

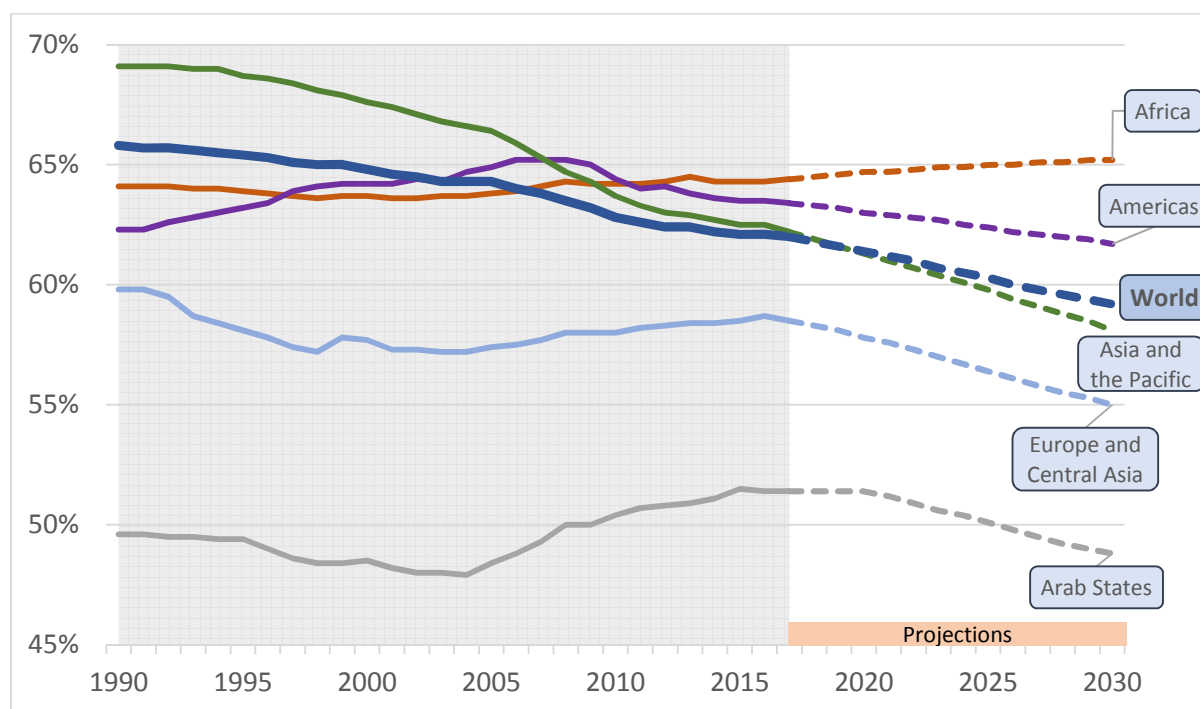
ILO Labour Force Estimates and Projections (LFEP) 2018

Key Trends

Projected decrease in labour force participation across nearly all regions of the world

Since 1990, the global labour force participation rate has been on a downward trend, which is projected to continue until at least 2030 (figure 1). The decrease in the labour force participation of the world's working-age population has been driven mainly by a steady decline in labour force participation in Asia and the Pacific. While in all other regions the regional labour force participation rate rose modestly in the mid-2000s, in Asia and the Pacific the overall participation rate declined throughout the historical period. Asia and the Pacific's regional labour force participation rate is projected to fall below the global average over the next several years. Africa is the only region where the labour force participation rate is projected to increase in the coming decades, which is expected to soften the global decline in participation.

Figure 1. Global and regional labour force participation rates (1990-2030)

