International
Labour
Organization

▶ **World Employment and Social Outlook**

Trends 2020

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Preface

There is a growing perception that labour markets are not adequately distributing the fruits of economic growth, and that the resulting inequality poses a threat to social cohesion. Evaluating these phenomena requires a rigorous assessment of economic and social trends shaping the world of work. It is especially crucial that we understand the degree to which all people of working age can access decent work and realize their full potential in work. Robust evidence on these issues needs to feed directly into the design of economic and social policies that can help countries navigate a sustainable and inclusive path of development.

Researchers and statisticians at the ILO have undertaken extensive data collection and modelling efforts to develop new sets of global estimates of indicators that provide a comprehensive picture of labour markets. New data presented in this report shed light on major gaps in access to work, as the full extent of labour underutilization extends beyond unemployment. In addition, the report highlights the persistence of significant deficiencies in the quality of work, including high rates of informality and working poverty, which are unlikely to recede significantly in light of insufficient or non-inclusive growth. Finally, the report demonstrates that pronounced inequalities prevail in labour markets. In particular, new estimates of the size of the labour income share for the world's workforce, as well as its uneven distribution among workers, provide a novel perspective on labour market inequality in different regions of the world. This report also presents the labour market situation and prospects of rural and urban workers, which is a key line of segmentation that divides the economic and social prospects among the world's workforce.

As with previous editions, the ILO's annual flagship *World Employment and Social Outlook: Trends* report continues to provide an authoritative global overview of where the world stands with respect to the global employment picture. This 2020 edition of the series draws a comprehensive picture of the progress made and of the remaining gaps in achieving social justice and decent work.

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Executive summary

The enormous challenges in the world of work – including persistent inequalities and exclusion – make it more vital than ever to establish a clear picture of global employment and social trends. This requires critical reflection on the adequacy of our methods and concepts, with innovations where needed, to address today's policy challenges. We need to question, for example, whether the unemployment rate provides the most reliable measure of labour market underperformance. We need to understand whether or not people of working age can realize their full potential in work. Measurement also becomes crucial to evaluate the growing perception that labour markets are not adequately distributing the fruits of economic growth. While evidence shows that countries are not experiencing an upward convergence of employment opportunities and income gains, we need to understand with greater precision which groups of workers are winning and which ones are losing. Robust answers to these questions can feed directly into the design of economic and social policies that will navigate a sustainable and inclusive path of development.

This report seeks to rise to this challenge by offering novel evidence and insights that enhance our understanding of labour market performance around the world, as well as by presenting the most recent data characterizing long-standing labour market challenges. It offers four key messages.

▶ First, projected lower economic growth and the lack of inclusiveness are very likely to *impair the ability of lower-income countries to reduce poverty and improve working conditions*.

▶ Second, a more comprehensive measure of the underutilization of people of working age reveals *major gaps in access to work*; the rate of "total labour underutilization" is pronounced and greatly exceeds that of unemployment.

▶ Third, even when people have a job, there remain *significant deficiencies in work quality*. Decent work concerns the adequacy of wages or self-employment earnings, the right to job security and a safe and healthy workplace, access to social protection, the opportunity to voice one's views and concerns through a trade union, employers' organization or other representative body, and other fundamental rights such as non-discrimination. Decent work deficits are especially pronounced in the informal economy, which registers the highest rates of in-work poverty and high shares of people who are own-account self-employed or contributing family workers who lack adequate protection.

▶ Fourth, *substantial inequalities prevail in the access to work and work quality*. These include key lines of segmentation among workers, according to geographical location (between countries and between workers in urban and rural areas), sex and age. Moreover, new ILO data on labour income (for all workers, including the self-employed) demonstrate that, at the global level, income inequality is far greater than previously thought.

Inequalities and widespread decent work deficits not only lead to economic inefficiency, they can also undermine social cohesion within countries. Significantly, seven out of the 11 subregions of the world experienced an increase in the incidence of protests in 2019, which suggests that discontent with the social, economic or political situation is on the rise. The overall message of this report is that today, the objectives of full employment and raising the standard of living around the world are as essential as ever. Governments, workers and employers must continue to prioritize labour market policies that achieve these goals.

The pace and type of economic growth in low-income countries endangers efforts to reduce poverty and improve working conditions

Across low-income countries, the average GDP per capita in 2018 was around US$1,700 (using PPP exchange rates from 2011), which translates into a daily per capita income of less than US$5. Over the past 18 years, average per capita growth has been only 1.8 per cent in low-income countries and the gap with lower-middle-income and upper-middle-income countries has widened. In terms of the type of growth, structural transformation, technological upgrading and diversification would be needed to shift employment from activities with low value added to those with higher value added. Yet progress in this dimension remains far too limited in low-income countries. For example, between 2000 and 2018, the employment share of agricultural and elementary occupations declined by only 6 percentage points in low-income countries (to 69 per cent), whereas it declined by 10 percentage points (to 49 per cent) in lower-middle-income countries and by 15 percentage points (to 32 per cent) in upper-middle-income countries. A first key message is therefore that the pace and type of growth not only make it more difficult to reduce poverty in low-income countries, but also hinder potential improvements in decent work.

Total labour underutilization is more than twice as high as unemployment, affecting over 470 million people worldwide …

The second key message of this report is that the mismatch between labour supply and demand extends far beyond the 188 million unemployed across the world in 2019. An additional 165 million people are in employment but wish to work more paid hours. Furthermore, around 120 million people are not classified as unemployed but are marginally attached to the labour market and could potentially enter employment in the near future. These people report that they are not looking for a job while being available for work, or that they are looking but are currently unavailable to take a job. In other words, more than 470 million people worldwide lack adequate access to paid work as such or are being denied the opportunity to work the desired number of hours. These findings show the value of a more comprehensive understanding and measurement of labour market underutilization in addition to the traditional unemployment rate measure.

… and the shortage of jobs is expected to continue in the near future

The global unemployment rate stood at 5.4 per cent in 2019 and is projected to remain essentially the same over the next two years. This means that the gradual decline of the unemployment rate observed between 2009 and 2018 appears to have come to a halt. Similarly, the combined rate of labour underutilization is projected to stabilize at just above 13 per cent. The underlying reduction in employment growth is related to a slowdown in global economic activity, especially in the manufacturing sector. Given the high level of uncertainty over how trade and geopolitical tensions in the coming years will affect business and consumer confidence, and thereby job creation, it is difficult to predict how the various measures of labour underutilization will evolve.

The recent decline in the global rate of unemployment has been driven mostly by high-income countries. Employment growth in these countries has been surprisingly strong, bearing in mind the low average level of economic growth over the past decade. This may serve as a rebuttal of claims that technological change is leading to mass job losses. However, the employment growth in high-income countries came at the cost of declining labour productivity growth, with jobs being created mainly in the service sector where the average value added per worker is relatively low. In contrast, a number of middle-income countries that have undergone economic crises in recent years still have high unemployment rates; they are unlikely to achieve strong employment growth again in the near future in view of the dampened prospects for the global economy.

Access to paid work is no guarantee of decent work …

The third key message of the report reinforces what we already know, namely, that having a paid job was not a guarantee of decent working conditions or of an adequate income for many of the 3.3 billion employed worldwide in 2019. All too often, the lack of income or other means of financial support compels workers to engage in jobs that are informal, offer low pay and provide little or no access to social protection and rights at work. This is especially the case with the 1.4 billion own-account and contributing family workers in low- and middle-income countries, who are typically employed informally, work in vulnerable conditions and earn a much lower income than people in wage and salaried employment. Even in high-income countries, a growing number of self-employed workers are having to contend with poor working conditions – a situation that is reflected partly in the declining labour income premium of the self-employed vis-à-vis wage and salaried workers. Nevertheless, employees

are themselves frequently subject to insecure contracts, low earnings and informality. Altogether, around 2 billion workers worldwide are informally employed, accounting for 61 per cent of the global workforce.

... and over 630 million workers worldwide still live in extreme or moderate poverty

Poor working conditions also manifest themselves in low incomes. In 2019, more than 630 million workers worldwide – that is, almost one in five, or 19 per cent, of all those employed – did not earn enough to lift themselves and their families out of extreme or moderate poverty; which is defined as them earning less than US$3.20 per day in purchasing power parity terms. While the rate of working poverty has been declining at the global level, very limited progress has been achieved in low-income countries. The projected high employment growth in these countries, driven mainly by the creation of jobs of poor quality, means that the number of working poor is expected to edge up during 2020–21. As a result, the objective of eradicating extreme poverty everywhere by 2030 – Goal 1 of the Sustainable Development Goals – will become even harder to attain. Insufficient economic growth per capita is one of the reasons why it has not yet been possible to improve tangibly the livelihoods of so many workers in low-income countries, which are falling behind middle-income countries in that respect.

The world's labour markets are characterized by substantial inequalities, including stark geographical disparities in access to decent work ...

The fourth key message of this report is that substantial inequalities in the labour market prevail. To begin with, a person's geographical location strongly determines his or her likelihood of finding paid work that is of good quality. Low-income countries have the highest employment-to-population ratio (68 per cent), as many vulnerable workers are forced to take up any job, regardless of its quality. Indeed, workers in these countries are also the most likely to experience bad working conditions and to live in poverty (the combined rate of extreme and moderate poverty being as high as 66 per cent). Among the 11 subregions of the world, the unemployment rate is highest in North Africa (12 per cent) and Central and Western Asia (9 per cent), while the lowest rates are observed in South-East Asia and the Pacific (3 per cent) and North America (4 per cent). Time-related underemployment affects only around 1 per cent of all workers both in North America and in Eastern Europe, but it affects 8 per cent of the employed in Latin America and the Caribbean and up to 13 per cent in low-income countries worldwide.

Geographical disparities within countries are also relevant. New ILO data make it possible to study differences in access to employment depending on whether people live in rural or urban areas. At the global level, the employment rate of the working-age population living in rural areas (59 per cent) is greater than that in urban areas (56 per cent). On the other hand, time-related underemployment in rural areas (at 6 per cent) is higher than in urban areas (4 per cent). These divisions are most pronounced in low-income countries. Rural–urban disparities may be exacerbated in the future by the transformations accompanying technological change. In Asia and the Pacific, for example, technological progress and policies designed to foster innovation seem to be creating jobs and incomes at a disproportionately higher level in urban areas.

Geographical disparities in labour market outcomes often prompt workers to migrate in search of better opportunities. The share of the global working-age population living in urban areas is estimated to have risen from 50 per cent in 2005 to 55 per cent in 2019, indicating that substantial migration has occurred from the countryside to urban centres. Such migration has been strongest in upper-middle-income countries, where two-thirds of the working-age population in 2019 were estimated to be living in urban areas, an increase of more than 10 percentage points since 2005. Meanwhile, international migration leads to additional challenges for the migrant workers concerned, who very often do not enjoy the same rights as the national population of the destination country.

... and women and young people face additional obstacles to their participation in the labour market

Contemporary labour markets also continue to be characterized by gender inequality. In 2019, the female labour force participation rate was just 47 per cent, 27 percentage points below the male rate (at 74 per cent). There is strong regional variation in gender disparities in access to employment. Gender stereotypes that emphasize the role of women as the main caregivers and that of men as the main breadwinners remain deeply ingrained in some regions. Female labour underutilization is very pronounced in North Africa and in the Arab States, affecting around 40 per cent of women in the extended labour force in both subregions (compared with 20 and 12 per cent of men, respectively). Apart from access to employment, there are also persisting gender disparities in relation to job quality. This is true even in regions where women have made significant inroads in the labour market. In Latin America and the Caribbean, for example, the average level of educational attainment of women

now surpasses that of men, yet women in the region still earn 17 per cent less per hour worked than men.

Age constitutes another feature of labour market inequalities. A staggering 267 million young people aged 15 to 24 worldwide (or 22 per cent of that age group) are not in employment, education or training. Moreover, many of the young people who are in paid jobs face barriers to decent work. In Africa, for example, informality affects 95 per cent of young workers. Given that the absolute population size of the 15–24 age group is projected to grow strongly in Africa, the creation of a sufficient number of decent work opportunities is one of the most pressing challenges in that region. Young workers face considerable labour market challenges in Europe and Central Asia as well: the quality of the jobs available to young workers has been impaired by the growing incidence of temporary employment in the region.

New ILO data show that the global labour income share is declining ...

Finally, unequal access to decent work translates into high and persistent income inequalities. A key dimension of income inequality is labour income, which is fundamental to the livelihoods of some 3.3 billion workers around the world. However, reliable and internationally comparable estimates of labour income were not available for the vast majority of countries until recently because of a lack of reliable data on the labour income of the self-employed, who make up almost half of the global workforce. Thanks to intensive data collection and modelling, the ILO has been able to fill this gap and shed new light on major trends in income inequality.

The labour income share – as opposed to the share of national income going to the holders of capital – declined at the global level from 54 per cent in 2004 to 51 per cent in 2017. The decline has been most pronounced in Europe and Central Asia and in the Americas. In high-income countries, the decreasing labour income of the self-employed, compared with that of employees, is a key driver of the aggregate decline. Taking that factor into account, the ILO concludes that the labour income share has fallen by more than suggested by the previously available estimates. This finding is consistent with a scenario in which new forms of work are eroding the earning power of the self-employed.

... and global income inequality is greater than suggested by previous estimates

The newly available data set shows that the distribution of global labour income is highly unequal. In 2017, a worker belonging to the upper decile of the global labour income distribution earned on average US$7,400 per month, whereas a worker in the bottom decile earned just US$22 per month (both figures in purchasing power parity terms). While labour income inequality at the global level has declined over the past 15 years – as a result of economic convergence driven by countries such as India and China, which have enjoyed a rise in average labour income – inequality within countries has stagnated over the same period.

The new labour income data also indicate that earlier studies have significantly underestimated the true extent of inequality in low-income countries, owing to their reliance on household expenditure as a proxy of total income. For instance, the combined share of income accruing to the middle and upper-middle classes, which was previously thought to be similar across countries, is in fact much smaller in low-income countries, while the share accruing to the upper class is larger. Altogether, global income inequality is therefore more pronounced than previously thought.

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Global employment and social trends
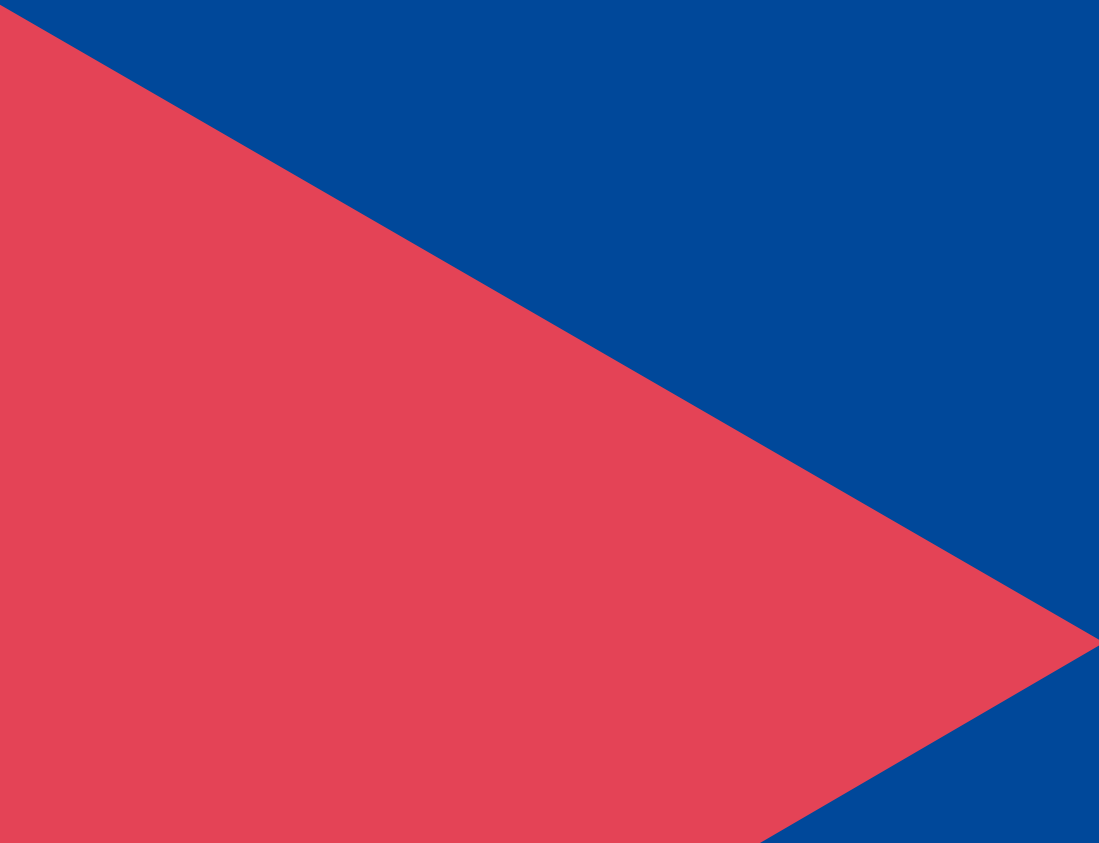
Widespread decent work deficits characterize today's world of work. Decent work sums up the aspirations of people in their working lives and spans all dimensions of work, from opportunities for work that provides a fair income, conditions at the workplace and equal treatment to social protection, employment rights and the freedom to voice one's concerns. Tackling decent work deficits is a formidable task for the main players in the labour market – governments, employers and workers, and it is rendered even more complex by the transformative forces of technological, climate and demographic change and by the shifting character of globalization. To these challenges related to the future of work may be added the constraints currently imposed on many countries by a general slowdown in economic growth, social unrest, political instability and rising protectionism.

This chapter presents the state of the world's labour markets from a social and economic perspective, with the data disaggregated by country income group. It provides an assessment of recent changes in the macroeconomic context and looks at the risks and opportunities brought by developments that are shaping the future of work. The first section summarizes the headline global figures that together make up the "big picture" in the world of work. The second section analyses the impact of subdued economic growth and trade protectionism on the ability of economies to generate more and better-quality employment. The third section focuses on labour market access and labour underutilization, which is a key feature of decent work deficits. The fourth and final section considers further key indicators of decent work deficits, notably the prevalence of informality, working poverty and the lack of high-skill work.

In line with the key messages of this report, this chapter arrives at four main conclusions. First, projected lower economic growth is very likely to impair the ability of lower-income countries to reduce poverty and improve working conditions, while unemployment is unlikely to rise in high-income countries thanks to a shift in the relationship between economic growth and employment growth. Second, there are major gaps in access to

work – far greater than previously recognized; the ILO's preferred measure of total labour underutilization is more than twice as high as unemployment, affecting 473 million people worldwide in 2019. Third, a large proportion of the globally employed are working in jobs that do not offer decent working conditions, as evidenced by high shares of informality and of own-account and contributing family work, but also widespread working poverty. Decent work deficits also mean that a significant number of those in paid work lack social protection and rights at work, and that many workers do not benefit from the provisions of international labour standards and, in particular, have no collective representation or voice. Lastly, the analysis reveals severe inequalities in contemporary labour markets. Threaded through the chapter is a focus on regional disparities (between countries, and between rural and urban areas) and on gender and age disparities. The inequalities analysis is complemented by Chapter 2, which provides a regional dimension to these features, and Chapter 3, which presents novel data on the labour income share and distribution, showing that the labour share of global income is declining and that total labour income inequality is greater than previously assumed.

The overall message of this chapter is that in the context of a global economic slowdown, major gaps in access to work, a widespread lack of decent working conditions and persistent and high labour market inequalities can undermine the social cohesion between and within societies. The profound challenges imply a strong need for a rigorous empirical assessment that informs the required policy choices.

Unless indicated otherwise, the data presented in this report are derived from the ILO modelled estimates, a unique global panel data set of key labour market indicators. Box 1.1 below and Appendix B provide further details. To ensure clarity of exposition, in this report we can present only a fraction of the wealth of data contained in the ILO modelled estimates. Readers interested in specific topics should consult the full data set, which is available from the website of the ILO Department of Statistics (https://ilostat.ilo.org).

▶ **Box 1.1**

Data sources underlying the ILO modelled estimates and uncertainty considerations

The ILO modelled estimates are based on a rich collection of national survey data that have been harmonized in accordance with the definitions established by the International Conference of Labour Statisticians (ICLS). The ILO modelled estimates for all countries and years are made publicly available at: https://ilostat.ilo.org/. Data for selected key indicators are also available on the WESO Data Finder at: www.ilo.org/wesodata.

The term "modelled" refers to the fact that not all of the observations in the data set are derived from labour force surveys: missing observations are estimated using econometric techniques. (See: https://ilostat.ilo.org/ for details of which observations have been estimated in this way.) Since not all countries are able to conduct labour force surveys regularly, data gaps occur and need to be filled with estimates in order to allow for a meaningful analysis of global and regional trends. Appendix B explains in more detail the econometric modelling techniques used to obtain these estimates.

The ILO modelled estimates have a certain degree of uncertainty; they are, accordingly, subject to revision as outlined below:

1. Real observations can be revised when the methodology for data collection changes, or when the definitions used to calculate the values of indicators change. This has been the most important source of revisions in the past few years, with the ILO taking great pains to ensure that its data set conforms with the definitions established by the ICLS.

2. Any estimates of unknown values are uncertain. The ILO uses state-of-the-art econometric modelling techniques to minimize such uncertainty. For the purposes

of this report, the ILO has for the first time estimated and published the uncertainty associated with the unemployment indicator; more indicators will be covered in later reports. The 95 per cent confidence interval for the global headcount of unemployed in 2018 (the last year with real observations) ranges from 173 million to 201 million unemployed. Revisions can be undertaken when labour market information becomes available for countries for which data were formerly lacking.

