

Progress, gaps and challenges in employment 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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WESO Trends 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



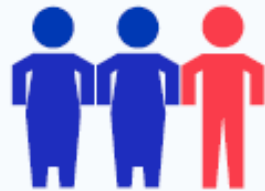
Global deficits in decent work and social justice



473
million

Jobs gap

473 million want employment –
205 million of them are unemployed
(meaning actively looking for work)



2
times

Gender gap

Twice as many women as men
are outside the labour force



23.5
per cent

Young people

23.5% of youth are
not in education,
employment or training



8
per cent

Inequality

Half of workers earn only
8% of global labour income



2
billion

Informal employment

2 billion informal workers
with limited rights at work
or access to social protection



214
million

Working poverty

214 million workers in extreme
poverty (< US\$1.90 PPP per day)



47
per cent

Social protection

Only 47% of the population
are covered by at least one
form of social protection



18
times

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

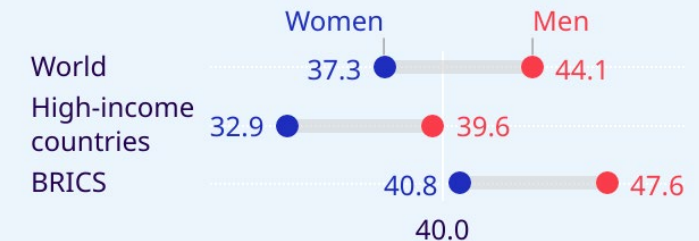
0.6 hours per week less paid work

- ▶ 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

▶ Weekly hours worked per employed, 2022, by sex, world and BRICS



▶ Global jobs gap of 473 million in 2022

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

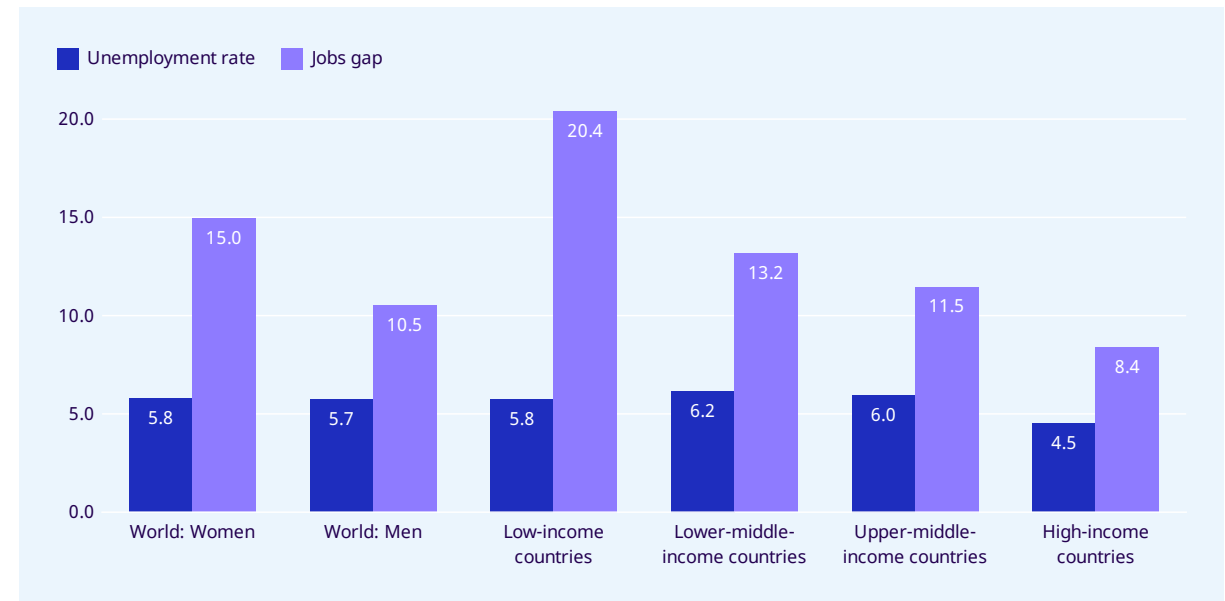
- ▶ 205 million actively look for work (unemployed)
- ▶ 268 million don't look actively (for instance discouraged, too many family responsibilities)

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

Jobs gap up 20 million relative to 2019

- ▶ Unemployment up 13 million

Unemployment rate and jobs gap rate, 2022



▶ 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?

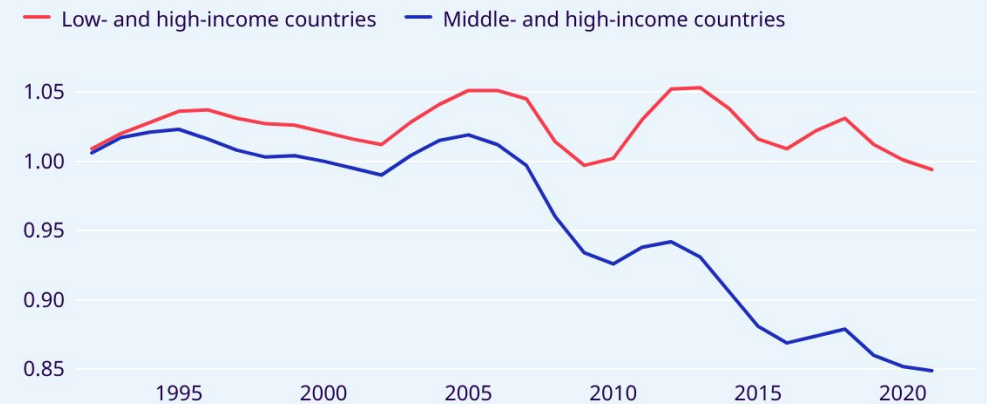
▶ Slow and declining productivity growth poses challenges for decent work

Labour productivity growth rates slowing down globally

Low-income countries achieved no convergence

Productivity growth supports decent work

Convergence patterns of productivity growth between country groups



The figure shows sigma-convergence of output per worker

▶ 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