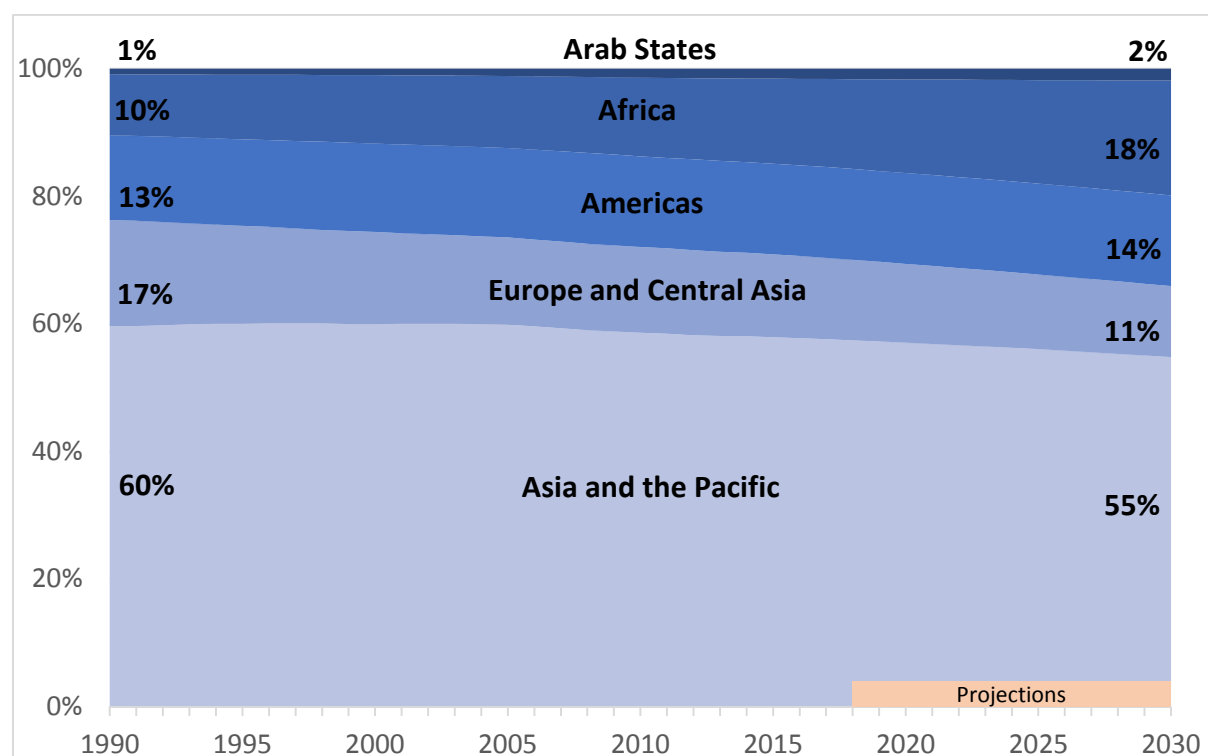


Source: ILOSTAT, ILO modelled estimates, July 2018.

More than half of the global labour force is in Asia and the Pacific, but this share is expected to gradually decline, while the proportion of the global labour force in Africa and the Americas will rise

Asia and the Pacific accounts for the majority of the world's labour force today, although this share has been modestly decreasing since the 1990s and this trend is expected to continue in the coming decades (Asia and the Pacific's labour force represented 60 per cent of the world's labour force in 1990, and it is projected to account for 55 per cent of the world's labour force in 2030) (figure 2). The proportion of the global labour force in Europe and Central Asia has also been declining. It is projected that whereas Europe and Central Asia was the second largest region in terms of share of the global labour force in 1990, this share will fall to fourth among the five ILO regional groupings in 2030. Conversely, the share of the global labour force in the Americas, Africa and the Arab States has been rising and this upward trend is projected to continue. This increase is the most notable for Africa, which is expected to go from accounting for only 10 per cent of the world's labour force in 1990 to 18 per cent in 2030, thus from the fourth largest region in terms of the share of the global labour force in 1990 to the second largest in 2030.

Figure 2. Regional distribution of the global labour force (1990-2030)