3. This report presents estimates mainly for 2019, a year for which real data were not yet available at the time of writing. All values beyond 2018 are projections, which are also subject to a margin of error.

It is important to note that the uncertainty of the estimated change of a labour market indicator from a certain level is smaller than the uncertainty of the level itself. This means that the trends presented in this report are meaningful, despite the estimation uncertainty.

The 19th ICLS, held in October 2013, narrowed the definition of employment to refer only to activities performed for others in exchange for pay or profit (ILO, 2013). This change is not reflected in the global labour market statistics presented in this report, since not enough labour force surveys applying the new definition have been conducted thus far to make it possible to obtain reliable estimates of aggregates.

The global labour market at a glance

A thorough analysis of how the world's labour markets are performing requires a multidimensional approach in order to try to capture the full spectrum of decent work deficits. In addition to employment and unemployment rates, this section summarizes the headline global findings across three key dimensions, which are examined in detail in subsequent sections:

(1) indicators of mismatch between labour supply and demand that signal an unmet need for more paid work among the working-age population;

(2) the quality of employment and its ability to deliver an adequate income, security in the workplace and social protection for workers and their families; and

(3) equality of opportunity and treatment of workers, regardless of differences in terms of gender, age and geographical location.

Total labour underutilization is more than twice as high as unemployment alone

In 2019, the global population aged 15 years and older (i.e. the working-age population) stood at an estimated 5.7 billion people (UN, 2019a). Of this total, 2.3 billion (39 per cent) were not part of the labour force, 3.3 billion (57 per cent) were in employment, and an estimated 188 million were unemployed (figure 1.1).

However, when assessing the extent of labour underutilization it is necessary to look beyond unemployment and take two additional categories into account: people in work who would like to work more paid hours ("time-related underemployment"), and people out of employment who would like to work but whose personal situation or other factors prevent them from actively searching for a job and/or being available for work ("the potential labour force"; see ILO, 2018a).[1] Indeed, an estimated 165 million people in the world experienced time-related underemployment in 2019, while an additional 119 million people were in the potential labour force. Combined with the traditional measure of unemployment, the full extent of labour underutilization amounts to 473 million, or 14 per cent of the extended labour force (see below for further investigation of the data).[2] This is more than twice the worldwide number of unemployed.

Among young people aged 15 to 24, an estimated 429 million (36 per cent) were in employment in 2019, with another 509 million (42 per cent) in education or training without simultaneously being employed (figure 1.1). The proportion of young people not in employment, education or training (NEET) is used as an indicator for Sustainable Development Goal (SDG) 8 in the 2030 Agenda for Sustainable Development, adopted by the United Nations in 2015 – specifically for target 8.6, which calls for the proportion of youth with NEET status to be substantially reduced by 2020. That target is designed to focus policy-makers' attention on those young individuals who are neither employed nor improving their employability. As many as 267 million young people, that is, one in five, had NEET status in 2019 and were thus not gaining the skills that would enable them to participate in the labour market at some later point. Additionally, the risk of labour underutilization is higher for youth than for adults, with 141 million young people affected by underutilization and 68 million in unemployment.[3]

Decent work deficits also manifest themselves in the conditions of employment

The ILO's Decent Work Agenda does not only deal with access to employment opportunities; it also requires that an employment relationship should provide an adequate minimum wage and guarantee rights at work and access to social protection. Yet such conditions are not being fulfilled for a large proportion of workers worldwide.

To illustrate this: some 360 million workers, many of them women,[4] were contributing family workers, which means that they are considered to be informal by definition (figure 1.2); they lack effective access to social protection and income security. Furthermore, a large proportion of the 1.1 billion own-account workers – who constitute one third of those employed – are engaged in elementary activities, which they have taken up because of the lack of jobs in the formal sector or the lack of income provided through social protection. The vast majority of such jobs – 85 per cent – are in the informal sector (ILO, 2018b).

Being in wage and salaried employment, as is the case for around half of workers globally, increases the likelihood of having access to social protection, labour rights and

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[1] See note to figure 1.1 defines the various types of labour underutilization in greater detail.
[2] The sum of unemployed, time-related underemployed and the potential labour force is defined as composite labour underutilization, but it is interchangeably called total labour underutilization in this report. The extended labour force comprises the total labour force (the employed and the unemployed) plus the potential labour force.
[3] Total labour underutilization affects 26.2 per cent of the youth extended labour force, but only 10.8 per cent of the adult extended labour force. For a more detailed discussion of youth employment, see *Global Employment Trends for Youth 2020: Technology and the future of jobs* (ILO, forthcoming a).
[4] Table 1.5 below presents detailed data on employment by status.

Figure 1.1

Global overview of access to employment and labour underutilization, 2019

Working-age population: 5.7 billion

Employed: 3.3 billion (57%)

Out of labour force: 2.3 billion (39%)

Total labour underutilization: 473 million

Time-related underemployment: 165 million (35%)

Unemployed: 188 million (40%)

Potential labour force: 119 million (25%)

Youth working-age population (15–24 years): 1.2 billion

Youth in employment: 429 million (36%)

Youth in education or training (not employed): 509 million (42%)

Youth not in employment, education or training: 267 million (22%)

Note: Persons in time-related underemployment are employed persons whose working time is insufficient in relation to a more desirable employment situation in which they are willing and available to engage. The potential labour force consists of people who were actively seeking employment, were not available to start work in the reference week, but would become available within a short subsequent period (unavailable jobseekers), or who were not actively seeking employment but wanted to work and were available in the reference week (available potential jobseekers). Young people in employment may simultaneously be in education or training.

Source: ILOSTAT, ILO modelled estimates, November 2019.

Figure 1.2

Characteristics of global employment, 2019 (percentages)

11% Contributing family workers

53% Wage and salaried workers

34% Own-account workers

2% Employers

39% Formal

61% Informal

7% Extremely poor

12% Moderately poor

81% Non-poor
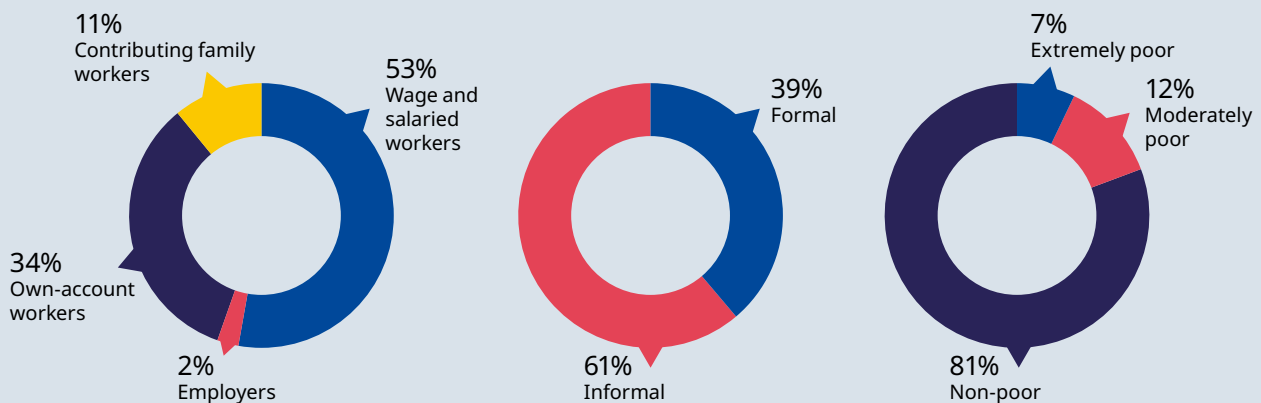
Note: The estimates of informality refer to 2016. Extreme working poverty (a daily per capita income of below US$1.90 in PPP terms) and moderate working poverty (a daily per capita income between US$1.90 and US$3.20 in PPP terms) are assumed to be zero in North America, the high income countries in Europe (including European Union countries), Japan, Australia and New Zealand.

Source: ILOSTAT, ILO modelled estimates, November 2019; ILO, 2018b.

Figure 1.3

Global inequalities in labour market outcomes, selected indicators, 2019 (percentages)
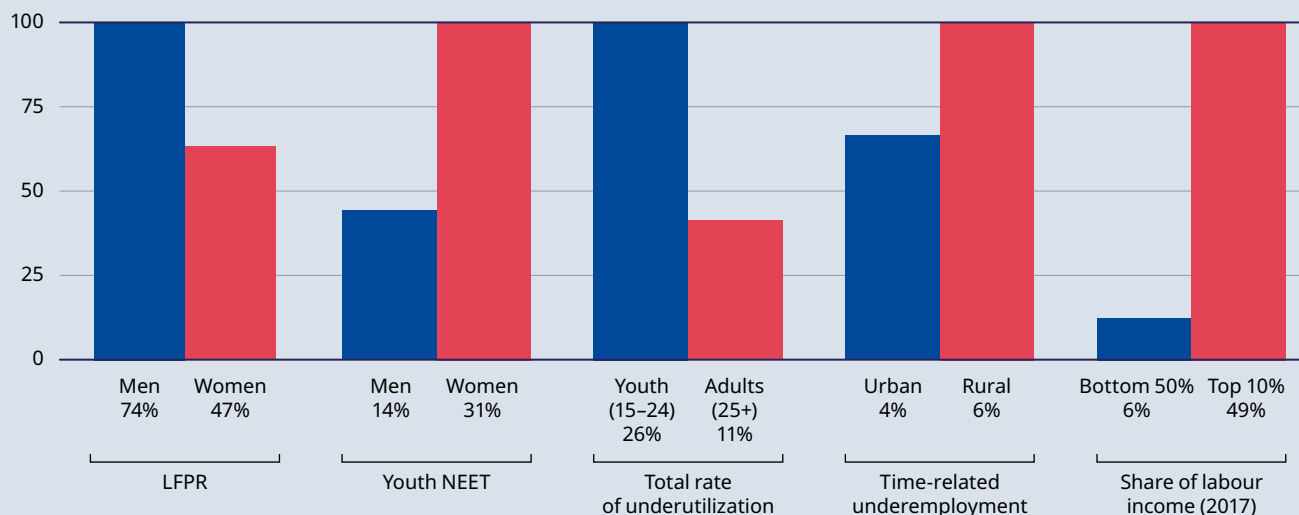
Note: The height of the bars shows the relative levels of two groups for each indicator, with the group having the higher value displayed at 100 per cent. The actual rates are shown below each bar. "LFPR" denotes the labour force participation rate; "Youth" refers to ages 15–24. The values under the bars for "time-related underemployment" denote the share of employed persons who are in such a situation in urban and rural areas.

Source: ILOSTAT, ILO modelled estimates, November 2019.

income security. However, in many parts of the world this is by no means guaranteed, as evidenced by the 40 per cent of wage and salaried workers in informal employment relationships (ibid.). Around 2 billion workers worldwide (61 per cent of those in employment) are in informal employment, and are therefore significantly less likely to have rights at work or to enjoy the benefits of social protection systems (ibid.).

The lack of productive, well-paying jobs means that more than 630 million workers – one in five of all workers worldwide – live in extreme poverty (i.e. they live in households with a daily per capita income below US$1.90 in purchasing power parity (PPP) terms) or in moderate poverty (households with a daily per capita income between US$1.90 and US$3.20 in PPP terms).

From these headline findings it is clear that, in addition to promoting access to paid work, urgent efforts are required to ensure that all types of paid work are also of decent quality. Social dialogue and tripartite negotiations play a fundamental role in shaping the general economic context and labour market outcomes. To be effective, they require independent social partners (trade unions and employers' organizations) that are well organized, properly resourced and representative. The high degree of self-employment and informality, the decline in the global rate of trade union membership, from 25 per cent in 2000 to 17 per cent in 2017, and the difficulties faced by employers' organizations in increasing their own

membership and acting as the collective voice of business interests (Global Deal, ILO and OECD, 2018), make it harder for social actors to contribute to economic stability by achieving decent employment relationships.

To understand inequality of opportunities and outcomes it is necessary to look beyond averages

Labour market opportunities and outcomes differ widely, depending on a person's individual characteristics, but also on his or her geographical location and the type of work done. Some notable patterns of between-group inequalities are shown in figure 1.3, which covers a small selection of indicators for which international data of good quality are available.

First, gender inequality is a global phenomenon, manifesting itself in both unequal access to the labour market and unequal working conditions (ILO, 2019a). The labour force participation rate for women in 2019 stood at 47 per cent, a full 27 percentage points below that of men (74 per cent) (figure 1.3). In addition, gender inequality begins at an early age: the female NEET rate, at 31 per cent, is more than double the male rate, at 14 per cent. Second, age is another critical dimension of inequality. For instance, the total labour underutilization rate for young people (26 per cent) is more than twice the rate for adults (11 per cent). Third, there are also considerable differences in labour market opportunities

and outcomes depending on geographical location: for example, rural workers face a higher rate of time-related underemployment than urban workers. Lastly, labour income is distributed very unequally across the world: the 50 per cent of workers whose earnings are below the global median account for a mere 6 per cent of total labour income, while the top 10 per cent earn almost half of all labour income. This severe inequality will be discussed in detail in Chapter 3, where it is pointed out that the unequal distribution of labour income is driven both by between-country differences and within-country differences.

From the statistics quoted so far, we may already see that labour markets across the world are currently failing to include all workers and to leverage their full potential. The goal of inclusive growth remains elusive.

The economic context of labour market trends

Economic and political conditions in the short and long run have a major influence on labour markets. At the same time, access to employment and the quality of working conditions generate crucial feedback effects by influencing economic performance and the likelihood of social unrest. Therefore this section examines global trends in economic growth, as well as other pertinent characteristics including trade protectionism, social dialogue and social unrest, to set the scene for a detailed investigation of labour market trends.

The global economic outlook is precarious

Economic activity slowed down significantly in the last three quarters of 2018, and it has not yet started to pick up again (IMF, 2019a). Global economic growth is estimated to have slowed from 3.0 per cent in 2018 to 2.3 in 2019 (UN, 2020). Manufacturing activity in particular has been hard hit, leading to a negative impact on business confidence and investment decisions. Trade and geopolitical tensions additionally depress confidence and GDP growth, and can have far-reaching ramifications on employment through global supply chains (box 1.2). While economic growth is forecast to pick up marginally to 2.5 per cent in 2020, it could take several years for it to return to previous levels (ibid.). Monetary policy makers have already signalled their readiness to support the economy in an eventual recession, but it is unclear how effective any measures they take will be, given the already very low interest rates and the still very large balance sheets of central banks (IMF, 2019a; Borio et al., 2018).

Because of the limited room for manoeuvre of monetary policy, fiscal policy needs to play a stronger role in stimulating the economy through investment in infrastructure in key growth sectors (e.g. health care and the digital and green economies) and the development of people's capacities – focusing on such areas as lifelong learning, gender equality, support throughout transitions and social protection (IMFC, 2019). To achieve such objectives it is not possible to rely on public-sector investment alone; rather, it is necessary to involve the private sector, notably by blocking illicit financial transfers and providing direct incentives for investment in the real economy (e.g. via carefully tailored tax breaks) (ibid.). In view of the current slowdown in investment growth – in emerging markets and developing economies the growth rate was only 2 per cent in 2019, compared with over 6 per cent in 2017 – encouraging investment is all the more important (IMF, 2019a). As far as developing countries are concerned, the Addis Ababa Action Agenda (UN, 2015) presents a comprehensive action plan for financing development and building social, physical, environmental and digital infrastructures.

▶ **Box 1.2**

Trade protectionism has ramifications throughout global supply chains

In contrast to the general trend of increasing trade liberalization over the past decades, thousands of individual trade restrictions have been introduced in recent years (Global Trade Alert, 2019; WTO, 2019). Given the high complexity of global production networks with long international supply chains, trade restrictions not only directly affect the sector they target but they also indirectly affect related sectors. Kühn and Viegelahn (2019) argue that the indirect employment effects of trade restrictions may be almost as important as the direct effects. Since around one in five of all jobs in a sample of 40 countries[1] are linked to international trade (ILO, 2015a), the intensification of trade restrictions could have a significant impact on employment in the countries concerned. In contrast, countries not targeted by trade restrictions could benefit from trade diversion as supply chains are rerouted to take advantage of lower tariffs. UNCTAD (2019) estimates that the bulk of the estimated drop in Chinese exports to the United States caused by new US tariffs will be captured by other countries as part of the process of trade diversion. At the global level, therefore, bilateral trade disputes may not have such a significant impact on employment. This does not necessarily mean, though, that the impact on the global workforce is negligible. It is quite possible for trade to be diverted to countries where workers are less productive, face more hazardous working conditions and earn a lower income.[2] If so, global labour income is likely to fall; workers in countries directly affected by tariffs will experience hardship, while workers in other countries will benefit from an increase in employment opportunities.

[1] Estimates are based on the 2014 edition of the World Input–Output Database, which covers 40 countries (the European Union countries, the G20 countries and some additional high-income countries). See www.wiod.org for details.
[2] Trade restrictions cause a "deadweight loss", which means that the total value added declines. Even though the number of workers required to produce a certain amount of exports may be higher in the country benefiting from trade diversion, their lower labour productivity, combined with the fact that the total value declines, implies that the increase in labour income in the receiving country will be lower than the loss of labour income in the country targeted by trade barriers.

Figure 1.4

GDP per capita, country income groups, 2000 and 2018 (US$ PPP)

KEY

▶ High-income countries

▶ Upper-middle-income countries

▶ Lower-middle-income countries

▶ Low-income countries
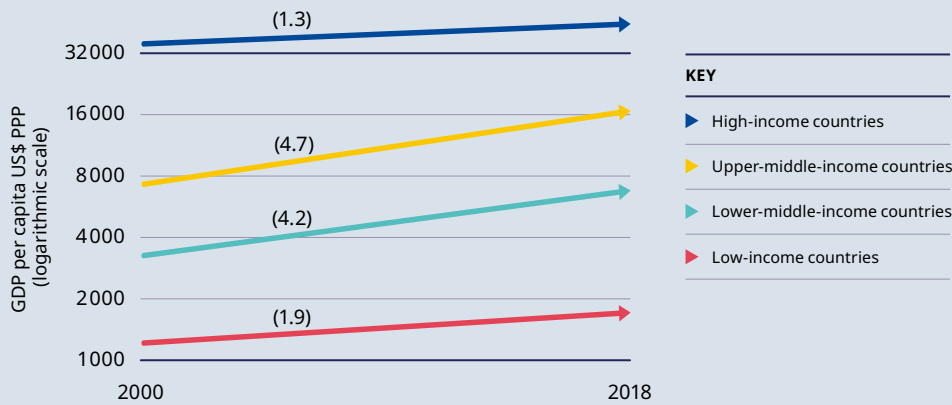
Note: GDP aggregates are computed using PPP exchange rates. The figure uses a logarithmic scale so that the slope of the lines equals the average annual growth rate, which is shown inside brackets.

Source: ILO calculations based on the World Bank's World Development Indicators.

Slow economic growth in low-income countries endangers efforts to reduce poverty and improve working conditions

In all low-income countries combined,[5] the GDP per capita in 2018 stood at around US$1,700 (using PPP exchange rates from 2011), which translates into a daily per capita income of less than US$5 (PPP). Therefore, even if all available resources in low-income countries were evenly distributed, everyone would still be close to the poverty line. In the case of low-income countries, poverty reduction relies significantly on a country's ability to increase the pool of available resources through sustained, sustainable and inclusive growth (ILO, 2019b). On all three fronts, performance has been dismal. Over the past 18 years, low-income countries have achieved an average per capita growth of only 1.9 per cent (figure 1.4). This means that the gap with respect to lower-middle- and upper-middle-income countries is widening. Rising inequalities and insufficient poverty reduction indicate a lack of inclusiveness of economic growth (also see Chapter 3). In fact, the number of people living in extreme poverty has risen in several low- and lower-middle-income countries, especially among the commodity exporters (UN, 2020).

A key message of this report is that slow growth not only makes it more difficult to reduce poverty in low-income countries but also hinders potential improvements in working conditions. For instance, economic development and structural transformation, which will allow higher growth, open up new opportunities for workers to move out of low-productivity activities such as smallholder agricultural or elementary work, which are associated with income insecurity and a lack of social protection. When growth is based on innovation and structural transformation, then it has the potential to improve working conditions. In addition, ILO analysis shows that decent work is in a virtuous cycle with respect to economic development to achieve SDG 8 (ILO, 2019b). Given the diverging growth rates, it is not surprising that between 2000 and 2018 the share of workers engaging in agricultural or elementary occupations[6] declined by only 6 percentage points (to 69 per cent) in low-income countries, whereas that share declined by 10 percentage points (to 49 per cent) in lower-middle-income countries and by 15 percentage points (to 32 per cent) in upper-middle-income countries. A similar picture emerges if we consider the share of employment in own-account and contributing family work: the progress achieved in low-income countries – a decline of 4 percentage points – was much lower than in middle-income countries, where that share declined by more than 10 percentage points.

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[5] The country income groups are defined in Appendix A.

[6] These refer to occupational groups 6 (skilled agricultural, forestry and fishery workers) and 9 (elementary occupations) under the International Standard Classification of Occupations (ISCO), the current version of which is ISCO-08, adopted in 2008.

