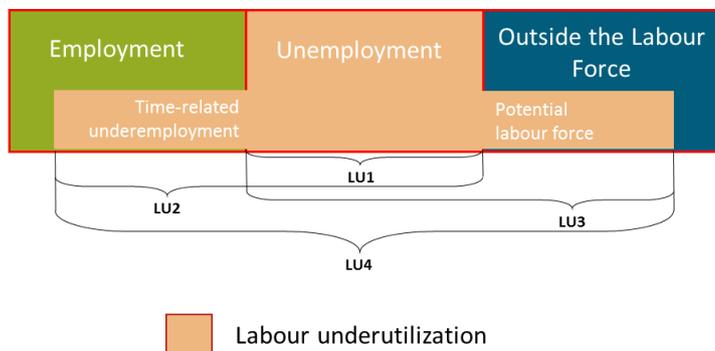




Figure 1 | Labour underutilization components



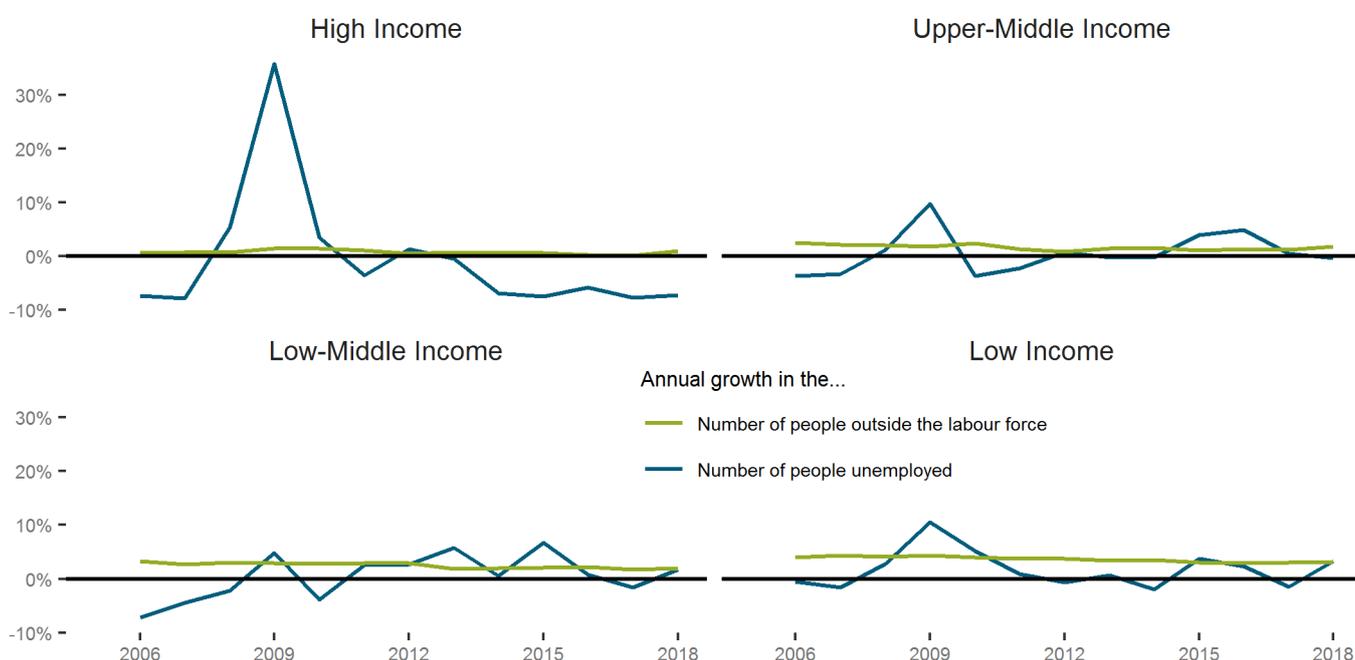
## Trends in unemployment and inactivity

The global unemployment rate peaked in 2009, corresponding to the global jobs crisis which followed the global financial crisis of 2007-2008.

The number of people in unemployment is more volatile than the number outside the labour force, since unemployment is highly reactive to the business cycle, while the size of the labour force reflects largely demographic and slower economic trends.

Indeed, the number of people outside the labour force has grown at a rather stable pace in the past few decades.

Figure 2 | Growth rates of unemployment and inactivity by income group, 2006 -2018



## Concepts and definitions

The labour force is underutilized if there is a mismatch between the labour offered by workers (supply), and the employment opportunities available to them (demand). This concept can be measured in a number of ways, including (but not limited to):

**Unemployment:** Working-age persons not in employment, but available and seeking employment.

**Time-related underemployment:** Working-age persons in employment willing and available to work more hours than their current working time.