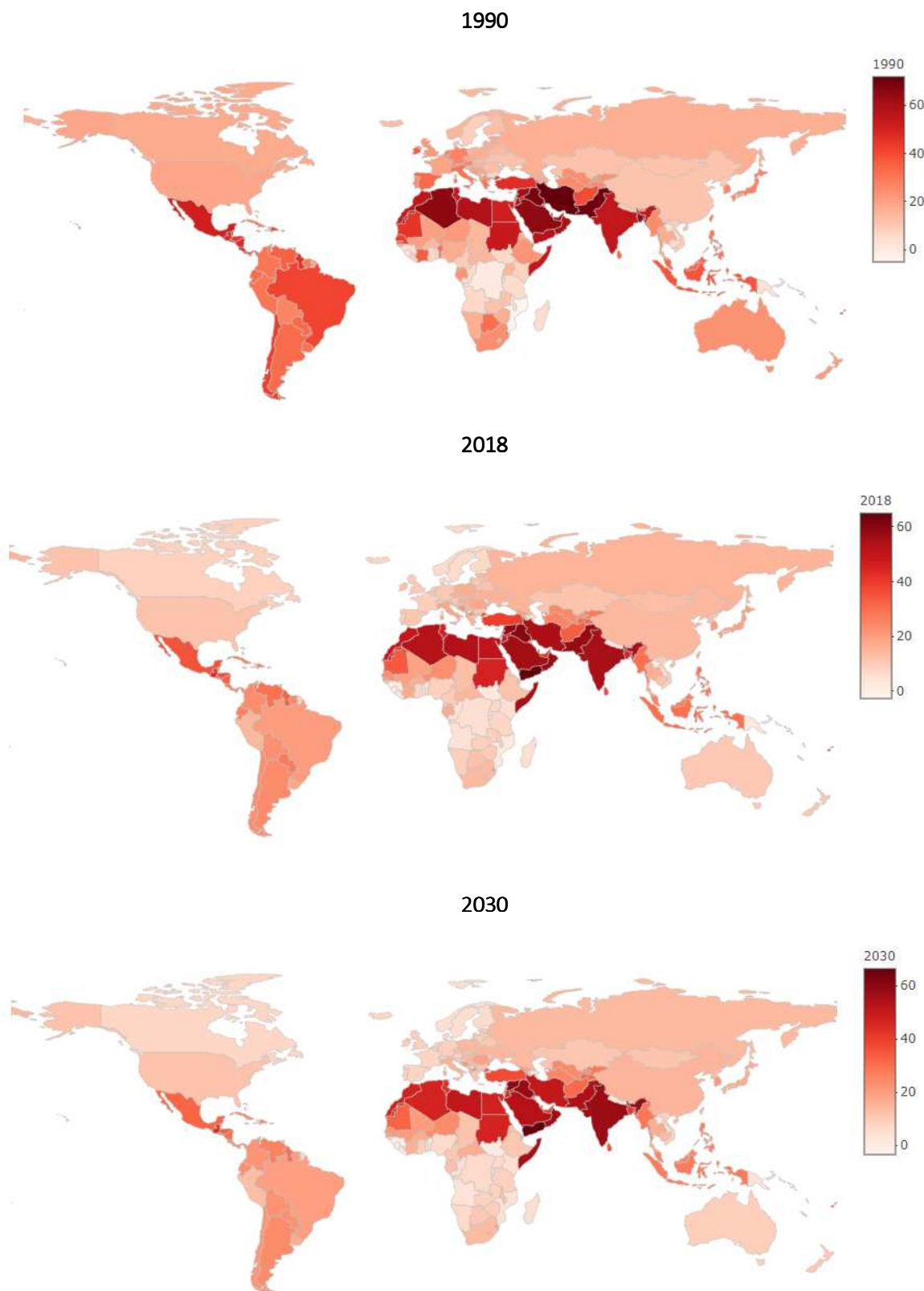
Source: ILOSTAT, ILO modelled estimates, July 2018.

Slow progress in reducing gender gaps in labour force participation between 1990 and 2018; largest remaining gaps in North Africa, the Arab States and Southern Asia

The gender gap in labour force participation, which indicates the difference between male and female participation rates, varies greatly across regions (figure 3). The gender participation gap is most pronounced in North Africa, the Arab States and Southern Asia. In contrast, Sub-Saharan Africa, Northern America, Europe and parts of Asia have lower than average gender participation gaps. Overall, the global gender gap in labour force participation stood at 27 per cent in 2018, compared with 29.1 per cent in 1990. The global participation gap is expected to remain at 27 per cent in 2030.