Figure 1.5

Average growth of GDP and its two components (labour productivity and employment), global and by country income group, 1999–2019 (percentages)

KEY

▶ Average annual labour productivity growth

▶ Average annual employment growth

▶ Average annual GDP growth

▶ Average annual labour force growth
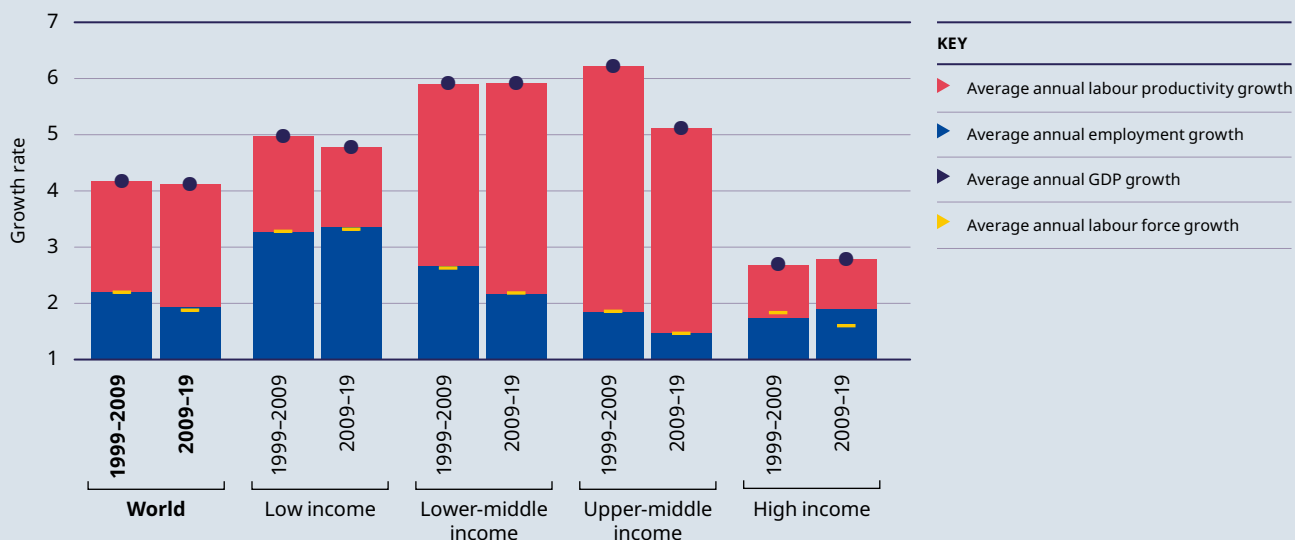
Note: The growth in GDP is broken down into its two constituents: employment growth and labour productivity growth (output per worker). Growth rates for GDP and labour productivity are calculated by aggregating countries using PPP exchange rates.

Source: ILO calculations based on IMF, 2019a; ILOSTAT, ILO modelled estimates, November 2019.

Is growth too low to generate employment gains?

The projected slowdown in economic growth combined with concerns about automation[7] has led to fears of insufficient employment growth and rising unemployment in the future. Economic theory assumes a positive relationship between employment growth and economic growth, since more labour is required to produce more output, all else remaining equal. However, the efficiency gains brought by new technologies can reduce the required labour input, which means that faster technological progress requires a higher level of output growth if the level of employment and the number of hours worked are to be maintained. The past decade has seen relatively strong employment growth and falling global unemployment rates, despite economic growth having slowed down, or at least stagnated, in comparison with the preceding ten-year period (figure 1.5). This recent trend suggests a significant transformation in the relationship between economic growth and employment growth.

The growth of the labour force is slowing down in middle- and high-income countries, which means that fewer jobs need to be created to stabilize unemployment rates.[8] Indeed, figure 1.5 shows that, globally and in all country income groups, employment growth outpaced the average

labour force growth during the period 2009–19, implying a falling unemployment rate. However, the problem in upper-middle- and high-income countries, which are most affected by rising dependency ratios, is that they require an increase in productivity to support the growing share of persons not in employment; in fact, these countries experienced a slowdown in labour productivity growth.

The empirical evidence from high-income countries shows that the relationship between employment growth and economic growth has changed significantly in recent years. Figure 1.6 shows the estimated rate of GDP growth that generates a level of employment growth equal to labour force growth, thereby keeping the unemployment rate stable. The unemployment-stabilizing rate of GDP growth has declined significantly since 2008, from around 3 per cent to below 0 per cent in 2018. At the same time, the employment elasticity of GDP growth has decreased. This means that, in recent years, changes in the growth rate of GDP have had a smaller impact on employment growth.

Three main factors are responsible for the decline in the rate of GDP growth that stabilizes the unemployment rate. First, average labour force growth slowed down from 1.3 per cent in 2009 to 0.8 per cent in 2018. The analysis conducted for figure 1.6 reveals that, if labour

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[7] ILO (2019c) provides an overview of the job displacements that are expected to occur as a result of automation.

[8] The unemployment rate equals 1 minus the ratio of the employed to the labour force. It remains stable when both employment and the labour force grow at the same rate.

Figure 1.6

Estimated GDP growth rate that stabilizes the unemployment rate; labour force growth, high-income countries, 1992–2018 (percentages)

KEY

▶ Unemployment-stabilizing GDP growth

▶ Labour force growth
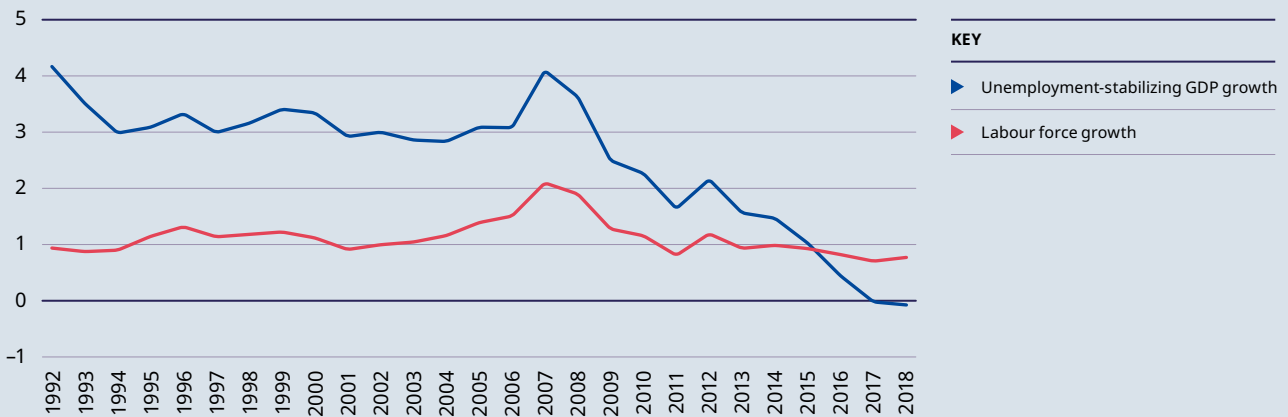
Note: The blue line shows the growth rate of GDP that is estimated to generate sufficient employment growth to match labour force growth, thereby stabilizing the unemployment rate. The relationship between employment growth and GDP growth was estimated using a non-parametric locally linear means estimator for 51 high-income countries with a total of 1,241 real observations. The unemployment-stabilizing rate of GDP growth was then identified as the rate of growth estimated to generate employment growth equalling the unweighted average labour force growth (the red line) for the same sample. This methodology implies that estimates at the beginning and end of the time series have a higher uncertainty (not displayed).

Source: ILO calculations.

force growth had been 0.5 percentage points higher in 2018, the GDP growth that stabilizes the unemployment rate would also have had to be 1 percentage point higher. Second, much of the employment creation in recent years in high-income countries has occurred in the market services sector, the employment share of which increased by 1 percentage point between 2008 and 2019. These jobs have a relatively low productivity and, moreover, many of them are part-time, which means that such employment creation does not contribute greatly to economic growth (ECB, 2016; UN, 2020). Lastly, the period before the financial crisis was characterized by excessive profits accruing to the financial sector, which caused the GDP to balloon without creating many jobs.

To summarize, the shifted relationship between employment growth and economic growth helped to lower the unemployment rate in high-income countries, but at the cost of job polarization and low productivity growth. However, the current uncertainty in the global economy may have adverse effects on the employment-generating potential of growth, raising again the unemployment-stabilizing rate of growth presented in figure 1.6. The impact of the projected slowdown in global economic growth will therefore depend on the quality and inclusiveness of the growth that remains.

Social unrest is on the rise again

Both the ILO's Decent Work Agenda and the United Nations 2030 Agenda for Sustainable Development put the well-being of people at the centre of economic policy makers' attention. The failure to achieve sustainable and inclusive growth and decent work for all may incite some people to take action of their own in order to bring about change. For instance, rising unemployment rates are associated with a higher risk of a spike in the social unrest index (Kühn and Sharma, forthcoming). The frequency of manifestations of social unrest, such as demonstrations and strikes, is captured by the social unrest index, which is shown in figure 1.7. Investigating the evolution of the index is much more instructive when done by subregion rather than by country income group. Between 2009 and 2019, the index increased both globally and in seven out of 11 subregions. After a few years of relative calm, social unrest is on the rise again, though the peak level of 2011 has not yet been surpassed in most subregions.

The specific reasons for increases in the social unrest index are diverse and tend to be country-specific. However, the Fridays for Future movement,[9] for example, achieved a truly global reach in 2019, with people across the world taking part in protests to call for more climate action and sustainable economic development. That movement was responsible for much of the rise of the index in Northern, Southern and Western Europe. North Africa experienced

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[9] Initiated by schoolchildren, this movement organizes demonstrations to protest against the lack of action on climate change. See: www.fridaysforfuture.org.

Figure 1.7

Social unrest index, global and regional, 2009–19 (points)
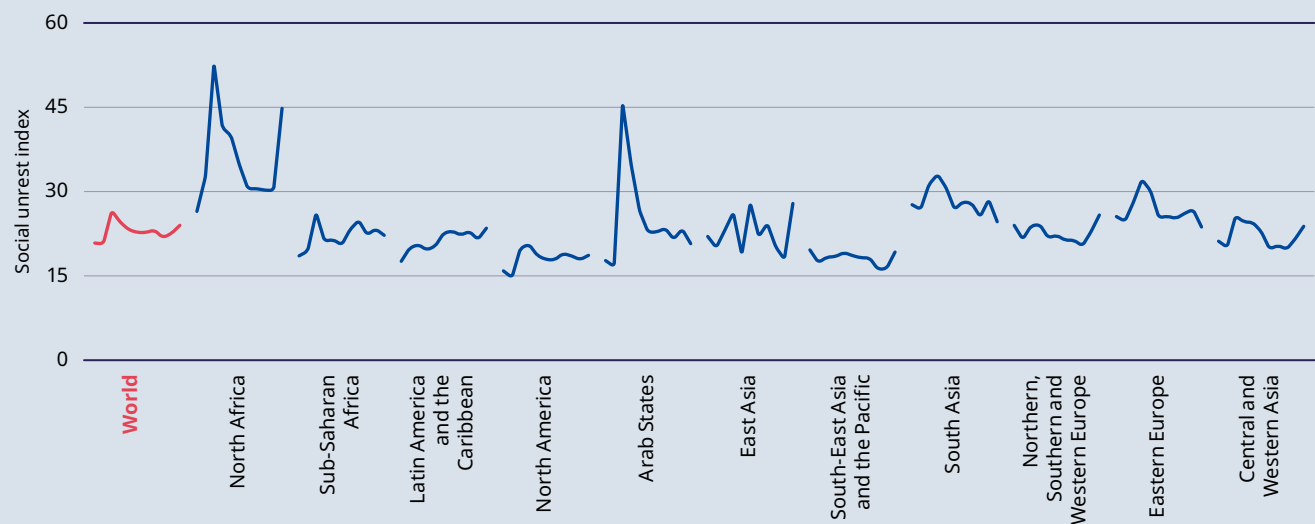
Note: The figure shows the evolution, for the world as a whole and for each subregion, of the social unrest index from 2009 to 2019. The ILO's social unrest index is based on the ratio of the number of protests to the total number of events in a year and country as recorded by the Global Database of Events, Language and Tone (GDELT), and ranges from 0 (low) to 100 (high). For detailed information on the index and how it is calculated, see Appendix B.

Source: ILO calculations based on data from the GDELT project, October 2019.

the biggest increase of all the subregions, driven by waves of protest in Algeria, Egypt and the Sudan.

It is also noticeable that, over the last decade, the social unrest index has been slowly creeping upwards in Latin America and the Caribbean, a subregion with many countries that have been hard hit by economic and social crises, including the Plurinational State of Bolivia, Chile, Ecuador and the Bolivarian Republic of Venezuela.

Access to employment and labour underutilization

Sustainable Development Goal 8 calls for full, freely chosen and productive employment and decent work for all. Earnings from work are the main source of income for most people, making its availability and accessibility a primary concern. Yet, as emphasized at the start of this chapter, labour is massively underutilized and many workers are unable to access employment in the way they want. This mismatch between labour demand and supply, extending far beyond unemployment, creates a large labour market slack, which is unlikely to diminish given the current subdued global economic outlook. Furthermore, people experience insufficient labour market access highly unequally, depending on their gender, age, the country they live in or whether they live in rural or urban areas.

This section analyses labour underutilization in more detail, presenting estimates for a comprehensive set of indicators to demonstrate the extent of labour underutilization, which goes well beyond unemployment alone. The indicators are broken down by sex and age, which helps to reveal patterns that would otherwise be hidden by aggregates.

The employment-to-population ratio (EPR) presented first in this section is a good summary indicator showing the share of the population in employment and, implicitly, also the share of those who do not earn an income and are, in many instances, economically dependent. Studying the evolution of the EPR since the mid-1990s shows that a decreasing share of the working-age population are earning an income. This makes it more likely that the redistribution of national income required to ensure that everyone can enjoy a decent living will exceed the ability of households to support their own members. The capacity of national public or private redistributive systems is also likely to be overstretched (ILO, 2018c).

Table 1.1

Employment-to-population ratio, by sex and age, global and by country income group, 1994–2024

Country income group	Demographic group	Level (percentages) 2019	Five-year change (percentage points)					
			1994–99	1999–2004	2004–09	2009–14	2014–19	2019–24
World	Total	57.4	–0.8	–1.0	–1.0	–1.0	–0.6	–1.1
	Female	44.6	–0.5	–0.8	–1.0	–1.2	–0.5	–1.2
	Male	70.3	–1.1	–1.3	–1.1	–0.8	–0.8	–1.1
	Youth	35.6	–3.8	–3.0	–2.6	–3.5	–1.8	–1.2
	Adult	63.2	–0.1	–0.4	–0.8	–0.8	–0.8	–1.4
Low income	Total	67.9	–0.5	–0.3	–1.3	–1.2	–0.1	–0.3
	Female	60.7	–0.3	–0.2	–1.5	–1.1	0.5	–0.5
	Male	75.3	–0.6	–0.4	–1.1	–1.3	–0.7	–0.2
	Youth	52.1	–1.2	–0.9	–1.8	–1.6	–1.0	–0.8
	Adult	76.2	0.0	0.2	–1.1	–1.0	0.2	–0.5
Lower-middle income	Total	52.3	–0.7	–0.3	–1.2	–1.7	–1.2	–0.5
	Female	32.1	–0.4	–0.2	–1.3	–2.0	–0.7	–0.3
	Male	71.9	–1.0	–0.4	–1.1	–1.5	–1.7	–0.6
	Youth	29.2	–1.5	–1.4	–3.4	–4.0	–2.4	–1.0
	Adult	60.3	–0.5	–0.1	–0.8	–1.5	–1.3	–0.8
Upper-middle income	Total	60.3	–1.7	–2.2	–1.2	–0.8	–1.4	–2.0
	Female	50.7	–1.3	–1.9	–1.2	–0.9	–1.4	–2.1
	Male	70.0	–2.0	–2.5	–1.1	–0.6	–1.3	–1.9
	Youth	36.6	–7.0	–5.9	–2.0	–4.4	–3.3	–1.9
	Adult	65.1	–0.5	–1.0	–1.3	–0.9	–1.7	–2.3
High income	Total	57.8	0.6	–0.2	–0.3	0.2	1.8	–1.2
	Female	50.4	1.4	0.7	0.8	0.4	2.0	–1.0
	Male	65.3	–0.1	–1.3	–1.4	0.0	1.6	–1.5
	Youth	40.7	–0.5	–2.0	–2.6	–0.5	2.8	–1.9
	Adult	60.5	0.7	0.0	0.0	0.1	1.4	–1.2

Note: "Youth" refers to ages 15–24.

Source: ILOSTAT, ILO modelled estimates, November 2019.

It is important to know the reasons why people are not in employment or work fewer hours than they would like to. Being in employment is the combined effect of a decision to be in the labour force and the ability to find a job. Many people outside the labour force could still potentially join it in the near future. The "potential labour force" is thus an indicator identifying people who are not looking for a job while being available for work, or who are looking but are currently unavailable to take up a job. Furthermore, people may be unable to join the labour force because of certain obligations, such as having to perform unpaid care work within their household – something that affects mostly women. Finally, employed persons may find themselves in time-related underemployment when they cannot work as many hours as they would like to. The second and third part of this section provide

a comprehensive treatment of labour force participation and labour underutilization. Adequate access to labour markets has an important geographic dimension, which is why the fourth subsection disaggregates these labour market indicators by urban and rural areas.

The employment-to-population ratio is declining across all demographic groups

Around 57 per cent of the working-age population worldwide are in employment (table 1.1). The global EPR has fallen by 4.4 percentage points over the past 25 years, with the most notable decreases occurring in upper-middle-income countries (by 7.2 percentage points) and lower-middle-income countries (by 5.1 percentage points). By contrast, high-income countries experienced an increase in the EPR of 2.2 percentage points, with most

Table 1.2

Labour force participation rate, by sex and age, global and by country income group, 1994, 2019 and 2021 (percentages)

Country income group	Total			Female			Male			Youth			Gender gap
	1994	2019	2021	1994	2019	2021	1994	2019	2021	1994	2019	2021	2019
World	65.4	60.7	60.3	51.2	47.2	46.8	79.6	74.2	73.8	56.4	41.2	40.7	27.0
Low income	74.0	70.6	70.5	65.6	63.2	63.0	82.9	78.4	78.3	62.6	55.7	55.4	15.2
Lower-middle income	60.3	55.2	55.1	38.5	34.1	34.0	81.6	75.8	75.6	47.8	34.9	34.5	41.7
Upper-middle income	71.0	64.2	63.4	60.3	54.0	53.1	81.6	74.5	73.8	65.1	43.1	42.4	20.5
High income	60.3	60.7	60.3	49.4	53.2	52.9	71.8	68.4	67.9	51.4	45.7	45.1	15.2

Note: "Youth" refers to ages 15–24.

Source: ILOSTAT, ILO modelled estimates, November 2019.

of that increase occurring in the past five years as a result of positive labour market developments.

There are pronounced gender disparities in the EPR, which show that women are disproportionately confronted with barriers to accessing work. The female rate, standing at 45 per cent in 2019, is much lower than the male rate, standing at 70 per cent. The gender gap remains significant, despite having declined over the past few decades globally and across all country income groups. The narrowing of the gender gap at the global level is due to the fact that the female EPR declined by 3.9 percentage points since 1994, while the male rate declined by 5.1 percentage points over the same period. The gender gap is smallest in low- and high-income countries, standing at around 15 percentage points in both groups, while it is almost 40 percentage points in lower-middle-income countries. The latter group contains population-rich countries with wide gender gaps in South Asia (Bangladesh, India and Pakistan) and North Africa (Egypt, Morocco and Tunisia) that drive down the average. These stark gender disparities in excess to employment reflect gender roles that emphasize women as the main caregivers and men as the main breadwinners, in addition to cultural resistance against women's employment and gender equality (see also the regional analysis in Chapter 2). The variation of the male EPR is relatively small across country income groups, ranging from 75 per cent in low-income countries to 65 per cent in high-income countries, but the female EPR ranges from 61 per cent in low-income countries to only 32 per cent in lower-middle-income countries. This means that variations in the aggregate EPR across country income groups are to a large extent driven by variations in the female EPR.

The high EPR for both men and women and across all age groups in low-income countries is strongly related to the high degree of poverty in these countries, making the active pursuit of a gainful economic activity by all able-bodied household members a necessity for survival, especially in rural areas, where there is greater poverty (World Bank, 2018). This means that small gender gaps are not necessarily a sign of progressive social norms fostering equality. Indeed, women in low-income countries are often engaged in informal activities in the agricultural sector, having to combine paid work and unpaid care responsibilities (ILO, 2019a).

The EPR among young people has declined significantly – by up to 15 percentage points since 1994 at the global level. The decrease has been most pronounced in middle-income countries, which is largely due to a positive development: the increasing enrolment in full-time education. For instance, the rate of enrolment in upper secondary education in these countries rose from 49 per cent in 2000 to 65 per cent in 2018 (UIS, 2019). The trend of declining youth EPR has been reversed in high-income countries over the past five years, thanks to strong employment growth allowing young people to enter the labour market more easily instead of remaining in education or becoming unemployed.

There are large gender gaps in labour force participation rates

The labour force participation rate (LFPR) refers to the share of the population who are in employment or are looking for a job and available to take up employment. This share is also called the "economically active population". The economically inactive population is either engaged in non-market activities, such as household chores or unpaid care work, in education or training, or has retired from the labour market. The LFPR (table 1.2) shows a very similar pattern to that of the EPR over time and across countries, where relative differences between country income groups or demographic groups are caused by differences in unemployment rates across these groups.

