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Wage-led, Rights-based Policies to Reduce Inequality and Sustain Economic Growth

by
Georgia Altintzis
Economic and Social Policy Officer, International Trade Union Confederation

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD
WAGE-LED, RIGHTS-BASED POLICIES TO REDUCE INEQUALITY AND SUSTAIN ECONOMIC GROWTH

Georgios.Altintzis@ituc-csi.org
Policy Officer

@Galtintzis on twitter
EMPLOYMENT GROWTH BEFORE THE CRISIS
(BLUE FOR STANDARD WORK / GREY FOR NON-STANDARD WORK)

Panel A. Employment growth (%) 1995-2007, by type of employment

From the OECD Report: In It Together, Why Less Inequality Would benefit All, 2015:
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EMPLOYMENT GROWTH AFTER THE CRISIS
(Blue for standard work / Grey for non-standard work)

Panel B. Employment growth (%) 2007-2013, by type of employment

Note: Working-age (15-64) workers, excluding employers as well as students working part-time. Non-standard workers include workers with a temporary contract, part-timers and own-account self-employed.

LABOUR PRODUCTIVITY AND WAGES ARE DISCONNECTED

Trends in growth in average real wages and labour productivity in developed economies, 1999–2015

Source: ILO (2017)
Note: Wage growth is calculated as a weighted average of year-on-year growth in average monthly real wage in 36 economies (for a description of the methodology see Appendix I). The base year is set in 1999 for reasons of data availability.
IMF Report: Power from the People

Chart 2

In fairness
Lower unionization in advanced economies is correlated with an increase in top 10 percent income share.
(log of top 10 percent gross income share, 1980-2010)

Sources: Organisation for Economic Co-operation and Development; and Standardized World Income Inequality Database Version 4.0.
Note: Advanced economies = Australia, Canada, France, Germany, Ireland, Italy, Japan, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and United States. Union density is the share of workers affiliated with trade unions.
Labour incomes share in retreat

A. Advanced G20 economies 1970 - 2013

Source: ILO presentation at the 2014 G20 EWG
LABOUR INCOMES SHARE IN RETREAT

B. Emerging market and developing economies 1995 - 2012

Source: ILO presentation at the 2014 G20 EWG
Debts make for losses in wages and income

Figure 1.11. Half of all households have debts and one tenth is over-indebted

Percentage of indebted and over-indebted households

Source: OECD Wealth Distribution Database.