In Northern, Southern and Western Europe, significant declines in gender participation gaps occurred across most countries between 1990 and 2018 including France, Germany, Italy, Spain, and the United Kingdom. In Northern America, a similar decline occurred in Canada and the United States. In Latin America and the Caribbean, the reduction of the gender participation gap is also apparent. In Brazil, the gap halved from 41.2 per cent to 20.4 per cent, and in Mexico, the gap decreased by roughly 16 percentage points, but remains above the regional average. In Africa, the gender participation gap declined by approximately 8 and 10 percentage points in Nigeria and Ethiopia. In some of the world's most populous countries, such as China, India and the Russian Federation, there were either no substantial declines or slight increases in the gap. This underpins the relative stagnation in the global gender participation gap during these last three decades.

Figure 3. Labour force participation gender gap, percentage points (1990, 2018 and 2030)



Source: ILOSTAT, ILO modelled estimates, July 2018.

Global female participation rates decline, while female participation in high income countries has reached a peak and is projected to decline

The relatively constant global gender participation gap masks important developments in both male and female participation rates. At the global level, both male and female participation has declined since 1990, a 5 percentage point drop among men and a decrease of 3 percentage points among women. Further decreases are projected for both male and female participation rates to the year 2030. Among high-income countries, the average female participation rate rose by 4 percentage points between 1990 and 2018, while emerging and developing countries registered a decline of 5 percentage points over the same period.

After decades of modest increases, the female labour force participation rate in high-income countries peaked in 2017. A reduction of roughly 2 percentage points is projected by 2030 (figure 4). However, this is not expected to halt the convergence between female and male participation rates, as the average participation rate among men is projected to fall faster.

Figure 4. Labour force participation rates by sex and income group (1990, 2018 and 2030)



Source: ILOSTAT, ILO modelled estimates, July 2018.

In high income countries, female participation rates are projected to stop converging with male rates

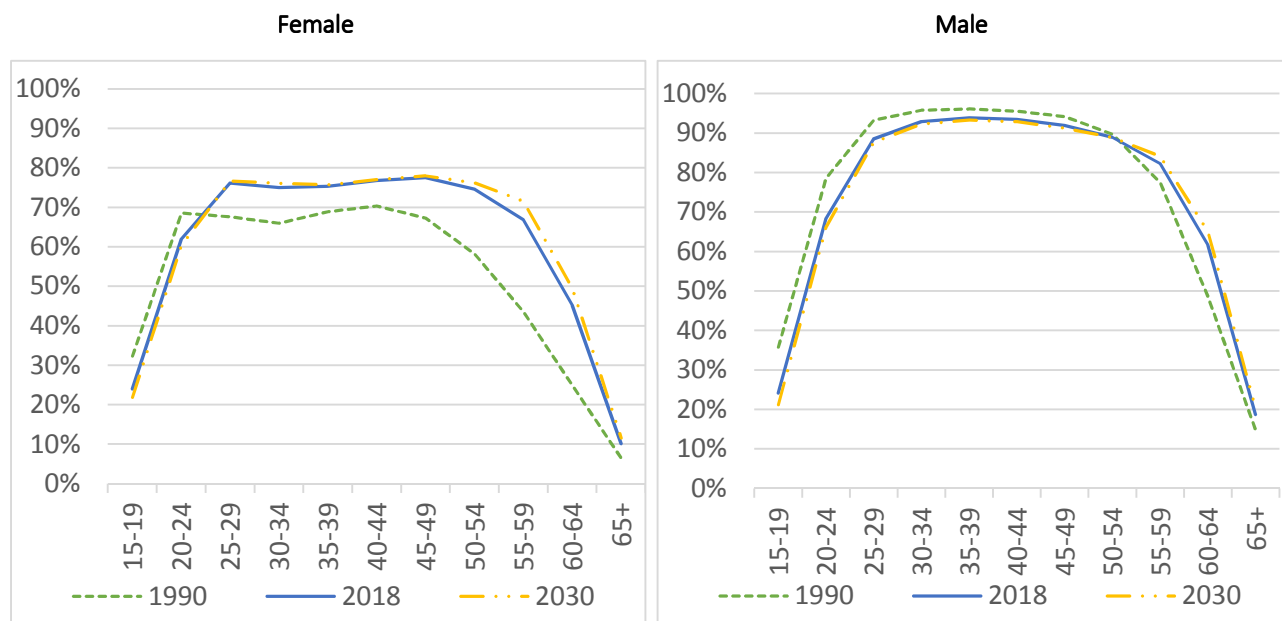
To further analyse the described trends of the different labour force participation rates, it is useful to consider differences in participation rates across age bands. In this manner, the demographic and labour market factors can be disentangled. Figure 5 reports labour force participation rates by sex and age group across the different country income groupings.