In terms of variation, the LFPR is lower for women than for men across all country income groups. Women are much more likely to be engaged in unpaid activities that, though not accounted for in employment, constitute a significant contribution to the welfare of society and to the economy (ILO, 2019a). These gender gaps are projected to remain largely unchanged against the backdrop of a net decline in the LFPR across all country income groups. Meanwhile, young people are often engaged in education or training, which means that the youth LFPR tends to be lower. Finally, the LFPR of men is very similar in low- and middle-income countries – 78 and 75 per cent, respectively, in 2019 – whereas it stands at only 68 per cent in high-income countries. This is a reflection of the ageing population in high-income countries, and also of the greater likelihood of access to pension benefits, which makes it less necessary for retired persons in such countries to be economically active.

Labour underutilization extends far beyond unemployment

As a third concept capturing access to work, labour underutilization, which refers to situations in which people are not employed to their full availability, is a truly concerning feature of global labour markets. In addition to unemployment, the 19th International Conference of Labour Statisticians (ILO, 2013) defined time-related underemployment and the potential labour force as forms of labour underutilization.[10] Time-related underemployment suggests a lack of available paid hours, whereas both unemployment and the potential labour force indicate a lack of jobs available. While the unemployed are both searching for a job and are currently available to take up employment, members of the potential labour force fulfil only one of these conditions, meaning that they are either "available non-seekers" or "unavailable jobseekers". The potential labour force is hence marginally attached to the labour market and could enter employment in case an opportunity arises (despite them not searching actively) or as soon as the condition still hindering their availability (such as ongoing education) changes. The full extent of labour underutilization can only be grasped by looking beyond the narrow unemployment rate to include these other forms.

Taking other forms of labour underutilization into account reveals that the global unemployment rate of 5.4 per cent in 2019 is a gross underestimate of the full extent of labour underutilization (table 1.3). The composite measure stands at 13.1 per cent, which translates into labour underutilization of 473 million people. This includes 165 million people facing time-related underemployment (5.0 per cent of those in employment), 188 million who are unemployed and 119 million who are marginally attached to the labour market (3.3 per cent of the extended labour force).

Looking at further measures of labour underutilization reveals differences across demographic groups and country income groups. For example, the female potential labour force is much larger than the male across all country income groups, leading to a large global gender gap of 2.3 percentage points. The greater difficulties that women face in finding a job, compared with men, are reflected not so much in their unemployment rate as in their higher propensity to be marginally detached from the labour market.[11] Furthermore, women are more likely to be in time-related underemployment, with the relative difference being especially large in high-income countries, at 4.0 per cent versus 2.3 per cent for men. On the whole, women constitute 45 per cent of total underutilized labour, while they make up only 39 per cent of the labour force.

More than one in four young people worldwide (26.2 per cent) face at least one form of labour underutilization, twice the rate of adults. A total of 68 million young people are unemployed, which translates into an unemployment rate of 13.6 per cent – more than three times the adult rate. Young people are also around three times more likely than adults to be in the potential labour force. The relative difference is smaller when it comes to time-related underemployment. These youth–adult gaps are similar in all country income groups, with the exception of low-income countries. The forthcoming *Global Employment Trends for Youth 2020* report takes a closer look at the employment and labour market situation of young people (ILO, forthcoming a).

Another key observation is that the composite rate of labour underutilization is very high in low-income countries, mostly owing to high time-related underemployment. At 20.3 per cent, the composite rate in that group clearly exceeds the composite rate in middle- and high-income countries, but also the unemployment rate of 3.9 per cent within the low-income group. This clearly shows the inadequacy of the unemployment rate, and also of the EPR, as an indicator of the state of the labour market in low-income countries. In these countries, a social security system offering income replacement is often absent, and so pursuing any kind of economic activity is essential for survival (see box 1.1 in ILO, 2019d; and ILO, 2019e).

The dispersion in rates of labour underutilization by subregion is even larger than by country income group

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[10] See ILO (2018a) for comprehensive definitions and a discussion of the various forms of labour underutilization.
[11] The lower LFPR of women is to some degree also related to their more limited opportunities in the labour market (ILO, 2017a and 2019a).

Table 1.3

Labour underutilization indicators, by sex and age, global and by country income group, 2019

Country income group	Demographic group	Labour underutilization rate (percentages)				Labour underutilization headcount (millions)			
		UR	TRU	PLF	CLU	UR	TRU	PLF	CLU
World	Total	5.4	5.0	3.3	13.1	187.7	165.5	119.4	472.6
	Female	5.6	5.6	4.7	15.0	75.4	72.2	66.1	213.7
	Male	5.3	4.6	2.4	11.9	112.3	93.3	53.3	258.9
	Youth	13.6	7.5	7.7	26.2	67.6	32.0	41.3	140.9
Low income	Total	3.9	13.4	4.2	20.3	11.9	39.2	13.3	64.4
	Female	3.9	14.4	5.6	22.3	5.4	19.2	8.2	32.8
	Male	4.0	12.6	3.0	18.6	6.6	20.0	5.2	31.8
	Youth	6.5	14.5	6.8	25.6	5.4	11.3	6.1	22.8
Lower-middle income	Total	5.3	4.5	3.0	12.2	62.4	49.9	36.2	148.5
	Female	5.7	4.8	5.3	15.0	20.6	16.3	20.1	57.0
	Male	5.1	4.3	1.9	10.9	41.8	33.6	16.1	91.5
	Youth	16.4	6.0	7.7	27.5	31.6	9.6	16.1	57.3
Upper-middle income	Total	6.1	4.5	3.6	13.6	83.8	58.5	51.9	194.2
	Female	6.1	4.8	4.5	14.7	35.6	26.4	27.6	89.6
	Male	6.0	4.3	3.0	12.7	48.2	32.1	24.3	104.6
	Youth	15.1	6.2	8.6	27.3	23.7	8.3	14.8	46.8
High income	Total	4.8	3.1	2.8	10.3	29.5	17.9	17.9	65.3
	Female	5.1	4.0	3.6	12.2	13.9	10.3	10.2	34.4
	Male	4.6	2.3	2.2	8.8	15.7	7.6	7.7	31.0
	Youth	11.0	4.9	6.3	20.7	7.1	2.8	4.3	14.2

Note: UR = unemployment rate; TRU = time-related underemployment; PLF = potential labour force; CLU = composite measure of labour underutilization. UR is expressed as a share of the labour force, TRU as a share of employment, and PLF and CLU as a share of the extended labour force. "Youth" refers to ages 15–24.

Source: ILOSTAT, ILO modelled estimates, November 2019.

(figure 1.8). In both North Africa and the Arab States, close to 40 per cent of women in the extended labour force experience some form of labour underutilization. While North Africa has a general problem of labour underutilization (with the male rate also being the highest worldwide, at almost 20 per cent), the composite rate of labour underutilization for men in the Arab States is close to the global average. The composite rates are lowest in North America and in Eastern Europe, as are the gender gaps. The largest net contribution to gender gaps in labour underutilization comes from women being more likely to be in the potential labour force. Furthermore, the relative contribution of each of the three forms of labour underutilization – unemployment, time-related underemployment and potential labour force – varies by subregion. For instance, in sub-Saharan Africa, time-related underemployment is the most prevalent form, while in North America it is unemployment.

The unemployment rate is projected to remain stable

Unemployment is the best-known form of labour underutilization; it refers to people who are available to take up employment but unable to find a job despite their search efforts. In 2019, an estimated 5.4 per cent of the global labour force was unemployed, a level essentially the same as in 2018 (figure 1.9). After nine years of decline since 2009, the global unemployment rate is now projected to stabilize, and even to edge up by 2021. This turnaround is mainly due to the protracted slowdown of the world economy (IMF, 2019a), which is increasing uncertainty and dampening the confidence of consumers and businesses.[12] There is considerable uncertainty over the evolution of the unemployment rate in the near future, which will depend on whether and how various economic, financial and geopolitical risks materialize. The

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[12] The OECD consumer confidence index has been declining since its peak in March 2018, falling back to a level last seen in 2015. See: https://data.oecd.org/leadind/consumer-confidence-index-cci.htm.

Figure 1.8

Breakdown of labour underutilization, by sex, global and regional, 2019 (percentages)

KEY

▶ Unemployment

▶ Time-related underemployment

▶ Potential labour force
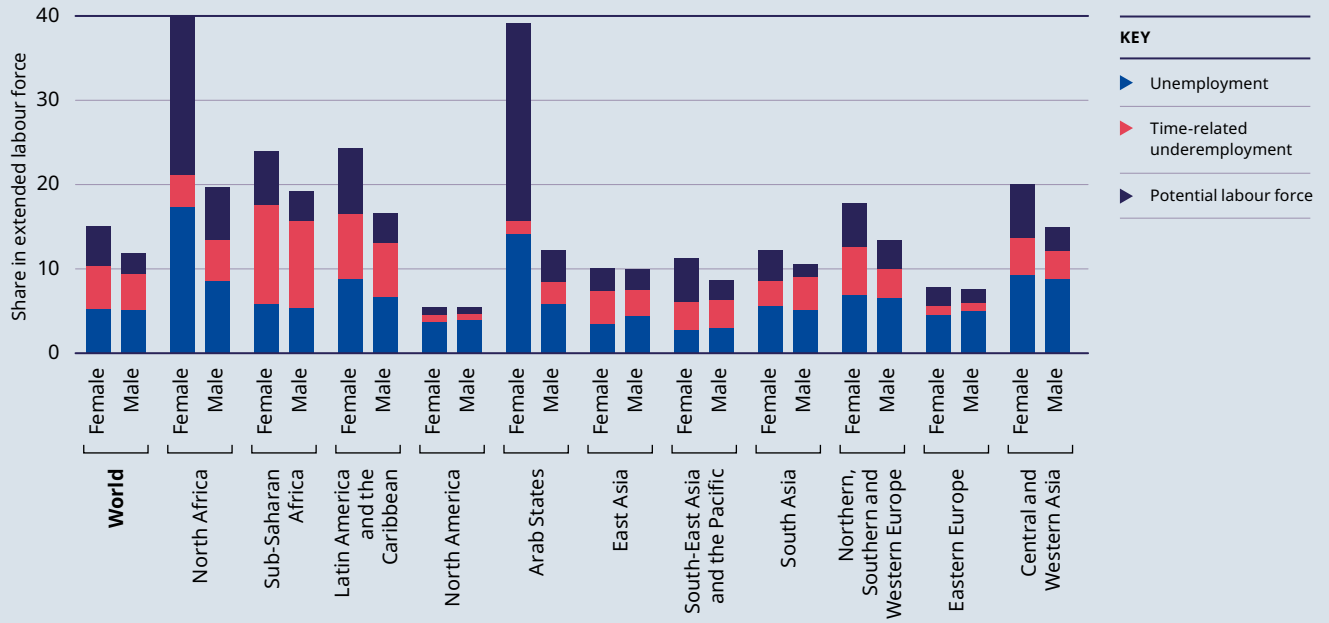
Note: The bars show unemployment, time-related underemployment and the potential labour force as cumulative shares of the extended labour force, which is the labour force plus the potential labour force. The shares shown are therefore not equivalent to the unemployment rate or the rate of time-related underemployment, since the denominator for those two indicators is not the extended labour force.

Source: ILOSTAT, ILO modelled estimates, November 2019.

Figure 1.9

Global unemployment rate, 2000–21 (percentages)

KEY

▶ 25%

▶ 50%

▶ 75%

▶ 90%

▶ 95%

▶ Point estimate
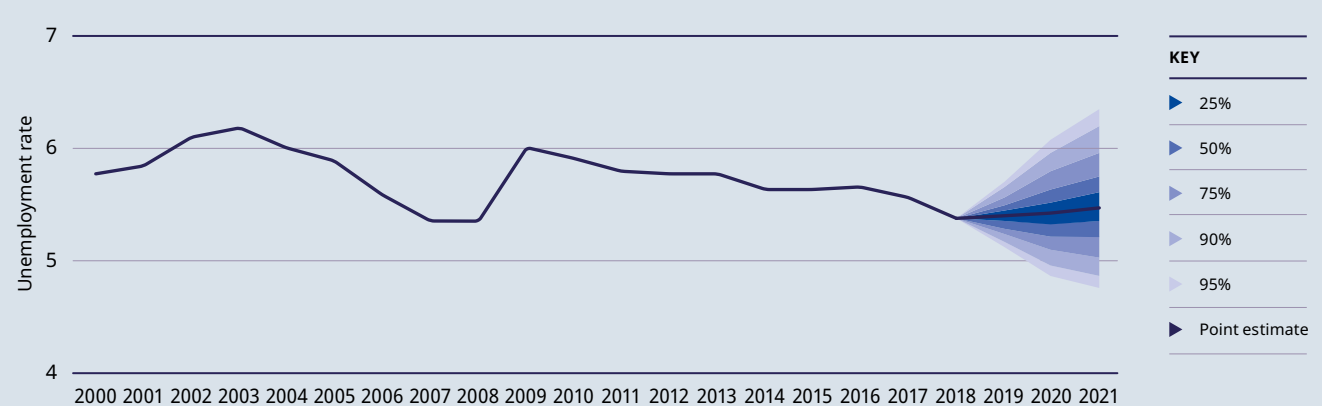
Note: The shaded areas represent confidence intervals for the forecasts of the unemployment rate in the years 2019–21. The actual unemployment rate has x per cent probability of lying within the range bounded by the shaded area labelled x per cent.

Source: ILOSTAT, ILO modelled estimates, November 2019.

number of unemployed, estimated at 188 million in 2019,[13] is projected to increase by around 2.5 million per year, in line with labour force growth. This means that the world economy is currently not generating enough jobs to absorb all of the new labour market entrants.

The stabilization of unemployment rates may be observed across all country income groups, though the underlying reasons differ. To begin with, unemployment rates are not the best measure of labour market health in low- and lower-middle-income countries, where the adjustment to an economic downturn happens through reductions in working time and income rather than through outright job losses. Meanwhile, upper-middle-income countries experienced an upward surge in the unemployment rate between 2014 and 2016, which is not projected to recede in the near future because of the difficult global economic environment. Finally, the unemployment rate in 2019 was estimated at 4.8 per cent in high-income countries, more than 3 percentage points below the peak reached a decade ago, and almost a full percentage point below the trough of 5.6 per cent observed in 2007, before the financial crisis. This impressive decline is now projected to tail off as the economic outlook deteriorates and macroeconomic risks increase.[14]

Rural areas have higher employment rates, but also higher time-related underemployment, than urban areas

Within countries, one important source of heterogeneity in labour underutilization stems from differences between rural and urban areas. New ILO data now make it also possible to assess labour market differences between rural and urban areas. Indeed, these represent another factor creating inequality in access to employment.[15] On the whole, a comparison of rural and urban areas reveals a differentiated picture. Around 55 per cent of the world's working-age population lived in urban areas in 2019, with the degree of urbanization rising with a country's income level (figure 1.10). The EPR is higher in rural areas globally and in low- and middle-income countries (table 1.4). At the global aggregate level in 2019, the difference of 3.5 percentage points in the EPR of rural and urban areas was driven partly by the 2.1 percentage point gap in the LFPR, and partly by the 2.5 percentage point gap in the unemployment rate. Employed persons in rural areas, in contrast, are more likely (at 6.1 per cent) to suffer from time-related underemployment than their counterparts in

urban areas (at 4.1 per cent). Despite this, the composite rate of labour underutilization is higher in urban areas (13.8 per cent) than in rural areas (12.3 per cent).

The rural–urban difference in labour market indicators is largest in low-income countries, where the EPR and the LFPR are much higher among the rural population (73.2 and 74.9 per cent, respectively) than among the urban population (56.7 and 61.6 per cent, respectively). The unemployment rate is much higher among the urban population, standing at 8 per cent, than among the rural population, at 2.4 per cent. These rural–urban differences in part reflect the fact that the rural population in low- and middle-income countries is frequently engaged in low-productivity smallholder farming (see also Chapter 2) and faces a higher rate of time-related underemployment and a relatively lower likelihood of being unemployed.

In high-income countries, these patterns are partly reversed. The urban population has a higher EPR and LFPR, but also a higher unemployment rate and a higher combined rate of labour underutilization. Interestingly, there is almost no rural–urban gap in all of the indicators for young people in these countries; in other words, the problems they face are independent of their geographical location within a country. This may have to do with the greater mobility of young people in high-income countries.

At the global level, there is no rural–urban gap in the EPR for women, in contrast to men, for whom the gap amounts to 7 percentage points. This means that the gender gap in the EPR is smaller in urban (22.3 per cent) than in rural areas (29.9 per cent) – something that may be observed in all country income groups to varying degrees. While urban women have a higher LFPR than rural women, they also have a higher unemployment rate, which makes the EPR the same in both groups. With the exception of high-income countries, the "unemployment penalty" of urban women relative to rural women is much higher, standing at 3.1 percentage points, than the corresponding penalty for men (2.2 percentage points). This also translates into a larger rural–urban gender divide in the composite rate of labour underutilization. Interestingly, the unemployment rate of rural women is lower than that of rural men globally and in low- and middle-income countries, although this needs to be seen in the context of women's much lower LFPR, i.e. women

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[13] Box 1.1 above discusses the uncertainty surrounding the estimated values of labour market indicators. In particular, there is a 95 per cent confidence interval of ±14 million around the point estimate of total unemployment.

[14] Appendix D presents tables showing the evolution of unemployment rates by country income group and by subregion.

[15] The distinction between urban and rural areas is country-specific. See the ILO's "Inventory of official national-level statistical definitions for rural/urban areas" at: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/genericdocument/wcms_389373.pdf.

Figure 1.10

Share of working-age population in urban areas, global and by country income group, 2005 and 2019 (percentages)

KEY
▶ 2005
▶ 2019
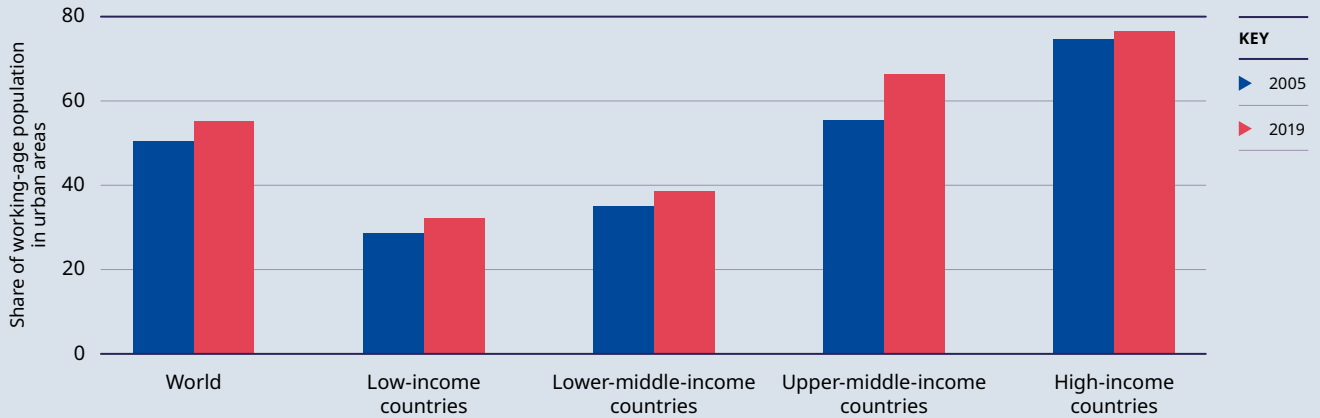
Source: ILOSTAT, ILO modelled estimates, November 2019.

Table 1.4

Employment-to-population ratio, labour force participation rate, and rates of labour underutilization, by urban vs rural location and by sex and age, global and by country income group, 2019 (percentages)

Country income group	Demographic group	Employment-to-population ratio		Labour force participation rate		Unemployment rate		Time-related underemployment		Composite rate of labour underutilization	
		Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
World	Total	55.9	59.4	59.8	61.9	6.5	4.0	4.1	6.1	13.8	12.3
	Female	44.8	44.3	48.1	46.0	6.9	3.8	4.7	6.8	16.0	13.8
	Male	67.1	74.2	71.6	77.4	6.3	4.1	3.6	5.7	12.2	11.5
	Youth	32.7	38.5	39.3	43.1	16.8	10.7	5.9	8.8	28.8	23.7
Low income	Total	56.7	73.2	61.6	74.9	8.0	2.4	10.8	14.4	23.4	19.0
	Female	48.5	66.5	53.1	68.0	8.6	2.1	12.1	15.1	27.4	20.2
	Male	65.2	80.0	70.4	82.2	7.4	2.6	9.7	13.7	20.0	18.0
	Youth	35.8	59.9	41.9	62.3	14.6	3.8	11.9	15.4	33.3	22.9
Lower-middle income	Total	50.3	53.6	54.1	55.9	7.1	4.2	3.7	4.9	14.2	11.0
	Female	31.4	32.6	34.3	33.9	8.5	3.9	4.3	5.1	19.0	12.4
	Male	68.9	73.8	73.7	77.1	6.4	4.3	3.4	4.8	11.9	10.4
	Youth	26.8	30.6	33.6	35.7	20.1	14.3	5.1	6.4	31.7	24.9
Upper-middle income	Total	57.7	65.5	62.0	68.5	7.0	4.5	4.2	5.1	14.3	12.2
	Female	48.6	54.7	52.3	57.2	7.1	4.3	4.6	5.3	15.6	12.9
	Male	66.9	76.0	71.8	79.7	6.9	4.6	3.9	5.0	13.3	11.8
	Youth	33.7	42.4	40.9	47.5	17.6	10.8	5.8	6.9	29.5	23.4
High income	Total	58.3	56.1	61.4	58.4	5.0	4.1	3.1	3.0	10.6	9.4
	Female	51.1	48.4	53.9	50.6	5.3	4.5	3.9	4.1	12.3	11.5
	Male	65.8	63.7	69.1	66.2	4.8	3.8	2.3	2.2	9.1	7.8
	Youth	40.5	41.5	45.6	46.1	11.2	10.0	4.8	4.7	20.9	19.2

Note: The national statistical offices conducting the labour force surveys define urban and rural areas according to their own national standards. "Youth" refers to ages 15–24.

