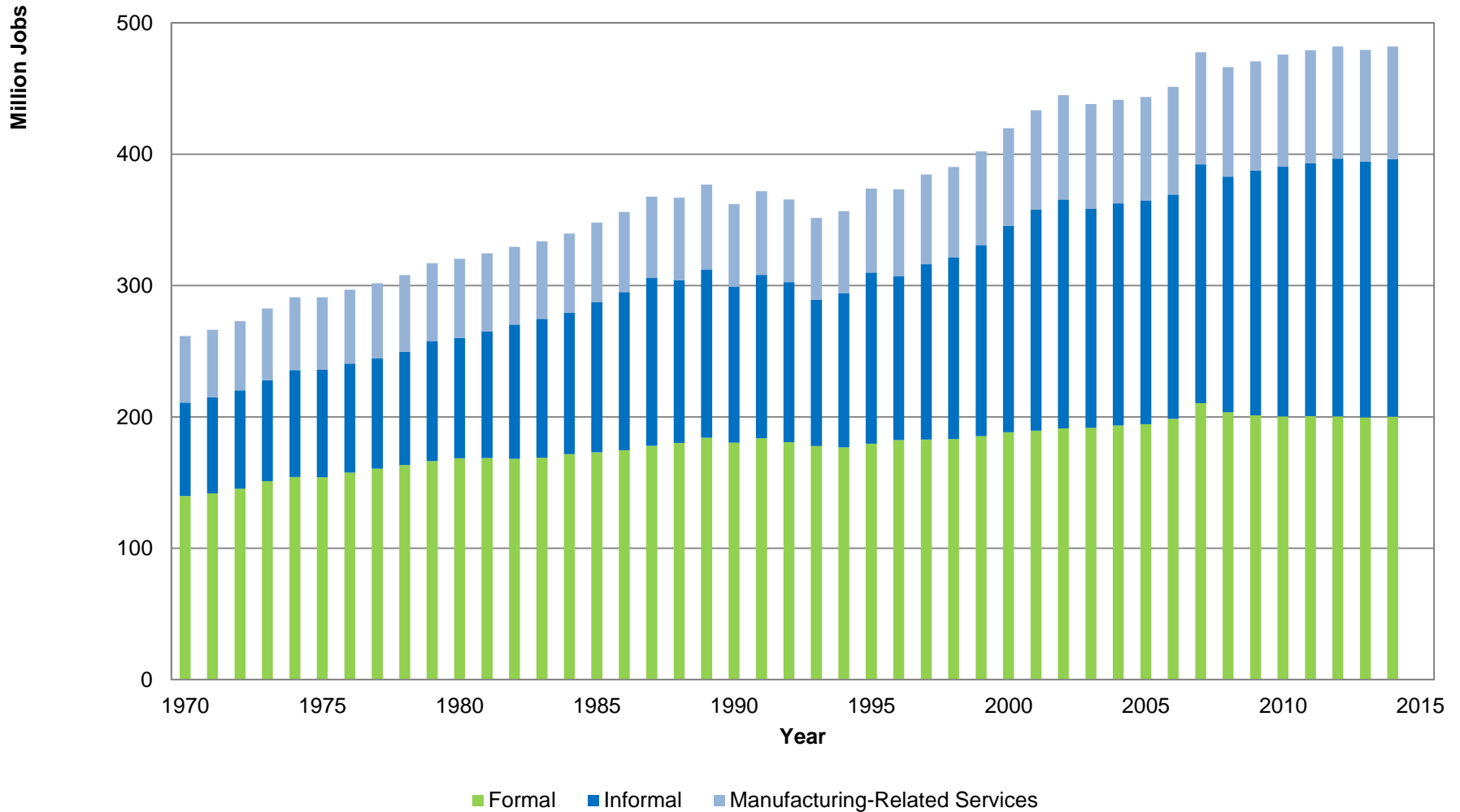


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