The data show that the drop in global male participation rates between 1990 and 2018 was driven in large part by declines in participation rates, rather than by demographic trends. In emerging and developing countries, every age group experienced a decline (of varying magnitudes) during the period. In high-income countries, the general trend is similar, though the groups above 55 years of age registered increases. The projections for 2030 are not markedly different than the 2018 observed rates.

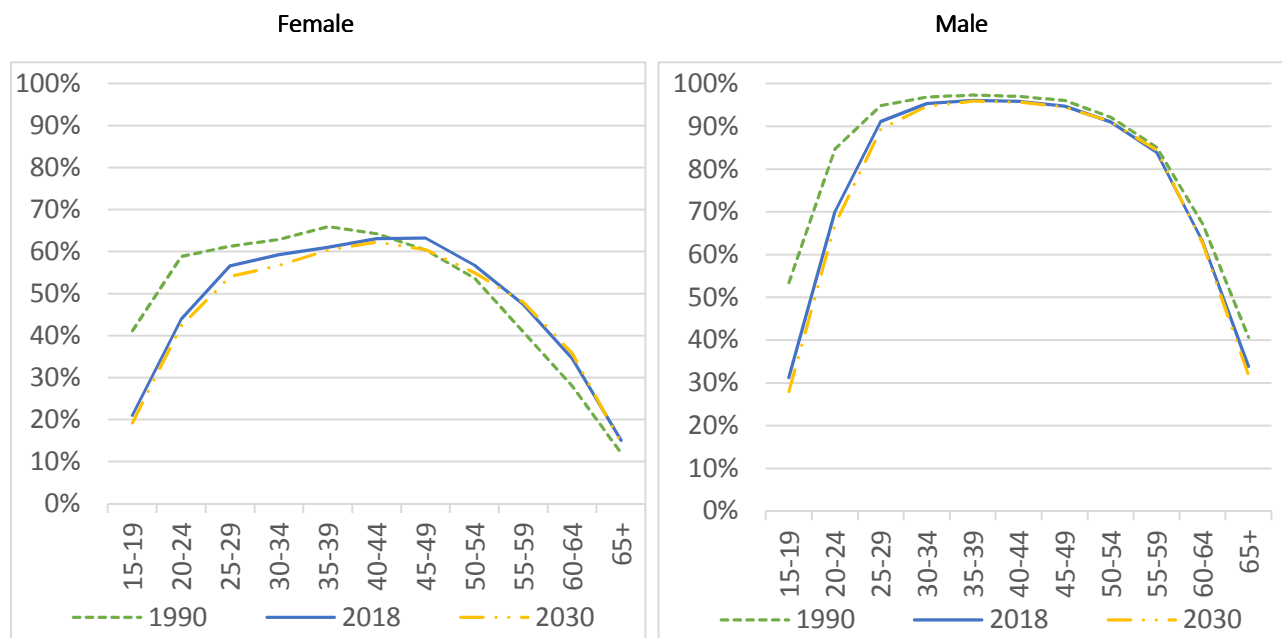
The female participation rates by age group present a very different evolution. In emerging and developing countries, declines in participation rates in age groups below 45 years were observed between 1990 and 2018, while participation rates increased among women above this age. In high-income countries, the participation rate for all groups above 25 years of age increased substantially. In contrast, smaller declines were observed for the 15-19 and 20-24 age groups. These data are not only consistent with the recent peak in labour force participation rates in high income countries, they also show that there is a strong labour market component to this phenomenon. The large increases observed in female participation rates since 1990 are not expected to continue, as the projected rates for 2030 show only very modest changes as compared with 2018.

Figure 5. Labour force participation rates (%), by sex and age group (1990, 2018 and 2030)

High income countries



Emerging and developing countries



Source: ILOSTAT, ILO modelled estimates, July 2018.