**Potential labour force:** Made up of two groups of working-age persons not in employment:

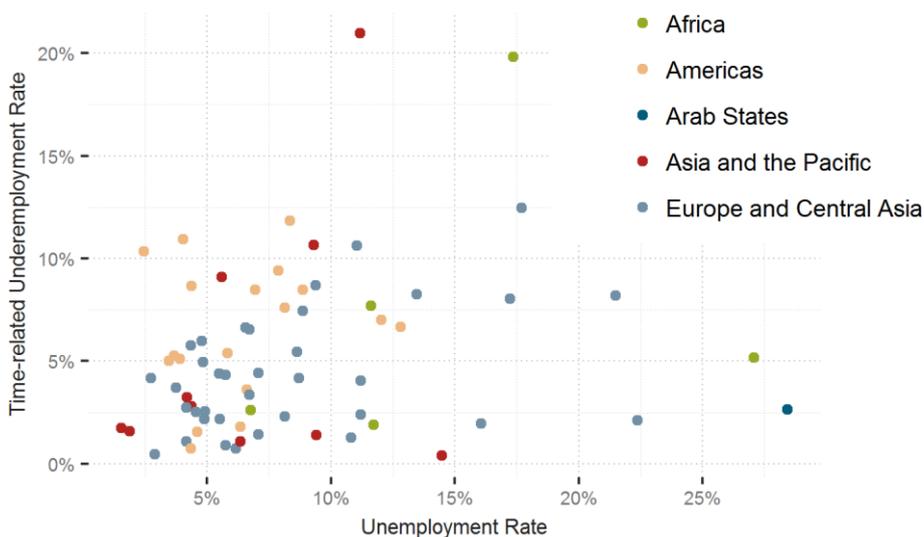
- Those who are available for employment although they are not seeking; and
- Those who are seeking employment although they are not immediately available.

## Unemployment and time-related underemployment

We tend to associate low unemployment rates with healthy labour markets able to provide employment to all who seek it, but this is not always the case. Often times, there is an additional (less visible) lack of employment among the employed and those outside the labour force: some employed persons could desire and be available to work more hours, and some persons outside the labour force may be available for or seeking employment.

In 2017, in 70 per cent of countries with data available both the time-related underemployment rate (the share of persons employed who were willing and available to work more hours) and the unemployment rate were below 10 per cent.

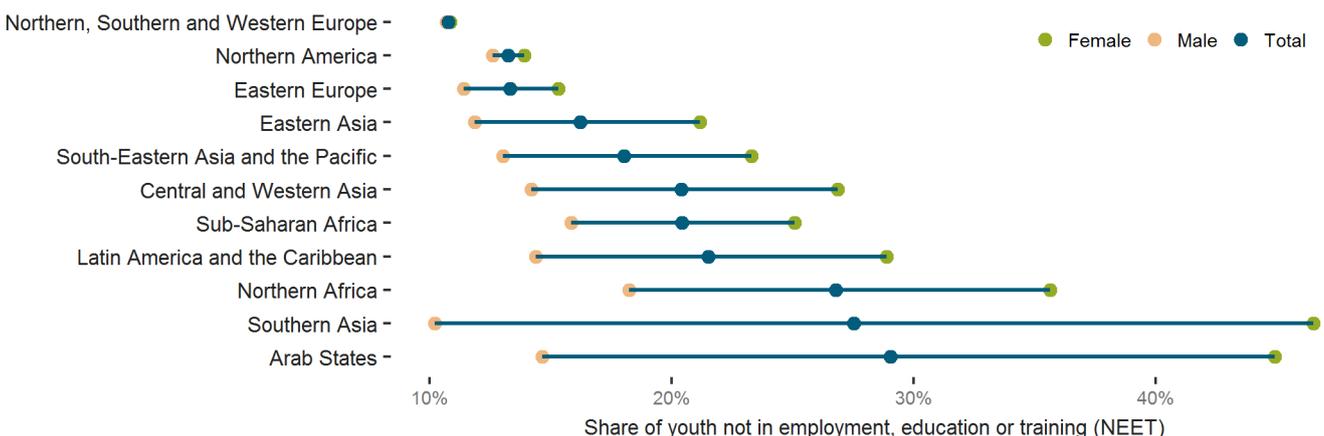
**Figure 3** | Unemployment rate and time-related underemployment rate, 2017



## Youth not in employment, education or training (NEET)

In 2018, 21 per cent of the world's youth were not in employment, education or training. Moreover, the youth NEET rate was higher for women than for men in all regions of the world. The youth NEET rate was relatively low in Europe and Northern America, where less than 15 percent of the young population was not in employment, education or training. It is particularly high in Southern Asia, Northern Africa and the Arab States where youth NEET make up around 30 percent of the young population.

**Figure 4** | Share of youth not in employment, education or training (NEET), 2018



**5%**  
global  
unemployment rate

**2018:** the unemployment rate was **greater in urban areas than in rural ones** for **91% of countries**



with data

Around the world, **1/2** of working-age **women** are **outside** the labour force, compared to a **1/4** of working-age **men**