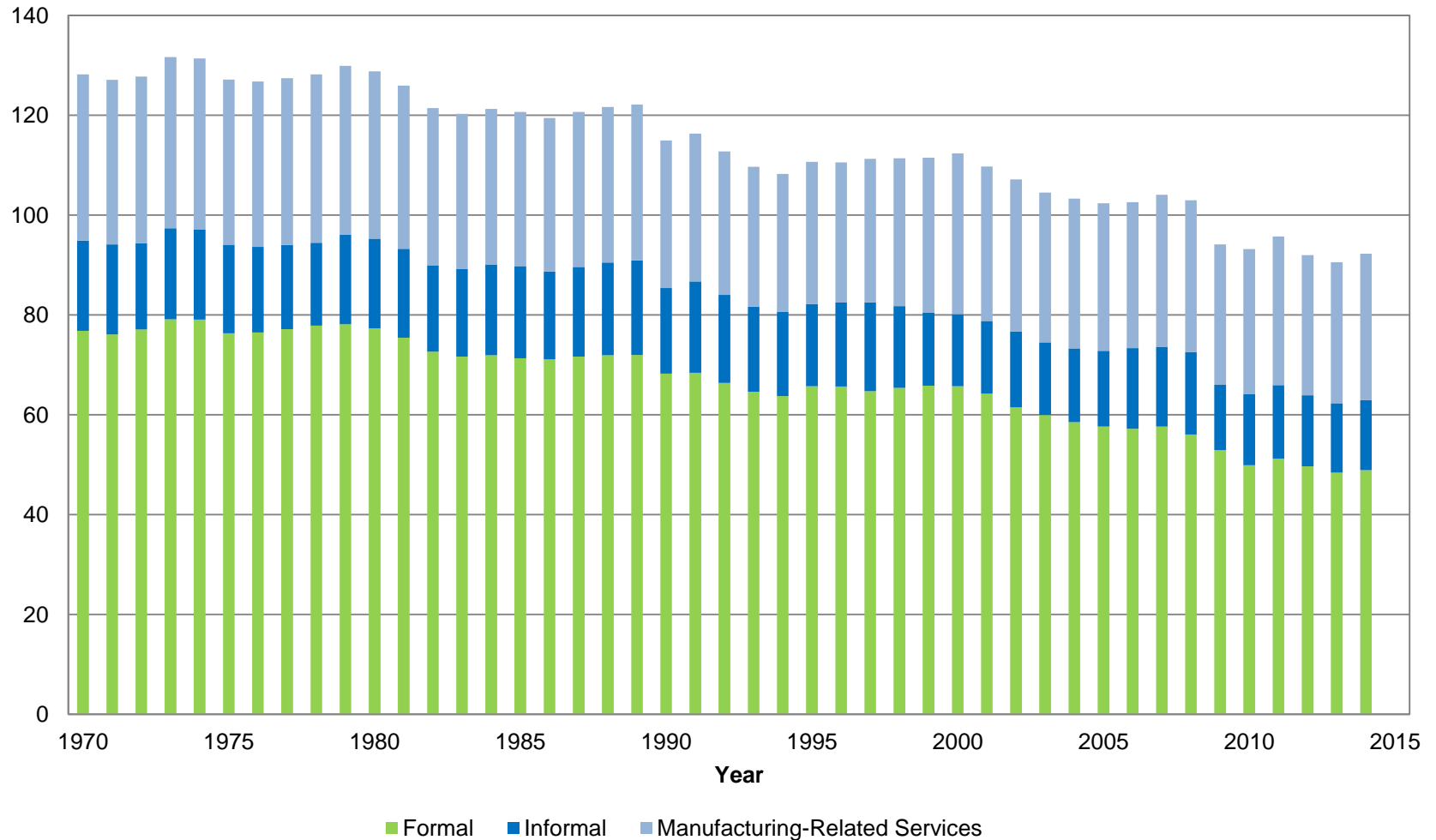
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Organization (UNIDO)
Mexico, 7/12/2016

