

Executive summary



International  
Labour  
Organization



1919-2019

**WORLD  
EMPLOYMENT  
SOCIAL  
OUTLOOK**



**TRENDS  
2019**

Inclusive and well-functioning labour markets are central to the ILO's mandate of delivering decent work and supporting social justice. This is because paid work is the main source of income for the vast majority of households worldwide, and also because the organization of work can reinforce the core principles of equality, democracy, sustainability and social cohesion. This notion is reinforced during 2019, the ILO's Centenary, by the powerful vision advanced by the Report of the Global Commission on the Future of Work<sup>1</sup> to secure a human-centred agenda for the future of work. The report calls for a human-centred agenda with a renewed focus on people's wide-ranging capabilities, as well as the potential of labour market institutions, and highlights the urgency of investments in neglected areas of the economy in developed and developing countries. In keeping with this new vision, there is a need to focus on the issues of equality, sustainability and inclusiveness in the presentation and analysis of labour market trends.

New global data collected by the ILO for 2018 point to some progress, but above all reveal the persistence of significant decent work deficits, with the various regions facing challenges of many different kinds. One hundred years since its formation, strong guidance by the ILO remains essential to help address decent work deficits and to enable an informed debate of the ambitious recommendations of the Global Commission on the Future of Work.

### **The gender gap in labour force participation remains large**

The much lower labour force participation rate of women, which stood at 48 per cent in 2018, compared with 75 per cent for men, means that around three in five of the 3.5 billion people in the global labour force in 2018 were men. After a period of rapid improvement that lasted until 2003, subsequent progress on closing the gender gap in participation rates has stalled. The sizeable gap of 27 percentage points registered in 2018 should motivate policy action aimed at both improving gender equality in global labour markets and maximizing human capabilities. Overall, labour force participation rates among adults have been declining for the past 25 years; the decline is even more pronounced among young people aged 15–24. This downward trend is projected to continue in the future. Some of the factors behind it – such as increased educational enrolment, greater retirement opportunities and higher life expectancy – are of course positive. Yet, the rise in the dependency ratio (i.e. the proportion of economically inactive people relative to the active) poses new challenges in terms of the organization of work and the distribution of resources in society.

### **Decent work deficits are widespread**

A majority of the 3.3 billion people employed globally in 2018 experienced a lack of material well-being, economic security, equal opportunities or scope for human development. Being in employment does not always guarantee a decent living. Many workers find themselves having to take up unattractive jobs that tend to be informal and are characterized by low pay and little or no access to social protection and

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1. ILO: *Work for a brighter future – Global Commission on the Future of Work* (Geneva, 2019).

rights at work. Significantly, 360 million people in 2018 were contributing family workers and 1.1 billion worked on their own account, often in subsistence activities that are pursued because of an absence of job opportunities in the formal sector and/or the lack of a social protection system. Overall, 2 billion workers were in informal employment in 2016, accounting for 61 per cent of the world's workforce. The poor quality of many jobs also manifests itself in the fact that, in 2018, more than one quarter of workers in low- and middle-income countries were living in extreme or moderate poverty. On a positive note, the incidence of working poverty has decreased greatly over the past three decades, especially in middle-income countries. In low-income countries, however, the pace of poverty reduction is not expected to keep up with employment growth, so that the actual number of working poor in these countries is projected to rise.

### **More than 170 million people are unemployed despite the continued decrease in the global unemployment rate**

An estimated 172 million people worldwide were unemployed in 2018, which corresponds to an unemployment rate of 5.0 per cent. It is remarkable that, whereas it took only one year for the global unemployment rate to jump from 5.0 per cent in 2008 to 5.6 per cent in 2009, the recovery to the levels that prevailed before the global financial crisis has taken a full nine years. The current outlook is uncertain. Assuming stable economic conditions, the unemployment rate in many countries is projected to decline further. However, macroeconomic risks have increased and are already having a negative impact on the labour market in a number of countries. On balance, the global unemployment rate should remain at roughly the same level during 2019 and 2020. The number of people unemployed is projected to increase by 1 million per year to reach 174 million by 2020 as a result of the expanding labour force.