Source: ILOSTAT, ILO modelled estimates, November 2019.

in rural areas are either in employment or stay out of the labour force altogether in order to devote themselves to household work and family care-related tasks.

A breakdown of the indicators of labour market access and labour underutilization reveals that women in rural areas are faced with a wider gender gap than those in urban areas. Among the obstacles to their engagement in economic activities are gender-based discrimination and social norms, disproportionate involvement in unpaid work, and unequal access to education, health care, property, and financial and other services (ILO, 2017b and 2019a). Limited access to water and energy often requires women in rural areas to dedicate a significant amount of time to fetching water and firewood for both productive and household activities.

Paid work and the problem of decent work

Paid work can be a key driver of material well-being, economic security, equality of opportunities and human development. In the preceding section it was noted that nearly three in five members of the working-age population (57.4 per cent) were in employment in 2019 (see table 1.1). However, a large share of those in employment do not have quality jobs. Very often, any type of employment is taken up to meet basic needs, especially in rural areas. Such employment tends to be informal and to offer low and insecure pay and limited access to social protection and rights at work. In this section we highlight the considerable deficiencies in working conditions across the world by looking at a number of key indicators.

To summarize the main findings, own-account work and contributing family work are associated with informality, income insecurity and lack of access to social protection in many parts of the world. In this respect, it is worrying that 45 per cent of employed persons worldwide are still in such forms of employment. Occupations associated with low-productivity agricultural activities or very little income are still widespread in low- and lower-middle-income countries, despite significant improvements over the past 25 years. Some 630 million workers continue to live in extreme or moderate poverty, that is, on a daily per capita income of less than US$3.20 (PPP). Many of these workers lack rights at work and access to social protection systems.

Self-employment and informality remain prevalent

The majority of workers worldwide (61 per cent in 2016) are in informal employment (table 1.5).[16] In other words, more than 2 billion workers are engaged in economic activities that are either insufficiently covered, or not covered at all, by formal arrangements in law or in practice (ILO, 2018b). Informality is especially widespread among the self-employed, with 85 per cent of own-account workers and, by definition, 100 per cent of contributing family workers considered to be informally employed. These workers and economic units, but also businesses run by informal employers, tend to lack legal recognition, fail to comply with fiscal obligations and face difficulties in entering into commercial contracts. Informal workers are much more likely to be living in conditions of poverty (ibid.). Moreover, as pointed out in Chapter 3, own-account workers and contributing family workers in countries such as India earn only around one fifth of the income of wage and salaried workers. Trends in the distribution of status of employment are therefore indicative of working conditions.

Against this backdrop, it is worrying that around 45 per cent of employed persons worldwide are own-account workers or contributing family workers, with men much more likely to be among the former and women among the latter. The combined share of both these categories has declined by 8.5 percentage points over the past 25 years, with most of the decline occurring among the disproportionately female contributing family workers. Although it remains sizeable, the gender gap in employment status has therefore narrowed significantly at the global level. By 2019, more

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[16] According to ILO Recommendation No. 204 concerning the Transition from the Informal to the Formal Economy, the term informal economy "(a) refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements; and (b) does not cover illicit activities, in particular the provision of services or the production, sale, possession or use of goods forbidden by law, including the illicit production and trafficking of drugs, the illicit manufacturing of and trafficking in firearms, trafficking in persons, and money laundering, as defined in the relevant international treaties."

Table 1.5

Informality and employment status, by sex and age, global and by country income group, levels in 2016 and 2019, and change between 1994 and 2019 (percentages)

Country income group	Gender	Informality level	Wage and salaried workers		Employers		Own-account workers		Contributing family workers	
		2016	Level 2019	Change 1994–2019	Level 2019	Change 1994–2019	Level 2019	Change 1994–2019	Level 2019	Change 1994–2019
World	Total	61.2	52.8	8.6	2.6	0.0	33.7	–0.7	10.9	–7.9
	Female	58.1	53.2	11.3	1.4	0.1	27.5	1.1	17.9	–12.5
	Male	63.0	52.5	6.9	3.4	–0.2	37.6	–2.0	6.5	–4.8
Low income	Total	89.8	17.9	4.1	1.8	0.3	51.2	–1.7	29.1	–2.8
	Female	92.1	11.2	3.4	0.9	0.4	45.2	–0.2	42.7	–3.6
	Male	87.5	23.6	4.7	2.5	0.3	56.3	–2.8	17.6	–2.2
Lower-middle income	Total	83.7	36.0	10.5	2.8	0.4	48.7	–2.0	12.5	–8.8
	Female	84.5	33.6	12.6	1.2	0.1	41.1	0.6	24.1	–13.3
	Male	83.4	37.0	9.5	3.4	0.4	52.0	–3.4	7.5	–6.5
Upper-middle income	Total	52.6	59.4	15.1	2.3	0.2	28.3	–3.1	10.0	–12.2
	Female	50.4	58.1	19.0	1.3	0.4	24.8	0.2	15.8	–19.6
	Male	54.0	60.3	12.2	3.1	–0.1	30.8	–5.5	5.8	–6.6
High income	Total	18.3	87.7	4.5	3.4	–1.2	8.0	–1.5	0.9	–1.8
	Female	17.6	90.2	4.8	2.1	–0.5	6.3	–0.8	1.4	–3.5
	Male	18.9	85.8	4.1	4.5	–1.5	9.3	–1.8	0.4	–0.7

Source: ILOSTAT, ILO modelled estimates, November 2019; ILO, 2018b.

than half of workers globally were in wage and salaried employment; admittedly, 40 per cent of them were also in informal employment (ibid.), illustrating that being in wage and salaried employment does not automatically translate into decent working conditions.

On average, the prevalence of own-account work and contributing family work declines with rising national income level; contributing family work is practically non-existent in high-income countries. The resulting shift to wage and salaried work is especially relevant for women, contributing to the narrowing of the gender gap in wage and salaried employment over the past 25 years. In high-income countries, self-employment, especially as an employer, can take the form of profitable entrepreneurial activity in the formal sector. Hence, the underrepresentation of women in these activities indicates gender inequalities, but – given that 90.2 per cent of women in high-income countries work in wage and salaried employment – these gender inequalities are of a different form than those encountered in low- and middle-income countries.

Low-skill occupations continue to be widespread

The distribution of occupations provides another way of judging the quality of employment. In low- and middle-income countries, workers in skilled agricultural, forestry and fishing occupations and elementary occupations are likely to be low-skilled, to earn very low incomes and to have irregular or no employment contracts. These are the occupational categories that fare worst in the labour market.[17] Subsistence agriculture is included in the category of skilled agricultural workers in the 2008 edition of the International Standard Classification of Occupations (ISCO-08). Although data coverage for the detailed category of subsistence farming is poor and such workers are sometimes misclassified, we may note that the share of subsistence activities among skilled agricultural workers is above 80 per cent in 14 low-income countries with available data. Those in elementary occupations include farm labourers, street service and sales workers, cleaners and helpers. Consequently, the share of skilled agricultural, forestry and fishing occupations and elementary occupations in total

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[17] In high-income countries, subsistence agriculture is practically non-existent, which means that skilled agricultural, forestry and fishery workers there cannot be described as disadvantaged.

Figure 1.11

Employment in elementary occupations and in skilled agricultural, forestry and fishery occupations as a share of total employment, by sex, global and by country income group, 1994 and 2019 (percentages)
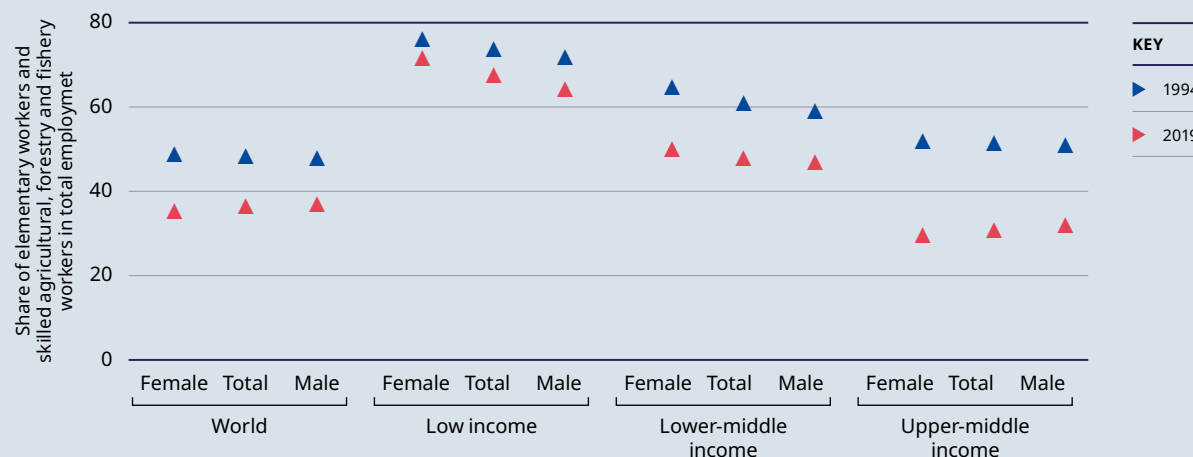
Note: The figure shows the combined employment share of categories 6 (skilled agricultural, forestry and fishery workers) and 9 (elementary workers) as defined by the 2008 edition of the International Standard Classification of Occupations (ISCO-08).

Source: ILOSTAT, ILO modelled estimates, November 2019.

employment can be used as a proxy for the proportion of low-skill workers enduring low incomes and bad working conditions in low- and middle-income countries.

Our analysis reveals significant progress in reducing the share of low-skilled workers between 1994 and 2019, with the combined employment share of the above-mentioned two occupational groups having declined by more than 10 percentage points globally (figure 1.11). The largest decrease occurred in upper-middle-income countries (20 percentage points). Importantly, however, progress was more limited in low-income countries, with a decrease of just 6 percentage points. Globally, the share of employment in these occupational categories declined more for women than for men, with women's employment in such occupations in 2019 being 1.6 percentage points lower than that of men. In low- and lower-middle-income countries, though, where the risk of low pay and poor working conditions is higher, women are more likely than men to be employed in those occupations. The gender gap amounts to 3.4 percentage points in lower-middle-income countries and to 7.2 percentage points in low-income countries (in this group, the gender gap has even increased by 3.0 percentage points since 1994). Further efforts to achieve more inclusive patterns of structural transformation are required if a sufficient number of jobs are to be created and decent working conditions provided for everyone, especially in rural areas.

Despite a declining working poverty rate, over 630 million workers continue to live in poverty

The share of employed persons worldwide living in extreme poverty (i.e. on an income of less than US$1.90 (PPP) per day) decreased from 31.6 per cent in 1994 to 7.1 per cent in 2019 (table 1.6). Over the same period, the share of moderately poor workers (living on between US$1.90 and US$3.20 (PPP) per day) decreased from 21.2 to 12.2 per cent. Despite these declines, still almost one in five workers, or 19.3 per cent, in the world was living in extreme or moderate poverty in 2019. In absolute numbers, there are still over 630 million workers who do not earn enough from their work to be able to escape poverty. The number of both extremely and moderately poor workers is projected to decrease by 11 per cent and 10 per cent, respectively, over the next five years – a pace too slow to ensure that the SDG target of eradicating extreme poverty by 2030 can be achieved. Furthermore, the number of working poor is projected to increase in low-income countries because of a failure to create enough jobs offering an income above the poverty line.

Globally, women experience a slightly higher rate of extreme working poverty than men, but a much lower rate of moderate working poverty. One possible explanation has to do with the fact that poverty is a household measure, and that a household is usually made up of both men and women. When a household faces extreme poverty, all members in the household will engage in an economic activity, including the women.

Table 1.6

Working poverty, by sex and age, global and by country income group, 1994, 2019 and 2024

Country income group	Demographic group	Extreme working poverty (<US$1.90 PPP per day)						Moderate working poverty (US$1.90 to US$3.20 PPP per day)					
		percentages			millions			percentages			millions		
		1994	2019	2024	1994	2019	2024	1994	2019	2024	1994	2019	2024
World	Total	31.6	7.1	6.1	753.0	234.4	209.2	21.2	12.2	10.7	504.7	402.3	366.0
	Female	33.3	7.5	6.7	311.7	95.5	88.6	19.6	10.3	9.4	183.4	132.3	123.7
	Male	30.5	6.9	5.7	441.3	138.9	120.6	22.2	13.4	11.5	321.4	270.0	242.2
	Youth	37.3	12.8	11.9	192.9	55.0	50.5	24.4	16.6	15.3	126.4	71.1	65.0
Low income	Total	61.9	38.2	34.0	93.3	111.8	115.7	20.1	27.8	27.7	30.4	81.4	94.3
	Female	64.4	39.1	34.9	44.1	52.2	53.9	19.8	27.9	28.0	13.6	37.4	43.3
	Male	59.8	37.5	33.2	49.2	59.6	61.8	20.4	27.7	27.4	16.8	44.1	51.0
	Youth	63.4	40.6	37.0	27.5	31.5	32.1	20.7	29.1	29.1	9.0	22.6	25.2
Lower-middle income	Total	39.7	10.0	7.1	286.2	112.1	85.9	32.4	24.1	19.4	233.0	270.1	234.4
	Female	42.7	11.4	8.6	96.8	38.5	31.2	29.8	22.1	18.1	67.7	74.8	66.2
	Male	38.4	9.4	6.5	189.4	73.6	54.6	33.5	25.0	20.0	165.3	195.2	168.2
	Youth	42.0	13.7	10.9	68.6	22.0	17.5	34.4	26.4	22.2	56.2	42.5	35.7
Upper-middle income	Total	35.4	0.8	0.6	373.1	10.5	7.6	22.8	3.9	2.9	240.4	50.6	37.1
	Female	38.0	0.9	0.6	170.6	4.8	3.5	22.7	3.7	2.6	101.8	20.0	14.2
	Male	33.5	0.8	0.5	202.5	5.7	4.1	22.9	4.1	3.0	138.6	30.6	23.0
	Youth	39.5	1.1	0.8	96.7	1.4	0.9	24.9	4.5	3.3	61.0	6.0	4.1

Note: The ILO does not estimate extreme and moderate working poverty rates for most high-income countries, since the values would be very close to zero. For the world aggregates, high-income countries have been assumed to have zero working poverty.

Source: ILOSTAT, ILO modelled estimates, November 2019.

In contrast, women in households with an income above the extreme poverty threshold could be relatively less likely to participate in the labour force, implying that they are not counted as moderately poor workers. Therefore, the data presented in table 1.6 do not suggest that women in general are less likely to live in an extremely or moderately poor household than men, but only that the poverty rate of women in employment is lower than that of men in employment. Young people in employment are much more likely to be living in a poor household than adult workers.

The rate of working poverty is strongly correlated with a country's income (figure 1.12). That explains why extreme working poverty rates are essentially zero for upper-middle-income countries, around 10 per cent for lower-middle-income countries and almost 40 per cent for low-income countries.

Comparing the evolution of working poverty rates in lower-middle and upper-middle-income countries since 1994 reveals that both groups started out at similar levels, but that poverty has been reduced to a much greater extent in upper-middle-income countries. This occurs by construction to some degree, as upper-middle-income countries are classified as such in 2019 because they

have managed higher per capita growth than lower-middle-income countries. However, increasing GDP per capita alone is no guarantee of poverty reduction – the inclusiveness of growth is also very important. The horizontal dispersion in figure 1.12 shows that countries have performed very differently in terms of economic growth leading to a reduction in extreme working poverty. Thus, the countries with a working poverty rate of around 40 per cent have a GDP per capita ranging from less than US$1,000 (PPP) to more than US$5,000 (PPP). The example of the Gambia, which in 2015 had a GDP per capita of US$1,500 (PPP) and an extreme working poverty rate of 7.3 per cent, shows that countries can very well succeed in reducing of the worst forms of poverty even in the absence of high levels of GDP per capita.

Figure 1.12

Correlation between GDP per capita and extreme working poverty rate, latest available year
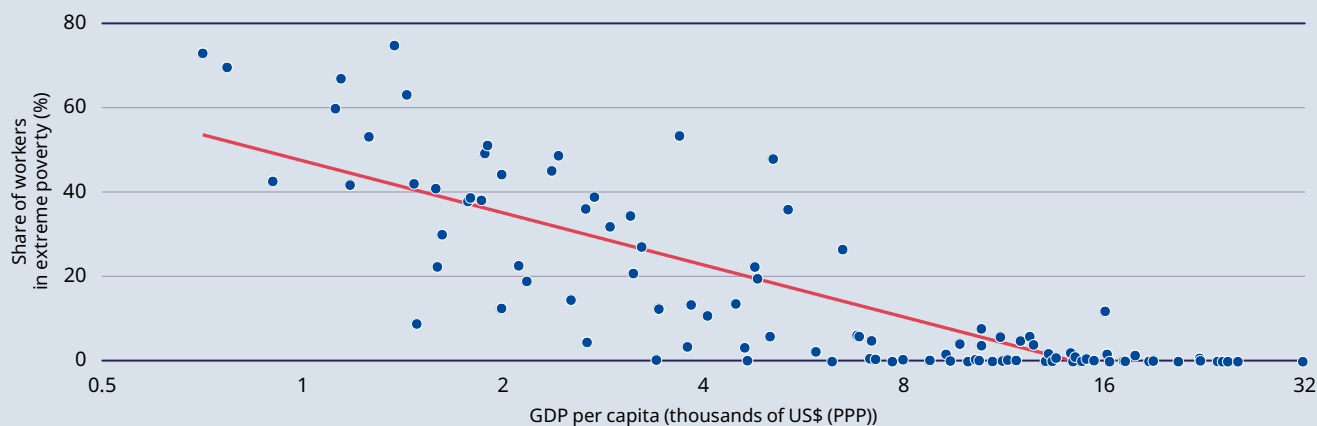
Note: Extreme working poverty refers to workers living in households with a daily per capita income of less than US$1.90 (PPP). Each dot denotes one country, while the red line shows the trend line. Only countries with a real observation, or an estimate based on the PovcalNet database, as at 2010 or later are included.

Source: ILO calculations based on ILOSTAT, ILO modelled estimates, November 2019.

Conclusion

Labour underutilization affects 473 million workers worldwide, which is more than double the number of unemployed people considered separately. Such underutilization is the result of both time-related underemployment and personal or structural obstacles preventing the potential labour force from entering the labour market. The unemployment rate alone is an inadequate measure of labour market slack, in particular in low-income countries. In many instances, vulnerable workers have no choice but to accept any job available, regardless of its quality, and time-related underemployment is widespread. Moreover, even when employed, people continue to face significant barriers to decent work. This is reflected in high informality rates and, above all, in the fact that over 630 million workers worldwide do not earn enough from their work to be able to lift themselves and their families out of poverty.

Significant inequalities in access to decent work opportunities and outcomes continue to be a persistent feature of current labour markets. These inequalities are related to sex, age, living in rural or urban areas, and the income level of countries. As a result, many people are unable to participate in the labour market according to their preferences and using their full potential. This situation not only leads to economic inefficiency; it is also undermining social cohesion, as is becoming apparent from the rising levels of unrest in recent years.

02

Employment and social trends
by region

Chapter 1 focused on global social and economic trends, presenting estimates for key labour market indicators at the global level and for countries grouped by their level of economic development. In this chapter we adopt a regional perspective and look at recent economic and social trends affecting labour markets in the five broadly defined regions of the world: Africa, the Americas, the Arab States, Asia and the Pacific, and Europe and Central Asia.

For each region, we present the most recent data on key labour market indicators alongside an assessment of its economic development as a whole. We also discuss one or two key labour market themes for each region, which were selected by regional experts and are meant to reflect the most pressing problems related to decent work in the specific region. For both Africa and Europe and Central Asia, the emphasis is on the distinct labour market challenges faced by young workers. With regard to the Americas, for North America the focus is

on skills mismatch and regional disparities, while for Latin America and the Caribbean it is on gender gaps in the labour market. The analysis of the Arab States concentrates on between-group inequalities (in terms of gender and migration or refugee status). Finally, in the section on Asia and the Pacific we concentrate on patterns of technological progress and rural–urban disparities.

The regional analysis in each section is self-contained and can be read independently. A guiding thread is that all sections consider major labour market developments and decent work deficits in the respective regions. As in Chapter 1, all the data presented are from the recently updated ILO modelled estimates (see box 1.1 in Chapter 1), unless otherwise indicated. The data on GDP growth are taken from the International Monetary Fund's World Economic Outlook database (October 2019) and the data on GDP per capita from the World Bank's World Development Indicators database.

Africa

General economic development and headline labour market indicators

Africa faces major challenges related to decent work deficits and poverty, and it is the region with by far the lowest GDP per capita.[1] Reflecting the low level of wealth and its highly unequal distribution, 53.9 per cent of workers in Africa live in poverty, which is defined as living in a household with a daily per capita income below US$3.20 (PPP) (see table 2.1). For comparison, the working poverty rate in Asia and the Pacific, at 18.8 per cent (see table 2.4 further down), is considerably smaller. An estimated 85.8 per cent of African workers are informally employed (ILO, 2018b), which means that on average they have limited access to social security and few or no rights at work, and also that they tend to be employed in low-productivity jobs offering comparatively low wages. In addition, 58.0 per cent of African workers are employed in low-skilled occupations that disproportionately include low productivity, for instance smallholder agriculture. Only 12.3 per cent of workers are employed

in occupations that are classified as high-skilled.[2] Labour market challenges will become even more pronounced in the coming years, since the working-age population is growing strongly (see below for details).