World manufacturing employment by type, 1970-2014

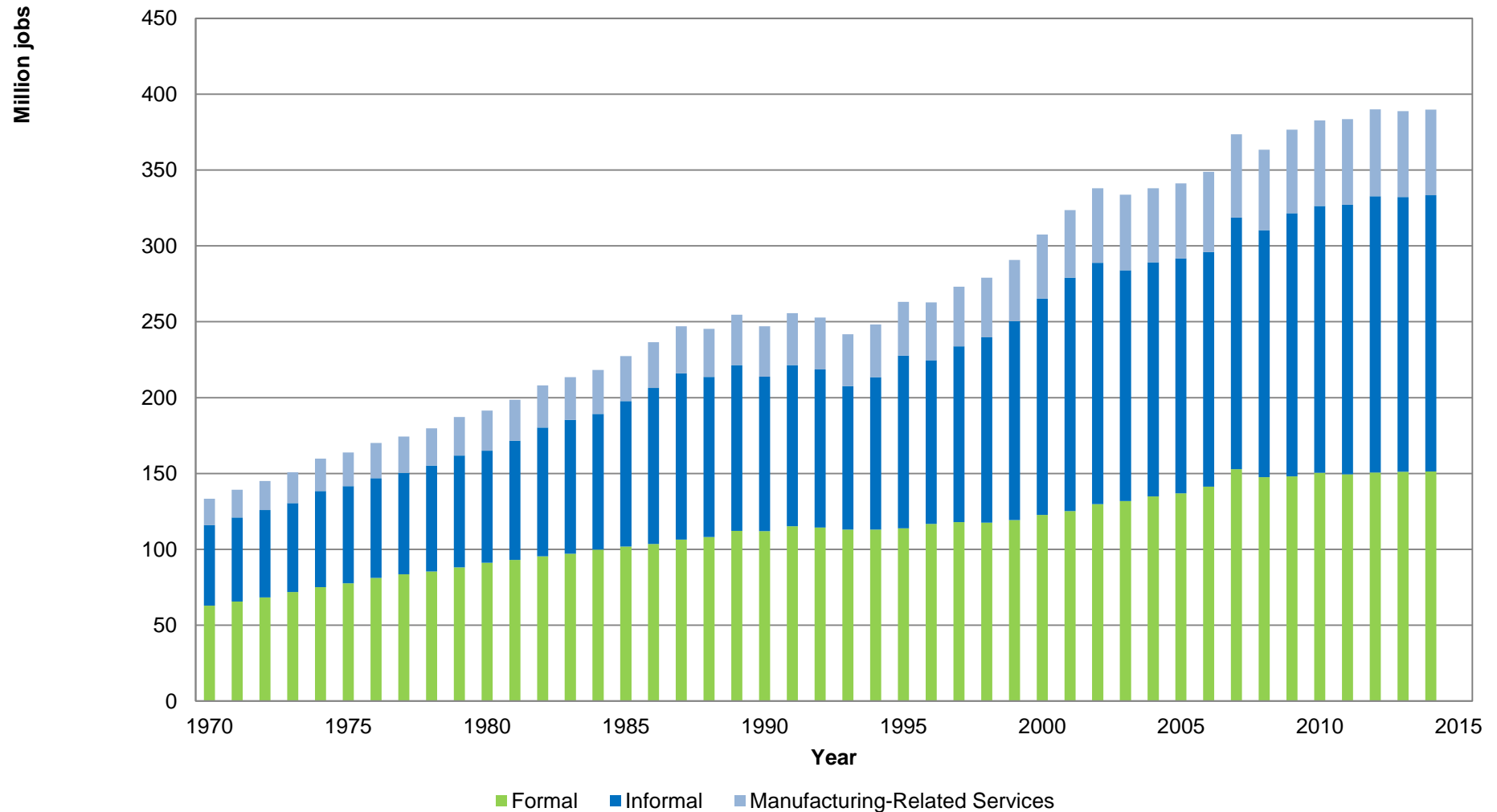


Developed countries' manufacturing employment by type, 1970-2014

Million jobs



Developing countries and economies in transition's manufacturing employment by type, 1970-2014



US Manufacturing Employment

- Between 2000-10 US manufacturing employment fell by 5.8 million jobs (17.3-11.5) recovering in 2015 to 12.3 million
- Manufacturing was a pathway to middle classes for high school educated (non college degrees) males
 - Employment rate went from 76% in 1990 to 68% in 2013
 - Share of these men who didn't work at all went from 11% in 1990 to 18% in 2013
- Median income of these men fell by 20% between 1990 and 2013 and there was a major split in income between college and non-college educated

(Data from William Bonvillian, MIT Washington)

Developing country employment

- Huge increase in manufacturing employment but in informal sector, to some extent in SMEs.
- Employment in labour-intensive (mainly low-skill) and natural-resource intensive industries
- Employment growth generally attached to increases in productivity but unclear how productivity gains have been used or distributed, although workers' income has improved
- Provides significant amount of labour flexibility to global manufacturing production (SMEs or people working from home)

Employment and *skills*

- ‘Third industrial revolution’ employment does not exhibit a significant overall downward trend
- But there have been significant changes in location of employment away from developed countries into some developing countries
- Winners seem to have been the educated high-skill workers who have kept their jobs and income (racing to the top)
- Losers seem to have been the less educated low-skill workers who have lost jobs, are competing with a large global pool of workers (racing to the bottom) and seen their incomes reduced
- The challenge for the ‘next industrial revolution’ will be to include these low-skill workers (develop and developing countries) into their benefits or face significant social disruption



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Thank you!



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