### **Labour underutilization is more prevalent among women**

Apart from the unemployed, a further 140 million people were in the “potential labour force” in 2018, which means that they have to be classified as underutilized labour. This group of people who are looking for a job but are not available to take up employment, or who are available but are not looking for a job, includes far more women (85 million) than men (55 million). The corresponding rate of labour underutilization is consequently much higher for women, at 11.0 per cent, than for men, at 7.1 per cent. In addition, women are much more likely to work part time and a significant proportion say they would prefer more hours of employment.

### **Labour market challenges vary between countries and regions**

Although the labour market challenges related to quality of work, unemployment and gender inequality are universal, their specific character and degree of priority differ depending on the region and a country's level of development. In low-income countries, employment relationships all too often do not even enable people to escape poverty. And whereas working poverty generally decreases with economic development, other labour market achievements, such as formality, access to social security systems, job security, collective bargaining and compliance with labour standards and rights at work, are still elusive, to varying degrees, for many countries. Securing these gains is therefore a major challenge that policy-makers must face up to. Furthermore, some new business models, often made possible through innovative technologies, threaten to undermine existing achievements in this area. Unemployment rates have fallen considerably in high-income countries in the past few years, but they have risen, or are in the process of rising, in a number of upper-middle-income countries in the wake of an economic slowdown, putting a large share of the labour force at heightened risk of poverty. Lastly, although gender inequality in the labour market is also a global phenomenon, it is worth noting that gender gaps are widest in the Arab States, Northern Africa and Southern Asia subregions.

## **Progress towards achieving the targets set out in Sustainable Development Goal 8 has been slower than anticipated**

Sustainable Development Goal (SDG) 8 calls upon the international community to “[p]romote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. Attaining this goal will require far increased efforts, given how far current trends are from the targets envisaged under SDG 8.

The least developed countries experienced annual gross domestic product (GDP) growth of less than 5 per cent over the past five years, which means they have fallen short of the SDG 8 target of at least 7 per cent growth per annum. In addition, recent rates of growth of GDP per capita, and of labour productivity, are below the levels reported in previous decades in most parts of the world.

Sustainable development should be achieved through the fostering of productive activities, innovation and formalization, while optimizing resource efficiency in production and consumption. The fact that in a majority of countries more than half of the non-agricultural workforce is informal gives an idea of the distance still to be travelled if the global economy is to become fully formalized. In addition, global material consumption per capita is rising despite advances in resource efficiency in high-income countries. On a more positive note, since 2011 the rate of increase has slowed down and material consumption per unit of GDP has even stabilized.

The target of achieving “full and productive employment and decent work for all ... and equal pay for work of equal value” also remains elusive. The global unemployment rate has gone down but, as noted above, more than 170 million people are still unemployed. Furthermore, women, young people (ages 15–24) and persons with disabilities continue to be much less likely to be in employment. Equally worrisome is the fact that more than one in five young people are not in employment, education or training (NEET). Since these individuals are not gaining skills that are valued in the labour market, this reduces their future chances of employment. In the long run, a high NEET rate makes it harder for an economy to grow over a sustained period. The global NEET rate has decreased by a mere 2 percentage points between 2005 and 2018, which means that the SDG target of substantially reducing NEET rates by 2020 will almost certainly be missed. Lastly, most countries have “factor-weighted” gender pay gaps ranging from 10 to 25 per cent, which suggests that the world is still a long way from realizing the principle that work of equal value should be remunerated equally.

A number of SDG 8 targets deal with fundamental rights and protections that all people ought to enjoy in the world of work. In 2016, there were still 114 million children aged 5 to 14 years in employment, and although their number is decreasing, this is happening at too slow a rate to meet the target of ending child labour in all its forms by 2025. The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), both of which are core ILO Conventions, have been ratified by an increasing number of member States: at the time of writing they had secured, respectively, 155 and 166 ratifications. As for occupational safety and health, there are large variations in fatal and not-fatal injury rates across countries. Furthermore, the rate of occupational injury tends to be much higher among men than among women. In most countries, migrants are also at somewhat greater risk of suffering occupational injuries than non-migrants.