Against this backdrop, both the pace and type of economic growth in Africa are inadequate. The projected increase in GDP growth from 2.8 per cent in 2019 to 3.7 per cent in 2020 is of course a positive development. Strengthened private consumption, sustained investment in infrastructure and rising oil production are key drivers in that respect (UN, 2019b). Nevertheless, economic growth is far too limited to improve the livelihoods of people significantly or to enable economic convergence with the rest of the world. Because of the region's strong population growth, GDP per capita grew by a mere 0.3 per cent in 2019, and it is projected to grow by only 1.2 per cent in 2020. In terms of the type of growth, structural transformation, technological upgrading and diversification are needed to shift employment from low value added activities to those with higher value

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[1] In 2019, GDP per capita was around US$4,700 in purchasing power parity (PPP) terms. For comparison, the second-lowest region in this ranking, Asia and the Pacific, has a considerably higher GDP per capita of around US$13,000 (PPP).
[2] Low-skilled occupations refer to the ISCO-08 major groups 9 (elementary workers) and 6 (skilled agricultural, forestry and fishery workers); high-skilled occupations to the major groups 1 (managers), 2 (professionals) and 3 (technicians and associate professionals).

Table 2.1

Trends and projections for unemployment, labour underutilization, young people with NEET status, employment and labour productivity growth, and working poverty, regional and by subregion, Africa, 2008–21

Region/subregion	Unemployment rate 2008–21 (percentages)					Unemployment 2018–21 (millions)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Africa		**6.9**	**6.8**	**6.8**	**6.7**	**32.7**	**33.5**	**34.1**	**34.8**
North Africa		12.5	12.1	11.9	11.7	9.2	9.0	9.0	9.0
Sub-Saharan Africa		5.8	5.9	5.9	5.9	23.5	24.4	25.1	25.8

	Total labour underutilization rate (LU4) 2008–21 (percentages)					Total labour underutilization (LU4) 2018–21 (millions)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Africa		**22.1**	**22.1**	**22.0**	**22.0**	**111.6**	**114.6**	**117.5**	**120.5**
North Africa		25.7	25.3	24.9	24.7	20.8	20.8	20.9	21.1
Sub-Saharan Africa		21.4	21.5	21.5	21.5	90.8	93.8	96.6	99.4

	Young people with NEET status 2008–21 (percentages)					Young people with NEET status 2018–21 (millions)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Africa		**20.1**	**20.2**	**20.3**	**20.3**	**49.4**	**50.9**	**52.3**	**53.8**
North Africa		26.9	26.9	26.9	27.0	10.8	10.9	10.9	11.1
Sub-Saharan Africa		18.8	19.0	19.0	19.1	38.6	40.1	41.4	42.7

	Employment growth 2008–21 (percentages)					Labour productivity growth 2018–21 (percentages)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Africa		**2.9**	**2.9**	**2.9**	**2.9**	**0.3**	**–0.1**	**0.7**	**0.9**
North Africa		1.9	2.3	2.1	2.0	1.7	0.0	1.7	1.8
Sub-Saharan Africa		3.1	3.0	3.1	3.0	0.0	0.1	0.5	0.7

	Extreme working poverty rate 2008–21 (percentages)					Extreme working poverty 2018–21 (millions)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Africa		**31.6**	**30.9**	**30.2**	**29.5**	**140.2**	**141.0**	**141.6**	**142.3**
North Africa		1.2	1.2	1.1	1.1	0.8	0.8	0.8	0.7
Sub-Saharan Africa		36.7	35.9	35.0	34.1	139.4	140.2	140.9	141.6

	Moderate working poverty rate 2008–21 (percentages)					Moderate working poverty 2018–21 (millions)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Africa		**23.0**	**23.0**	**23.0**	**23.0**	**101.9**	**104.9**	**108.0**	**110.9**
North Africa		8.5	8.3	8.1	7.8	5.5	5.4	5.4	5.3
Sub-Saharan Africa		25.4	25.4	25.5	25.4	96.4	99.5	102.6	105.6

Note: Moderate and extreme working poverty rates refer, respectively, to the shares of workers living in households with a daily per capita income or consumption of between US$1.90 and US$3.20 in PPP terms and less than US$1.90 (PPP).

Source: ILOSTAT, ILO modelled estimates, November 2019.

added. Such a transition requires both public and private investment on a large scale. However, Ndikumana and Boyce (2018) show that capital outflows from Africa have totalled US$1.4 trillion since 1970, with most of that money coming from the top five oil-producing countries. This implies that enormous potential resources that could help improve productivity and working conditions remain untapped.

The state of the labour market in North Africa differs vastly from that in sub-Saharan Africa. North Africa has the highest unemployment rate among all the subregions in the world, standing at 12.1 per cent in 2019, and the lowest employment-to-population ratio (EPR), at 40.1 per cent. By contrast, the unemployment rate in sub-Saharan Africa of 5.9 per cent is close to the global average, while its EPR is the second-highest in the world, at 63.7 per cent. On the other hand, working poverty is widespread in sub-Saharan Africa (see table 2.1 and Appendix D). These two very different labour market situations are discussed below in separate subsections for North Africa and sub-Saharan Africa. In view of the rapidly growing youth labour force in both subregions and the significant lack of decent work opportunities, a common thematic section subsequently considers the labour market challenges faced by young workers in Africa as a whole.

North Africa

Labour markets in North Africa are characterized by particularly high rates of labour underutilization.[3] In 2019, one in four persons in the extended labour force, or 25.3 per cent, experienced some form of labour underutilization. One important factor is the comparatively high unemployment rate (12.1 per cent in 2019). The rates of the other two forms of labour underutilization are also high, with 5.8 per cent of workers seeking more paid hours of work and 9.7 per cent of the working-age population belonging to the potential labour force (see Chapter 1, figure 1.8). As discussed below, young people are especially affected by this labour market slack.

Labour underutilization in North Africa has a marked gender dimension. Indeed, North Africa is one of the subregions with the widest gender gaps across all dimensions of the labour market (ILO, 2019a). Only one in six women of working age (17.4 per cent) is in employment, compared with almost four in six men (63.1 per cent). This is partly driven by women's much greater likelihood of experiencing unemployment (the unemployment rate for women is 21.5 per cent, as against 9.1 per cent for men). An even more important cause is women's labour force participation rate of only 22.1 per cent (compared with 69.5 per cent for men). On the whole, a staggering 40.1 per cent of women in the extended labour force face some form of labour underutilization, compared with 19.7 per cent of men.

The high rate of female labour underutilization reflects how difficult it is for women to secure a job in the private sector. Women are over-represented in "non-market services", which include public administration and other service jobs in health and education.[4] Thus, they make up 37.0 per cent of the workers in non-market services but only around one-fifth of total employment. Women are also over-represented in the agricultural sector. However, non-agricultural businesses in the private sector,[5] including own-account work, employ only 26.5 per cent of all women, compared with 61.0 per cent of men. This makes it very difficult to improve women's rates of participation in employment.

In contrast to its poor performance on labour underutilization and gender inequality, North Africa performs relatively well in terms of the share of workers in the formal sector and on working poverty rates. Some 67.3 per cent are employed informally, a proportion that is considerably lower than in sub-Saharan Africa (ILO, 2018b). Close to two in three workers (62.5 per cent) are in wage and salaried employment, while 30.5 per cent work as own-account or contributing family workers. Finally, working poverty rates in North Africa – 1.2 per cent for extreme working poverty and 8.3 per cent for moderate working poverty – are lower than in Africa as a whole (see table 2.1 and Appendix D).

Sub-Saharan Africa

Labour markets in sub-Saharan Africa differ markedly from those in North Africa. Employment in sub-Saharan Africa is characterized by widespread low-productivity employment in smallholder agriculture. This is a major reason why 35.9 per cent of workers in the subregion were living in extreme poverty and an additional 25.4 per cent in moderate poverty in 2019. The total number of workers living in poverty was 240 million (table 2.1). Significantly, 140 million out of the 234 million workers living in extreme poverty across the world are in sub-Saharan Africa (i.e. 59.8 per cent). This share is projected to rise, since poverty reduction in the subregion is proceeding at a slower pace than elsewhere. Informal employment is essentially the norm, affecting 89.2 per cent of workers. Even when agricultural workers are excluded, the informality rate still stands at 76.8 per cent (ILO, 2018b).

Very low household incomes and the widespread lack of social protection force people to take up any kind of economic activity in order to survive. This is the reason

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[3] The concept of labour underutilization includes not just the unemployed, but also people who are in employment but seeking more hours of paid work and those marginally attached to the labour market (see also Chapter 1).
[4] A full list of occupations classified as non-market activities can be found at: www.ilo.org/ilostat-files/Documents/description_ECO_EN.pdf.
[5] The figures cited here refer to the manufacturing, market services, construction, mining and utilities sectors, which are mostly organized as private business entities.

Figure 2.1

Estimates and projections of the population aged 15–24, sub-Saharan Africa and North Africa, 1990–2030 (millions)

KEY

▶ Sub-Saharan Africa

▶ North Africa
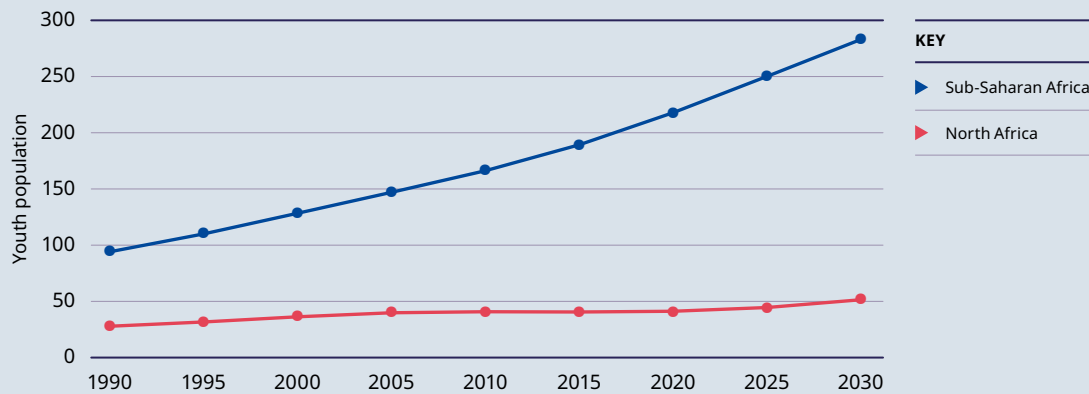
Note: Projections of future population growth are based on the medium-variant scenario (in which fertility, for example, is assumed to decline in countries that currently have high birth rates). See UN, 2019c, p. 5, for details.

Source: ILO compilation based on UN, 2019a.

behind the relatively low rate of unemployment in many countries in sub-Saharan Africa (ILO, 2019d and 2019e). Almost half of the countries in the subregion have estimated unemployment rates below 5 per cent (though in some them, notably South Africa, the unemployment rate exceeds 20 per cent). On aggregate, an estimated 5.9 per cent of the subregion's total labour force was unemployed in 2019; very little change in that rate is projected for 2020–21.

Despite relatively low unemployment, the combined rate of labour underutilization in 2019 was much higher, at 21.5 per cent. Sub-Saharan Africa is in fact the subregion with the largest discrepancy between the unemployment rate and total labour underutilization, with the latter being more than three times as high as the former. Half of total labour underutilization is due to time-related underemployment, which shows that jobs in the subregion are often of poor quality. The high combined share of own-account and contributing family work (74 per cent in 2019) is also symptomatic of the subregion's decent work deficits.

The general lack of decent work opportunities affects both men and women in sub-Saharan Africa, where gender gaps tend to be narrower than in North Africa. This, however, does not imply that women do not face disadvantages and discrimination, on the contrary. The sub-Saharan gender gap in informality amounts to 6 percentage points (92.1 per cent for women versus 86.4 per cent for men), and the combined rate of labour underutilization is lower for men (at 19.2 per cent) than for women (at 23.9 per cent). Almost a third of women (30.0 per cent) are contributing family workers, compared

with only 13.6 per cent of men. This reflects the fact that in many countries in the subregion property rights are biased in favour of men, who are the main landholders (Doss et al., 2015).

Labour market challenges for young workers

The labour market challenges described above are expected to become even more pronounced in the near future because Africa's youth labour force is growing very strongly in absolute numbers (see ILO, 2017c and forthcoming b). In addition to strong population growth in the continent as a whole, young people aged 15–24 are expected to number 283 million by 2030 in sub-Saharan Africa alone. This means that, compared with 1990, the absolute population size of this age group will have tripled by 2030. Indeed, rapid population growth in sub-Saharan Africa is a main driver of the projected population growth worldwide (figure 2.1; see also UN, 2019c for a discussion). In North Africa, the youth population is also growing significantly in absolute terms. By 2030, the population aged 15–24 is expected to amount to 51 million, which is almost twice the absolute population size of that group in 1990.

As larger numbers of young workers enter the African labour market every year, the need to create employment opportunities becomes even more pressing. Already at present, the availability and quality of jobs in Africa indicate that young workers face deeply ingrained decent work deficits. To begin with, informality is by far the most important type of employment for young workers in Africa, affecting 94.9 per cent of them. Despite some heterogeneity across the region, youth informality is

high everywhere, ranging from 56.4 per cent in Southern Africa to 97.9 per cent in West Africa (ILO, 2018b).

While young people in all countries of the world face a higher risk of unemployment than adults, this phenomenon is especially marked in Africa. In 2019, the youth unemployment rate was 30.2 per cent in North Africa, compared with an aggregate unemployment rate of 12.1 per cent (i.e. for all workers aged 15 and older); and 8.7 per cent in sub-Saharan Africa, compared with 5.9 per cent on aggregate.

In addition, a substantial number of young people in Africa are not in employment, education or training (NEET). The proportion of young people with NEET status in Africa was 20.2 per cent in 2019; it was considerably higher in North Africa than in sub-Saharan Africa (table 2.1). One characteristic of the youth NEET problem in the region is stark gender disparities, with much higher NEET rates among young women. In North Africa in particular, 36.1 per cent of young women had NEET status in 2019, as against 18.1 per cent of young men. In sub-Saharan Africa, the female NEET rate in the same year was 23.5 per cent, while the male rate was 14.5 per cent.

The large number of young workers has implications on both the demand and supply sides of the labour market. On the demand side, additional jobs need to be created and these should, moreover, offer decent working conditions. This would require both stronger economic growth and a form of growth that fosters greater complexity of economic production. However, Africa has seen workers transition from agriculture into low-skill services rather than into high value added manufacturing. A structural transformation is therefore required that involves a reorientation from resource extraction and agriculture to sectors with higher value added, including manufacturing and knowledge-intensive services (AfDB, 2019).

In addition, a significant proportion of the growing youth population in Africa lives in rural areas, where labour productivity is relatively low and employment and entrepreneurial opportunities are limited (Sedik, 2018; IFAD, 2019). Thus, it is important to provide improved employment and entrepreneurial opportunities for young workers in rural areas; also because these workers represent the future of agri-food systems.

On the supply side of the labour market, skills and education mismatches are among the most pressing policy concerns. In many industries there are high shares of young workers who, despite having formal qualifications, lack the actual skills demanded by employers. According to representative survey data from ten African countries, 17.5 per cent of young workers reported that they were overskilled for their current jobs, while 28.9 per cent said that their skills were below the required skill level. In addition, compared with job experts' assessment of the educational level required for specific occupational groups, 56.9 per cent had too low and 8.3 per cent too high a level of educational attainment (Morsy and Mukasa, 2019). The prevalence of such mismatches suggests that skills development should become a central strand of national policy-making.

More generally, the labour market challenges for young workers point to a need to improve public employment services and establish technical and vocational training systems that are tailored to the needs of young workers and their potential employers. Training programmes to enhance the skills of young men and women (see Borino and Saget, forthcoming) and active labour market policies in general (O'higgins, 2017; Kluve et al., 2019) can likewise play a positive role as long as they are well designed. Finally, the need to foster soft skills has been emphasized in recent years (see, e.g., IDRC, INCLUDE and ILO, 2016).

Americas

North America

General economic development and headline labour market indicators

Both Canada and the United States can boast relatively good economic performance. In the United States, projected GDP growth was 2.4 per cent in 2019, which is high by international standards but lower than the 2.9 per cent recorded for 2018. The decrease in GDP growth probably reflects, in part, a fading of the short-term economic stimulus brought by the 2018 tax cuts. In Canada, economic growth is lower than in the United States; it is forecast to have been around 1.5 per cent in 2019, though it is expected to increase in 2020 (IMF, 2018 and 2019a).

North America has also performed well in terms of the main labour market indicators. The subregion's aggregate unemployment rate stood at 3.9 per cent in 2019 (table 2.2). In both Canada and the United States, unemployment rates have fallen steadily since the Great Recession sparked by the financial crisis of 2007–08. Both countries, especially the United States, experienced a hike in the unemployment rate during 2008–10 and it took almost a decade for the rate to return to pre-crisis levels (figure 2.2).

As pointed out in Chapter 1, unemployment rates do not capture the full extent of labour underutilization.

Compared with other subregions, forms of labour underutilization other than unemployment are relatively infrequent in North America (see figure 1.8 in Chapter 1). In 2019, total labour underutilization in the subregion amounted to 5.5 per cent of the extended labour force. In addition, 6.6 million individuals aged 15–24 are not in employment, education or training (NEET), which corresponds to more than one in ten young people (table 2.2). At the same time, 16 per cent of all workers in North America work long hours (i.e. more than 48 hours a week), which is higher than the average recorded for European countries (ILO, 2018d).

Concerning the United States, another feature of its labour market performance is the slow wage growth of 5.9 per cent recorded between 2015 and 2019.[6] In addition, wage growth has been unequal, with widening gaps especially among college graduates (indeed, black graduates saw their wages decline by 0.3 per cent, while white graduates saw their wages increase by 6.6 per cent since 2015; Gould and Wilson, 2019). The slow and unequal wage growth does not tally with labour supply and demand models which, all else being equal, predict that wages will increase as unemployment falls and labour demand rises. This suggests that other factors are at play, including workers' diminished wage bargaining power, polarizing changes in job structures, and discrimination. These factors are exacerbated by racial gaps in unemployment

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Figure 2.2

Unemployment rate, Canada and the United States, 1991–2021 (percentages)

KEY
▶ Canada
▶ United States
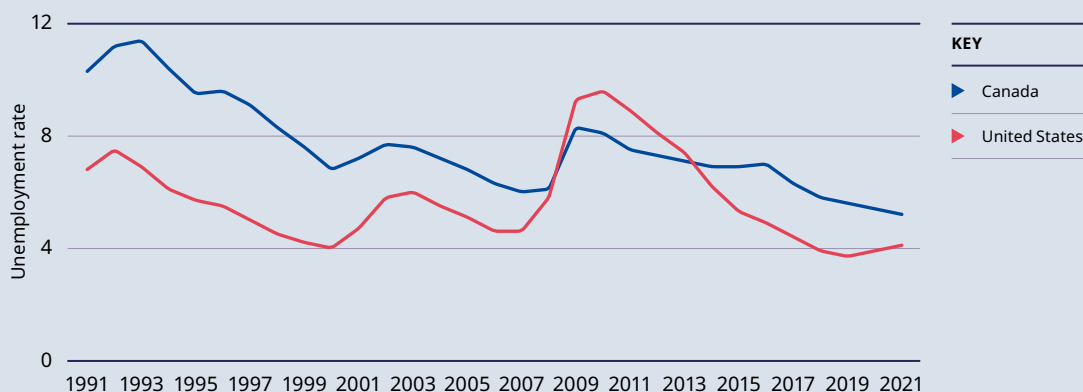
Source: ILOSTAT, ILO modelled estimates, November 2019.

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[6] For comparison, wages grew by 8.9 per cent in the late 1990s, when the national unemployment rate was approximately as low as the current rate (Gould and Wilson, 2019).

Table 2.2

Trends and projections for unemployment, labour underutilization, young people with NEET status, employment and labour productivity growth, and working poverty, North America and Latin America and the Caribbean, 2008–21

Subregion	Unemployment rate 2008–21 (percentages)					Unemployment 2018–21 (millions)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
North America		4.1	3.9	4.0	4.2	7.6	7.3	7.6	7.9
Latin America and the Caribbean		7.9	8.1	8.1	8.2	24.6	25.3	25.8	26.4
	Total labour underutilization rate (LU4) 2008–21 (percentages)					**Total labour underutilization (LU4) 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
North America		5.7	5.5	5.7	5.9	10.8	10.3	10.7	11.2
Latin America and the Caribbean		19.8	19.9	20.0	20.1	64.8	66.0	67.1	68.2
	Young people with NEET status 2008–21 (percentages)					**Young people with NEET status 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
North America		13.6	13.7	14.0	14.2	6.6	6.6	6.7	6.8
Latin America and the Caribbean		21.6	21.6	21.7	21.8	23.4	23.3	23.2	23.3
	Employment growth 2008–21 (percentages)					**Labour productivity growth 2018–21 (percentages)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
North America		1.3	0.6	0.3	0.2	1.4	1.7	1.8	1.6
Latin America and the Caribbean		1.8	1.2	1.2	1.1	–0.9	–1.4	0.5	1.3
	Extreme and moderate working poverty rate 2008–21 (percentages)					**Extreme and moderate working poverty 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Latin America and the Caribbean		7.1	6.8	6.4	6.1	20.1	19.5	18.7	18.1

Note: Moderate and extreme working poverty rates refer, respectively, to the shares of workers living in households with a daily per capita income or consumption of between US$1.90 and US$3.20 in PPP terms and less than US$1.90 (PPP). As defined here, working poverty is negligible in North America, which is why no rates are presented for that subregion.

