Progress, gaps and challenges in emplombent creation and the recovery from multiple crises

INTER-AGENCY EXPERT GROUP MEETING ON IMPLEMENTATION OF THE THIRD UNITED NATIONS DECADE FOR THE ERADICATION OF POVERTY (2018-2027)

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Date: Thursday / 11 / May / 2023
Decent work deficits are enormous – not only since the pandemic

Slowdown in economic and productivity growth complicate reduction of widespread decent work deficits

1.0% global employment growth in 2023 – less than half of the rate of 2022
Global deficits in decent work and social justice

- **Jobs gap**: 473 million people want employment, but 265 million of them are unemployed (meaning actively looking for work).
- **Gender gap**: Twice as many women as men are outside the labour force.
- **Young people**: 23.5% of youth are not in education, employment or training.
- **Inequality**: Half of workers earn only 8% of global labour income.
- **Informal employment**: 2 billion informal workers with limited rights at work or access to social protection.
- **Working poverty**: 214 million workers in extreme poverty (< US$1.90 PPP per day).
- **Social protection**: Only 47% of the population are covered by at least one form of social protection.
- **Productivity gap**: Labour productivity is 18 times greater in high-income countries than in low-income countries.
Employment growth stalls

Major slowdown in global employment growth

Many emerging and developing countries have not yet recovered from COVID-19 crisis

Unemployment will only rise marginally

- Informal sector
- Labour shortages

| Employment growth, 2010-2023, world and country income groups |
|------------------|------------------|------------------|------------------|------------------|------------------|
|                  | 2010-19 | 2020-21 | 2022 | 2023 | 2024 |
| World             | 1.1     | 0.2     | 2.3  | 1.0  | 1.1  |
| Low-income countries | 2.8     | 2.4     | 3.7  | 3.3  | 3.3  |
| Lower-middle-income countries | 1.6     | 0.4     | 3.0  | 1.8  | 1.8  |
| Upper-middle-income countries | 0.5     | 0.0     | 1.2  | 0.1  | 0.3  |
| High-income countries | 1.1     | -0.6    | 2.7  | 0.2  | -0.1 |
Working hours still behind the pre-pandemic benchmark

1.6 per cent working hour shortfall
- Global hours worked (adjusted for population growth) in 2023 relative to 4th quarter of 2019

0.6 hours per week less paid work
- Hours worked per employed person have declined

Large gender gaps in terms of hours per person employed
- Women work fewer paid hours because of larger burden of unpaid work
Global jobs gap of 473 million in 2022

Jobs gap: people that want employment but don’t have it

► 205 million actively look for work (unemployed)
► 268 million don’t look actively (for instance discouraged, too many family responsibilities)

Jobs gap rate much higher for women, and in low-income countries

Jobs gap up 20 million relative to 2019

► Unemployment up 13 million
Quality of employment

214 million workers in extreme poverty in 2022
- Number is rising in sub-Saharan Africa

Around 2 billion informally employed
- Decline by 5 percentage points 2004-19, but up by 0.2 pp in 2022

Slowdown of demand in high-income countries transmits to developing world through global supply chains
- Likely more job creation in informal sector at poor pay and quality
Workers will suffer from inflation – one way or another

Firms need to reduce price hikes, or lower them

More competitive pressure to sell products
- Falling real wages → lower aggregate demand
- Recession through interest rate hikes → more unemployment

Reduced input cost (inflation)
- Falling real wages
- Reduced demand for other inputs, because of recession

Can inflation go down without workers taking a hit?
Slow and declining productivity growth poses challenges for decent work

Labour productivity growth rates slowing down globally

Low-income countries achieved no convergence

Productivity growth supports decent work
Conclusions

Decent work deficits persist

- Pandemic reduced and sometimes reversed progress to tackle those

Global jobs gap shows almost half a billion not having paid work

- Reliance on some kind of source of income

Pandemic showed importance of social protection systems