Source: ILOSTAT, ILO modelled estimates, November 2019.

rates, especially between white and black workers: black workers were more than twice as likely as white workers to be unemployed in the fourth quarter of 2018 (Wilson, 2019).

In Canada, by contrast, real earnings have developed positively, with the weekly earnings of non-farm payroll employees growing by 2.9 per cent between August 2018 and August 2019. This reflects relatively high earnings growth relative to developments since 2014 (Patterson, Hazel and Saunders, 2019; Statistics Canada, 2019). In terms of notable developments by demographic subgroup, between 2014 and 2018 Canadian employment growth was stronger among immigrants than natives, thereby reducing the employment gap between these two demographic groups. Moreover, female employment rates went up during this period, also for immigrant and indigenous women (Patterson, Hazel and Saunders, 2019).

Skills mismatch and geographical disparities

With employment at comparatively high levels, current policy debate in North America is marked by growing concern over labour shortages and skills mismatches. Employers in certain industries and geographical areas struggle to find and retain workers. In addition, individuals applying for vacancies may not be hired because they lack the required skills, such as interpersonal or analytical skills. Upskilling of the existing labour force is one possible policy response to deal with shortages of labour and skills, which can have negative effects on the productivity and competitiveness of businesses. Since such shortages are often specific to certain geographical areas, they need to be tackled at the level of local labour markets (LMIC, 2018).

Also from the perspective of workers, educational requirements (and with these the type of skills acquired through different types of education) have changed

drastically. Four decades ago, a completed high-school degree and on-the-job training were often sufficient for workers to achieve decent working conditions and middle-class earnings (Carnevale, Garcia and Campbell, 2019). With the automation of routine manual tasks, the entry requirements for quality jobs have shifted towards post-secondary education together with relevant work experience. However, a significant proportion of young workers – in particular those from low-income families – do not meet these requirements. This highlights the need to strengthen the link between educational curricula and career preparation, for example through partnerships between employers and educational institutions (ibid.).

The substitution of routine manual work has been associated with a fall in demand for manufacturing employment and medium-skilled occupations more generally.[7] This in turn has created new regional disparities. Innovative firms tend to cluster in some metropolitan areas, whereas smaller cities and rural areas have seen a deterioration in socio-economic conditions. The concentration of jobs in the metropolitan areas of the United States has increased since 2004, but this increase has been dominated by the four largest metropolitan areas, namely New York, Chicago, San Francisco and Seattle (Muro and Whiton, 2018; Shearer, Vey and Kim, 2019). This shows that the geographical distribution of jobs and economic opportunities has become more unequal over time. It also suggests that the areas falling behind are struggling to attract innovative firms and skilled workers.

Although regional labour markets in Canada and the United States have many features in common, there are also marked differences (Albouy et al., 2019). Labour markets in the various regions of Canada have generally responded less strongly to changes in labour demand, especially to those induced by competition from Chinese imports. In addition, wage inequality within and between regions is less pronounced in Canada. This is consistent with the country's more generous redistribution schemes, including both individual-level social insurance payments and governmental transfers through regional equalization schemes (ibid.).

Latin America and the Caribbean

General economic development and headline labour market indicators

Economic growth in Latin America and the Caribbean declined between 2018 and 2019: the projected GDP growth in 2019 was 0.2 per cent, compared with 1.0 per cent a year earlier. The expectations for 2020 are more positive, with GDP growth in the subregion as a whole expected to climb to 1.8 per cent.

However, there are differences at the more detailed subregional level. First, economic growth in Central America, when Mexico is excluded, has been relatively stable at 2.7 per cent in 2019. In line with weak investment and private consumption, Mexico, on the other hand, saw a marked decline in economic growth (to a projected 0.4 per cent in 2019). Second, the Caribbean has seen GDP growth falter, but it was still as high as 3.3 per cent in 2019. Third, economic growth has developed least favourably in South America, where projected growth in 2019 was negative at –0.2 per cent. Among South American countries, Argentina, Ecuador and the Bolivarian Republic of Venezuela experienced negative GDP growth, while elsewhere growth stalled (e.g., in Brazil GDP growth was projected at 0.9 per cent in 2019). The Bolivarian Republic of Venezuela stands out in that the socio-economic crisis there is associated with a projected decrease of 35 per cent in the country's GDP in 2019 (according to IMF, 2019a).

The aggregate unemployment rate in Latin America and the Caribbean was estimated at 8.1 per cent in 2019 and it has been relatively stable in recent years (table 2.2). However, other indicators reveal that the unemployment rate captures only part of the labour market challenges in the subregion. In particular, the extent of total labour underutilization (at 19.9 per cent in 2019 and affecting 66 million people) is considerably higher than suggested by the unemployment rate. Employment growth, on the other hand, is declining from 1.8 per cent in 2018 to a projected 1.1 per cent in 2021. Moreover, 19.5 million workers in Latin America and the Caribbean are not earning enough to lift themselves and their families out of poverty. This is a high number if one bears in mind the level of economic development of the subregion, which contains many middle-income countries.

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[7] In the United States, medium-skilled occupations accounted for 50.9 per cent of all employment in 1991, and are projected to represent 42.1 per cent in 2020. The decline has been gradual. The share of medium-skilled occupations in Canada is projected to go down from 49.4 per cent in 1991 to 45.8 per cent in 2020. The decline in Canada is therefore only half as large as that in the United States, which is mainly due to a temporary reversal of the falling trend between 1996 and 2004.

Closely related to these developments, the degree and persistence of informal employment in the subregion are likewise higher than one would expect from its level of economic development. In 2019, 53.1 per cent of all workers were employed informally and disproportionately in low-productivity jobs that pay comparatively low wages. Informality is widespread in micro-enterprises with fewer than five workers, in the domestic service sector and among the self-employed and contributing family workers (Salazar-Xirinachs and Chacaltana, 2018; ILO, 2018b). At the other end of the spectrum are large formal firms (e.g. in the transport, electricity, finance and mining sectors) that are highly productive and account for a significant share of GDP. Only a small proportion of workers in the subregion are employed in these large firms, which tend to be disconnected from the rest of the economy and are thus unable to promote the type of economic growth that would improve labour market conditions for the entire workforce (Infante, forthcoming). Since economic diversification continues to elude many Latin American countries, many workers remain vulnerable to external shocks, including slowing external demand and changes in the price of raw materials (Salazar-Xirinachs and Chacaltana, 2018).

Young workers in Latin America and the Caribbean deserve particular attention. At 17.9 per cent in 2019, the youth unemployment rate was significantly above the average for the entire working-age population. More than one in five young workers, or 23.3 million individuals, were not in employment, education or training in 2019 (see table 2.2), of whom two-thirds were young women. It is also worth noting that a large majority (62.4 per cent) of workers aged 15–24 were in informal employment (ibid.). These figures highlight the need to help young people achieve an effective transition from school to quality employment.

The extent of labour underutilization and informality, along with the situation of young people, indicates that there is a significant number of workers in Latin America and the Caribbean who lack opportunities for decent work. The urgency of tackling these persistent deficits is underlined by the wave of popular protests that swept the subregion in 2019 (see figure 1.7 in Chapter 1, which shows the rising social unrest index in Latin America and the Caribbean).

Women in Latin America and the Caribbean continue to face obstacles in the labour market. First, their labour force participation rate was only 52.0 per cent in 2019, compared with a rate of 76.7 per cent for men. Female labour force participation had increased strongly in earlier decades, but in the 2000s the rate began to stall. The slowdown was most pronounced among more vulnerable groups of women whose levels of labour force participation are relatively low in the first place – namely, women with little education, those living in rural areas, those with children below the age of 6 and those whose spouses earn relatively little (Gasparini and Marchionni, 2017). Second, the female unemployment rate (estimated at 9.6 per cent in 2019) exceeds that of men (6.9 per cent), and women are more likely to work in lower-skilled occupations with worse working conditions (ILO, 2019a). Third, occupational segregation remains a significant feature of the labour market in the subregion: women are disproportionately engaged in domestic work, while being almost absent in mining and some engineering occupations (ILO, 2019g). The following thematic section therefore focuses on the labour market situation of women.

Gender gaps in the labour market

The labour market situation of women in Latin America and the Caribbean presents a mixed picture. Women have made great strides in terms of educational attainment, but continue to face significant obstacles in accessing decent work. These obstacles are the cause of persistent gender wage gaps.[8]

While the general level of education in the subregion has risen for both men and women, women have now surpassed men in that respect (ILO, 2019g). Starting with the cohorts born around 1955, women have been consistently more likely than men to have completed tertiary education (i.e. to have undergone at least 13 years of formal education). Among those born in 1990, 40 per cent of women have completed tertiary education, compared with 25 per cent of men. The proportion of people with six years of education or less has continuously decreased over time and, again, it is women who have benefited more from this trend than men.

These changes in the levels of educational attainment have been linked to changes in family structures. The average age of women at childbirth has increased and the number of children born per woman has decreased in all countries for which data are available, namely the Plurinational State of Bolivia, Colombia, Guatemala, Honduras, Nicaragua and Peru (ibid.). In addition, the share of households headed by women has increased. This is the case with more than 30 per cent of the households in Brazil and Uruguay, for example. Women's earnings therefore now play a more important role in society. The growing number of female-headed households is due to the higher prevalence of cohabitation, singlehood, separation and divorce, as

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[8] Note that this section draws heavily from ILO (2019g), which provides further details.

well as to a greater proportion of women who live with a spouse while also self-identifying as the head of their household (Liu, Esteve and Treviño, 2017).

Regarding wages, a recent ILO study decomposes the gender wage gap in Latin America and the Caribbean, based on data from 17 countries (representing 85 per cent of the subregion's total population). It finds that per each hour worked, women earn on average 17 per cent less than men even after accounting for age, educational level, urban versus rural residence, type of work and household structure. If one also takes into account the number of hours worked per week, the gender wage gap even increases to almost 25 per cent (ILO, 2019g).

The gender wage gap is widest among workers with the lowest income. This seems to be partly a result of women being disproportionately affected by informality and of employers not complying with minimum-wage regulations (see also ILO, 2018e). The finding raises concerns regarding working poverty among women. Therefore, there are important linkages among three of the subregion's most daunting challenges: gender equality, poverty reduction and informality. Any policy

designed to tackle one of these three major problems will thus have spillover effects on the other two.

In the mid-range of income distribution percentiles, the gender gap is narrower, but from the median (the 50th percentile) upwards, the gap widens. This points to the potential existence of "glass ceilings", i.e. the particular difficulties faced by women in attaining managerial and other high-paying positions (ILO, 2019g).

The gender disparities described above may be the result of direct discrimination but, more generally, they are also linked to patriarchal cultural norms, gender disparities at home and various sources of unconscious gender bias. Many barriers to women's progress are indeed to be found within households. The gender distribution of domestic chores remains overwhelmingly unequal. Women are responsible for 80 per cent of domestic tasks, which limits their effective labour force participation (ECLAC, 2019; ILO, 2019a and 2019g). Policy instruments should be revised to pay greater attention to achieving work–life balance. Awareness-raising efforts would also help in gradually eliminating barriers that preclude women from equal participation in the world of work.

Arab States

General economic development and headline labour market indicators

When assessing the general economic development and major labour market trends in the Arab States, one has to bear in mind that the region is highly polarized. On the one hand, it includes a group of oil-exporting countries with high average GDP per capita, namely, the member countries of the Gulf Cooperation Council (GCC): Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. On the other hand, the non-GCC group consists of countries currently mired in, or recently emerging from, conflict and war (Iraq, Occupied Palestinian Territory, Syrian Arab Republic, Yemen) and those that have had a large influx of refugees (Jordan and Lebanon). On the whole, poverty levels are high and persistent among the countries in the non-GCC group.

The strong reliance on oil exports makes GDP growth in GCC countries responsive to fluctuations in the price of oil. These fluctuations are likely to continue in the near future.

The reliance on oil exports dampened GDP growth in 2019 in Kuwait, Oman and Saudi Arabia, even though non-oil growth appears to have edged up. However, GDP growth, whilst difficult to project due to its responsiveness to oil prices, is expected to increase again in 2020 in these countries (see IMF, 2019a and 2019b).

As for the non-GCC group, civil conflict in some of the countries has taken a tremendous human toll. Such conflicts also depress economic prospects. Specifically, the economic costs entail severe recessions, extreme inflation and large fiscal deficits. The destruction of production sites, buildings and public infrastructure, along with long-term damage to institutions, means that there are major, long-term reconstruction challenges. In addition, owing to disruptions to trade and the inflow of unprecedented numbers of refugees,[9] there are spillover effects on other countries in the region that are not directly affected by conflict (Rother et al., 2016; Devarajan and Mottaghi, 2017; UNDP, ILO and WFP, 2017).

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[9] We refer to "refugees" as persons leaving their home countries because their lives or freedom are threatened; "internally displaced people" are those affected by forced displacement within their home countries. "Migrants" are defined as persons moving by choice, for example to search for employment (see, among others, UNHCR, 2019).

Table 2.3

Trends and projections for unemployment, labour underutilization, young people with NEET status, employment and labour productivity growth, and working poverty, by country group, Arab States, 2008–21

Region/country group	Unemployment rate 2008–21 (percentages)					Unemployment 2018–21 (millions)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Arab States		**8.0**	**8.0**	**8.0**	**8.1**	**4.6**	**4.7**	**4.8**	**4.9**
GCC		3.9	3.9	3.9	3.9	1.1	1.1	1.2	1.2
Non-GCC		12.3	12.3	12.3	12.3	3.5	3.5	3.6	3.7
	Total labour underutilization rate (LU4) 2008–21 (percentages)					**Total labour underutilization (LU4) 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Arab States		**17.3**	**17.3**	**17.3**	**17.4**	**10.6**	**10.9**	**11.2**	**11.5**
GCC		9.7	9.6	9.6	9.7	2.9	3.0	3.0	3.1
Non-GCC		24.6	24.6	24.6	24.7	7.7	7.9	8.1	8.4
	Young people with NEET status 2008–21 (percentages)					**Young people with NEET status 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Arab States		**34.0**	**34.2**	**34.3**	**34.5**	**9.7**	**9.8**	**9.8**	**10.0**
GCC		15.9	16.0	16.2	16.2	1.2	1.2	1.2	1.2
Non-GCC		40.6	40.5	40.4	40.7	8.5	8.6	8.7	8.8
	Employment growth 2008–21 (percentages)					**Labour productivity growth 2018–21 (percentages)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Arab States		**2.2**	**2.4**	**2.4**	**1.9**	**–0.6**	**–1.2**	**0.4**	**1.1**
GCC		1.8	2.4	2.1	0.8	0.1	–1.7	0.3	1.7
Non-GCC		2.7	2.4	2.6	3.0	–2.2	0.4	1.2	1.2
	Extreme and moderate working poverty rate 2008–21 (percentages)					**Extreme and moderate working poverty 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Arab States		**15.4**	**15.4**	**15.2**	**15.2**	**8.1**	**8.3**	**8.3**	**8.5**
GCC		0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Non-GCC		32.5	32.6	32.0	31.7	8.0	8.2	8.3	8.5

Note: Moderate and extreme working poverty rates refer, respectively, to the shares of workers living in households with a daily per capita income or consumption of between US$1.90 and US$3.20 in PPP terms and less than US$1.90 (PPP). "GCC" aggregates are for the member countries of the Gulf Cooperation Council: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. "Non-GCC" refers to the country group comprising Iraq, Jordan, Lebanon, the Occupied Palestinian Territory, the Syrian Arab Republic and Yemen.

Source: ILOSTAT, ILO modelled estimates, November 2019.

Conflicts have a significant impact on labour markets, affecting both the quantity and quality of jobs. It is no surprise, therefore, that the socio-economic consequences of conflict and war are reflected in labour market indicators. This is one reason why unemployment, total labour underutilization, the share of young people not in employment, education or training (NEET), and extreme and moderate working poverty rates are all considerably higher in non-GCC countries (table 2.3). While data for these countries are difficult to obtain, extreme working poverty is estimated to be widespread in the Syrian Arab Republic and Yemen. Estimated total labour underutilization is particularly high in Jordan, the Occupied Palestinian Territory and Yemen.

The differences between GCC and non-GCC countries are to some extent also due to the fact that estimates for the former include migrants, who constitute a large share of the population in these countries. The vast majority of migrants are in the labour force and are also working (see below for details). In contrast, labour underutilization is substantially higher among GCC nationals. This is illustrated by the example of Saudi Arabia, where an

unemployment rate of 12.3 per cent among Saudi nationals in the second quarter of 2019 contrasted with a corresponding rate of just 0.3 per cent among migrants (General Authority for Statistics, 2019).

Between-group inequalities in the region

In addition to inequalities between countries, the Arab States also have significant levels of within-country inequality (for a recent analysis, see Alvaredo, Assouad and Piketty, forthcoming). An important underlying reason is inequalities between demographic groups, including differences related to migration or refugee status and gender.

With regard to migration, the share of foreign-born workers in the GCC countries has increased greatly over the past two decades. In Bahrain, Oman and Saudi Arabia, native-born inhabitants still constitute more than 50 per cent of the total population, whereas in Kuwait, Qatar and the United Arab Emirates they are now a minority (ibid.; Kapiszewski, 2006). The Arab States as a whole are the world region relying most strongly on foreign-born workers. To illustrate this, the labour force participation rate of migrants (75.4 per cent) is more than 30 percentage points higher than that of the native population in the region (42.2 per cent). Migrant workers account for a remarkable 40.8 per cent of all workers in the Arab States (ILO, 2018f).

Migrant workers include both low-skilled workers (e.g. in construction and domestic services jobs) and highly skilled professionals. A sizeable share of low-skilled workers are in a vulnerable situation. In particular, the *kafala* system – whereby the employer acts as a sponsor on behalf of migrant workers so that they can be issued with a residence permit – potentially gives rise to exploitative arrangements (Alvaredo, Assouad and Piketty, forthcoming; Kapiszewski, 2006; ILO, 2016b). Significantly, Qatar has announced a change in legislation that marks the end of the *kafala* system there and strengthens the rights of migrant workers in the country (ILO, 2019h).

The Arab States are also the world region with the highest number of refugees and internally displaced persons. For example, more than 1 million refugees live in Jordan, Lebanon and the Occupied Palestinian Territory (ESCWA, 2019a). This puts great pressure on health-care and educational systems, social protection schemes and infrastructure. In some countries, refugees are disproportionately represented in low-paid and informal jobs that native workers are less likely to engage in (e.g. Syrian refugees in Jordan). In other cases, the increased supply of labour has been accompanied by a deterioration of working conditions for both natives and refugees (e.g. in Lebanon; see ESCWA, 2018 for details).

Regarding the situation of women, their extremely low labour force participation rate makes the region's total labour force participation rate appear low by international comparison. While female labour force participation has increased over time, this development has been too slow to close the wide gender gap (ILO, 2017a). In 2019, only 18.0 per cent of women participated in the labour force, which is 59.6 percentage points below the male labour force participation rate. It should be noted that 63.2 per cent of women in the Arab States would prefer to work, according to Gallup survey data, illustrating that even when women want to take up paid employment, they face significant barriers preventing them from doing so (ILO, 2019a).

Educational outcomes in the region have improved especially for women, with a greater proportion of women now completing tertiary education (ESCWA, 2019a; ADP, 2019). However, there is a major problem of skills mismatch, caused partly by the insufficiency of efforts to achieve structural transformation in the region, and by the limited creation of high value added jobs in the private sector that are attractive to these increasingly educated women. Public-sector jobs, on the other hand, continue to be relatively attractive for women, but are becoming increasingly scarce. Additional obstacles include restricted mobility, issues of personal safety and cultural resistance to women's employment and to gender equality in the labour market and other spheres of society (ESCWA, 2019a; ILO, 2019a).

In 2019, there continued to be a large proportion of young people not in employment, education or training (NEET) in the Arab States: 16.0 per cent in GCC countries and 40.5 per cent in non-GCC countries. According to ILO projections, the youth NEET rates will not change much over the next two years. They point to the serious problem of an insufficient number of jobs being created for the growing youth labour force (ESCWA, 2019a). These aggregate figures, however, mask significant gender disparities. In 2019, 51.9 per cent of young women had NEET status in the region, compared with 17.8 of young men. A major factor contributing to the limited labour force attachment of women is the highly uneven allocation of unpaid care work. Gender roles in the region emphasize women as the main caregivers and men as the main breadwinners. Indeed, the Arab States are the region with the largest proportion of women who work full time as unpaid carers (59.9 per cent) (see ILO, 2019a for a detailed discussion). A lack of relevant public services and an underdeveloped care economy make it even more difficult for women to pursue a professional career (ESCWA, 2019b).

Asia and the Pacific

General economic development and headline labour market indicators

Intensified trade tensions and political uncertainties, along with weaker external demand, are having a negative effect on this region's economic growth, which decreased from 5.1 per cent in 2018 to 4.6 per cent in 2019. Nonetheless, Asia and the Pacific remains the fastest-growing region in the world. In the near future, lingering intraregional and regional trade tensions are expected to result in projected growth rates in all subregions that are significantly below the averages of the past decade. China's economy is expected to undergo further structural slowdown in economic growth, which will depress demand for industrial inputs imported from other countries in the region. With economic growth also expected to start slowing down (or slowing down further) in some of the advanced economies in Europe and North America, external demand for goods and services produced in Asia and the Pacific will be reduced, adversely impacting economic activity in the region.

Despite these developments, unemployment rates remain broadly stable in Asia and the Pacific. The 2019 unemployment rate of 4.4 per cent is only marginally higher than that of the year before (table 2.4). Among the various subregions, South Asia had the highest unemployment rate (5.4 per cent),[10] followed by East Asia (4.1 per cent) and South-East Asia and the Pacific (3.1 per cent). The rate of labour underutilization in the region remained stable at 10.3 per cent in 2019, and no changes are expected in the coming years. Asia and the Pacific continues to have the highest employment-to-population ratio worldwide, and the region's employment growth is projected to be broadly in line with the positive, but declining growth rate of its working-age population.

As elsewhere in the world, here too young people find it difficult to enter the labour market. The share of youth in the region who are not in employment, education or training (NEET) reached 24.3 per cent in 2019, compared with 23.9 per cent in 2018 (table 2.4). The high rate – it is among the highest worldwide – is driven by South Asia, where opportunities for young women to go to university or work remain limited: in that subregion more than 81 million young women, or 48.8 per cent, have NEET status. In the region as a whole, nearly 161 million young men and women are in a NEET situation. The NEET rate

is expected to increase further in the coming years in all subregions of Asia and the Pacific.

The absence of adequate social protection and well-functioning active labour market policies in the region often forces workers to accept whatever job is available, regardless of whether or not it allows them to make full use of their talent and skills (see also ILO, 2018g). The region's labour productivity growth rate, measured as output per worker, dropped from 4.3 per cent in 2018 to 3.9 per cent in 2019. This drop was driven mainly by countries in South-East Asia and the Pacific and in South Asia, including India and some of the Member States of the Association of Southeast Asian Nations (ASEAN) in which GDP growth decelerated.

Poor job quality and high rates of informality remain a challenge to be tackled by governments and employers' and workers' organizations. Despite the region's rapid economic progress over the past decades, 79.1 million workers in Asia and the Pacific, or 4.2 per cent, remained in extreme poverty in 2019, and 277 million workers, or 14.6 per cent, were still living in moderate poverty. While working poverty continues to decline, those who have escaped poverty remain highly vulnerable to adverse economic shocks and therefore face a significant risk of becoming poor again.[11] The limited availability of good jobs in the region exacerbates existing income and wealth inequalities (Huang, Morgan and Yoshino, 2019).

Technological progress and rural–urban disparities

Globalization, climate change, technological progress and demographic changes are all shaping the future of work, not least in Asia and the Pacific. Technological progress in particular is transforming the region's labour markets, or parts of them, at a fast pace. New technologies related to Industry 4.0 and digitalization are being embraced by many governments as key pillars of their countries' future economic development,[12] and people in the region tend to have similarly positive expectations (ILO, 2019i). Yet there are concerns over whether existing digital divides will be exacerbated, with only some segments of the population being able to benefit from the economic returns brought by the new technologies.

Digital divides may occur along a variety of dimensions – inter alia, between rural and urban areas (Trendov, Varas and Zeng, 2019). In some countries in the region, inadequate information and communications

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[10] This figure takes into account substantially revised estimates for India in comparison to previous estimates. This is the result of a new survey methodology that was introduced in 2017/18.
[11] See also the 2018 edition of the ILO's *Asia-Pacific Employment and Social Outlook* (ILO, 2018g) and a more detailed analysis in the 2020 edition (ILO, forthcoming c).
[12] As explained in ILO, 2019k, the "Fourth Industrial Revolution", or "Industry 4.0", refers to the application of new technologies, in particular "smart" technologies, in the industrial sector.

Table 2.4

Trends and projections for unemployment, labour underutilization, young people with NEET status, employment and labour productivity growth, and working poverty, regional and by subregion, Asia and the Pacific, 2008–21

Region/subregion	Unemployment rate 2008–21 (percentages)					Unemployment 2018–21 (millions)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Asia and the Pacific		**4.3**	**4.4**	**4.4**	**4.5**	**85.7**	**87.0**	**88.7**	**90.1**
East Asia		4.1	4.1	4.2	4.2	38.2	38.5	39.0	39.4
South-East Asia and the Pacific		3.0	3.1	3.2	3.2	10.5	10.9	11.3	11.6
South Asia		5.3	5.4	5.4	5.4	37.0	37.7	38.4	39.0
	Total labour underutilization rate (LU4) 2008–21 (percentages)					**Total labour underutilization (LU4) 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Asia and the Pacific		**10.3**	**10.3**	**10.3**	**10.3**	**207.9**	**209.5**	**211.5**	**213.2**
East Asia		10.0	10.0	10.1	10.1	95.6	95.7	95.9	96.0
South-East Asia and the Pacific		9.7	9.8	9.9	10.0	35.1	35.9	36.7	37.5
South Asia		10.9	10.9	10.8	10.8	77.1	78.0	78.9	79.6
	Young people with NEET status 2008–21 (percentages)					**Young people with NEET status 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Asia and the Pacific		**23.9**	**24.3**	**24.5**	**24.7**	**158.9**	**160.9**	**162.1**	**163.2**
East Asia		16.6	16.7	16.9	17.0	33.2	33.0	32.9	32.8
South-East Asia and the Pacific		17.9	18.2	18.4	18.5	20.8	21.1	21.3	21.5
South Asia		30.1	30.5	30.7	30.9	104.9	106.9	107.9	108.9
	Employment growth 2008–21 (percentages)					**Labour productivity growth 2018–21 (percentages)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Asia and the Pacific		**0.8**	**0.6**	**0.6**	**0.6**	**4.3**	**3.9**	**4.3**	**4.6**
East Asia		0.2	–0.2	–0.3	–0.3	5.0	5.1	4.9	5.1
South-East Asia and the Pacific		1.6	1.2	1.1	1.1	3.1	2.9	3.2	3.5
South Asia		1.2	1.5	1.5	1.4	4.1	2.6	4.3	5.0
	Extreme working poverty rate 2008–21 (percentages)					**Extreme working poverty 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Asia and the Pacific		**4.6**	**4.2**	**3.8**	**3.5**	**86.3**	**79.1**	**72.4**	**66.7**
East Asia		0.8	0.7	0.7	0.6	7.3	6.7	6.1	5.7
South-East Asia and the Pacific		3.4	2.9	2.5	2.2	11.4	10.0	8.8	7.7
South Asia		10.3	9.4	8.5	7.8	67.6	62.4	57.5	53.3
	Moderate working poverty rate 2008–21 (percentages)					**Moderate working poverty 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Asia and the Pacific		**15.2**	**14.6**	**13.9**	**13.3**	**287.5**	**277.1**	**266.8**	**256.8**
East Asia		5.0	4.6	4.3	4.0	44.5	41.1	38.2	35.6
South-East Asia and the Pacific		12.6	11.6	10.7	9.9	42.6	39.8	37.1	34.6
South Asia		30.6	29.5	28.3	27.2	200.5	196.3	191.5	186.6

Note: Moderate and extreme working poverty rates refer, respectively, to the shares of workers living in households with a daily per capita income or consumption of between US$1.90 and US$3.20 in PPP terms and less than US$1.90 (PPP).

Source: ILOSTAT, ILO modelled estimates, November 2019.

Figure 2.3

Employment distribution across broad sectors and skill levels, rural versus urban residence, Asia and the Pacific, 2019 (percentages)
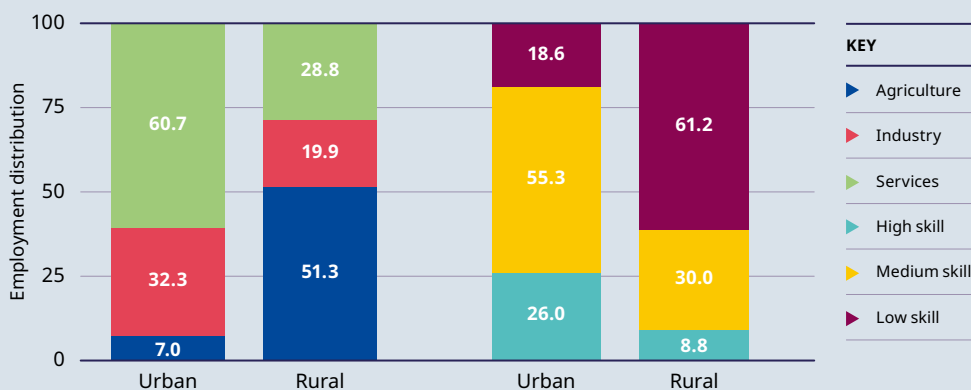
Note: High-skilled occupations include managers, professionals, and technicians and associate professionals (ISCO major groups 1–3). Medium-skilled occupations include clerical support workers, services and sales workers, craft and related trades workers, and plant and machine operators (ISCO major groups 4, 5, 7 and 8). Low-skilled occupations include elementary occupations and skilled agricultural, forestry and fishery workers (ISCO major groups 9 and 6).

Source: ILOSTAT, ILO modelled estimates, November 2019.

technology (ICT) infrastructure, especially in rural areas, often hinders the adoption of new technologies (ITU, 2019). Moreover, new technologies (and the supporting policies adopted by governments) create jobs and incomes in some sectors and occupations, but not in others. Because of the different sectoral and occupational distributions in rural and urban areas (e.g. higher-tech production and services are still primarily located in urban areas), the adoption of new technologies has a differential effect on the rural and urban labour markets.

Over the past few decades, Asia and the Pacific has experienced rapid structural transformation driven by large flows of internal labour migration. Millions of workers have moved from rural to urban areas within countries, attracted by job opportunities in sectors with a higher value added and in better-paid occupations. In 2019, 47.2 per cent of the labour force in the region was located in urban areas, following a steady and continuous rise from 36.4 per cent in 2005. Not everyone, though, is immediately able to find a job, as evidenced by the urban unemployment rate of 5.2 per cent in 2019, which contrasts with a rural unemployment rate of 3.6 per cent and an aggregate rate of 4.4 per cent.

The rural labour market in Asia and the Pacific is still largely dominated by the agricultural sector, which accounted for 51.3 per cent of total rural employment in 2019, compared with only 7.0 per cent of total urban employment (figure 2.3). Services represented 28.8 per cent of rural employment but 60.7 per cent of urban employment. Employment in industry stood at 19.9 per

cent in rural areas, as against 32.3 per cent in urban areas. These differences between rural and urban areas are remarkably similar across all three subregions.

Within the region, workers in medium- and high-skilled occupations are predominantly located in urban areas (figure 2.3). The employment share of high-skilled occupations reached 26.0 per cent in urban areas in 2019, compared with just 8.8 per cent in rural areas. The employment share of medium-skilled occupations also differs widely between urban and rural areas, standing respectively at 55.3 and 30.0 per cent. The bulk of employment in rural areas (61.2 per cent) is represented by skilled agricultural, fishery and forestry workers and by workers in elementary occupations.

To prepare their countries' labour markets for the use of smart technologies in industries and services, governments in Asia and the Pacific are focusing their policies and programmes on skills development (i.e., for technological upgrading) and on fostering an "innovation ecosystem" (ILO, 2019i). The emphasis of most countries in the region is on building up a highly skilled workforce through the modernization of vocational education and training programmes, the adoption of "skills roadmaps" for specific sectors, and the establishment of reskilling and upskilling mechanisms.

These policies and programmes are directed mainly at workers in high-skilled or at least medium-skilled occupations, and at workers employed in manufacturing or related services sectors. The vast majority of these workers are located in urban areas (figure 2.3). In view

Figure 2.4

Change in employment shares for manufacturing subsectors, Asia and the Pacific, 2015–18 (percentages)
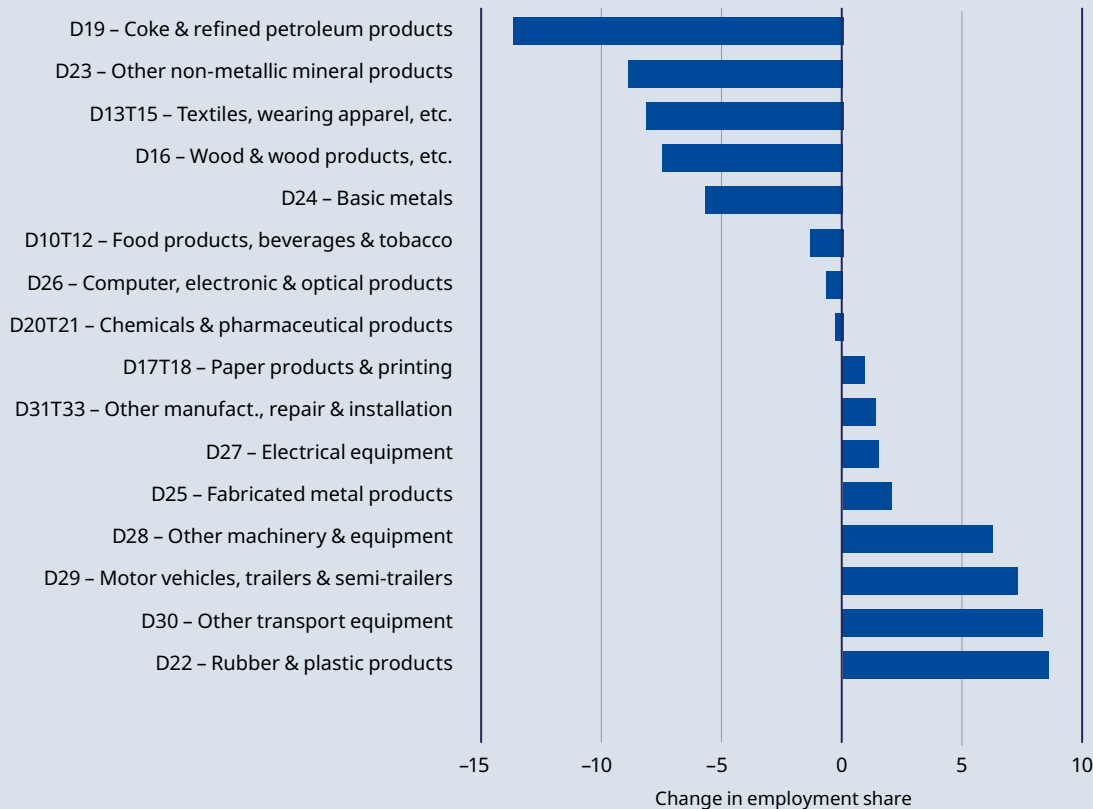
Note: See Appendix C for details. The figure is based on ISIC revision 4.

Source: ILO estimates based on the ILO's Harmonized Microdata collection (https://ilostat.ilo.org).

of the rural–urban income disparities, the workers who benefit the most from policies designed to harness technological advances are thus predominantly those who are already better off (World Bank, 2013). The development of a high-skilled workforce that can keep abreast of the Fourth Industrial Revolution is a worthy policy goal. However, rather than reducing inequalities, such policies may actually exacerbate them, especially inequalities between urban and rural areas (ESCAP, 2018).

New technologies create new forms of work, such as digital labour platforms, which many countries in the region have been adopting. Digital platforms have, on the one hand, been criticized for their high work intensity, the low wages offered and the lack of a clear employment relationship. On the other hand, they create new and flexible income and employment opportunities, and can serve as a buffer for workers during labour market transitions in cases where adequate social protection is absent (Berg et al., 2018).

However, access to the work mediated through digital platforms remains unequally distributed. In many

countries in the region, the urban–rural divide in the development of ICT infrastructure is significant (Salemink, Strijker and Bosworth, 2017). Moreover, the more prominent digital labour platforms are location-based, and allocate transportation, delivery, accommodation or other services to workers in specific geographical areas which, because of the nature of these platforms, are always more densely populated, urban areas. While they may therefore help lower unemployment rates and reduce poverty in the urban areas of Asia and the Pacific, the fact that they are more accessible to urban than to rural workers means that they are less likely to help diminish income and wealth inequalities arising from geographical location.

New technologies may also create a divide between workers employed in different sectors because some manufacturing sectors are more prone to automation than others. However, it should also be noted that job losses due to automation can be mitigated by job gains if product demand is on the rise or if additional foreign-owned production moves into the region, both of which boost demand for workers.

Over the past three years, motor vehicles and other transport equipment have been among the fastest-growing sectors in terms of their respective shares of total employment (figure 2.4). The share of employment in the electronics sector has remained broadly stable. These sectors typically account for high shares of robot use (AfDB et al., 2018). It would therefore seem that technological transformation and innovation are helping to raise operational efficiency in these sectors without (yet) displacing labour. An alternative explanation is that growing demand for electronics, cars, trains and other transport equipment is sufficient to keep employment numbers up, even as robots handle more and more production-related tasks.

Among the declining sectors is the textiles and apparel sector, which is regionally the largest employer within the manufacturing sector (3.4 per cent of total employment in 2018). The use of robotics in that sector has remained low thus far because the current cost structures for sewing machine operators are in many cases still more advantageous to employers. However, it remains to be seen whether automation in this sector will increase and contribute to a continuing decline in its employment share in the future. The decline observed in the years 2015–18 was driven mainly by China and India, while employment shares of this sector have still been growing in ASEAN countries.

To ensure that the gains brought by technological progress are distributed more equitably, policy-makers will need to balance their technology and innovation strategies, with a strong focus on improving infrastructure, access, investments and knowledge in rural areas. Policies and programmes should also be adopted to mitigate the possible adverse impacts of new technologies in terms of job losses or income inequality, including urban–rural disparities.

Europe and Central Asia

General economic development and headline labour market indicators

In view of the global trade tensions and the risk of a new recession, the International Monetary Fund (IMF) has revised downwards its projections of economic growth for Europe and Central Asia. GDP growth in the European Union (EU) was projected at 1.5 per cent in 2019 and 1.6 per cent in 2020, compared with 2.2 per cent in 2018. This decline has been driven mainly by a slowdown in manufacturing production and decreasing exports, whereas the demand for services has remained stable. Growth projections for the eurozone are even lower, particularly for Germany and Italy.

While growth levels remain higher in Eastern Europe, the decline is more pronounced in this subregion: the projected GDP growth of 2.2 per cent in 2019 contrasts with 3.1 per cent in 2018. Consequently, the convergence between non-EU countries in Central and Eastern Europe and the EU is also slowing down. The decline in growth in Eastern Europe is influenced by the economic slowdown in the Russian Federation and Turkey as well as in major EU economies (see also IMF, 2019a).

Meanwhile, Central European Member States of the EU are experiencing stronger growth as a result of high domestic demand and rising wages, which have increased significantly in Hungary in particular (see OECD, 2019a and 2019b). Rising wages are partly a reflection of labour shortages in various sectors, caused by the double burden of demographic change (i.e. ageing populations and low fertility rates) and out-migration. These developments may hamper growth in the long run (Mosler and Calori, forthcoming).

Unemployment has continued to decline both in Northern, Southern and Western Europe and in Eastern Europe (table 2.5). This trend is expected to level off soon since employment growth is decelerating as a result of tightening labour markets in countries such as Germany and the Netherlands and also because of increased uncertainty and general economic slowdown. The turnaround in employment growth in the region implies that the catch-up effects of the post-crisis period are fading. Thus, the economic dependency ratio is likely to rise again (with exceptions in Central Asia). However, employment growth in Southern Europe is projected to be sustained a bit longer. Moreover, delayed retirement is playing a part in promoting stronger employment growth, at least in the EU (SPC, 2018).

The rate of total labour underutilization greatly exceeds the unemployment rate, especially in Northern, Southern and Western Europe, where labour underutilization

Table 2.5

Trends and projections for unemployment, labour underutilization, young people with NEET status, employment and labour productivity growth, and working poverty, by subregion, Europe and Central Asia, 2008–21

Subregion	Unemployment rate 2008–21 (percentages)					Unemployment 2018–21 (millions)			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Northern, Southern and Western Europe		7.6	7.0	6.9	6.9	16.8	15.6	15.3	15.4
Eastern Europe		5.1	4.9	4.7	4.8	7.4	7.0	6.7	6.7
Central and Western Asia		8.2	9.4	9.2	9.3	6.4	7.4	7.3	7.5
	Total labour underutilization rate (LU4) 2008–21 (percentages)					**Total labour underutilization (LU4) 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Northern, Southern and Western Europe		16.0	15.4	15.3	15.4	37.3	35.9	35.6	35.8
Eastern Europe		7.9	7.7	7.6	7.6	11.7	11.3	11.0	11.0
Central and Western Asia		15.9	17.0	16.9	17.0	12.9	14.0	14.0	14.3
	Young people with NEET status 2008–21 (percentages)					**Young people with NEET status 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Northern, Southern and Western Europe		10.8	10.5	10.6	10.8	5.3	5.2	5.2	5.3
Eastern Europe		13.6	14.2	14.8	15.4	3.9	4.0	4.1	4.3
Central and Western Asia		21.2	22.2	22.0	22.1	6.1	6.3	6.2	6.3
	Employment growth 2008–21 (percentages)					**Labour productivity growth 2018–21 (percentages)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Northern, Southern and Western Europe		1.5	0.7	0.2	–0.2	0.4	0.5	1.3	1.7
Eastern Europe		0.3	–0.7	–0.8	–1.0	2.8	2.9	3.1	3.4
Central and Western Asia		1.9	0.0	1.3	0.8	1.2	1.8	2.1	2.6
	Extreme and moderate working poverty rate 2008–21 (percentages)					**Extreme and moderate working poverty 2018–21 (millions)**			
	2008–17	2018	2019	2020	2021	2018	2019	2020	2021
Central and Western Asia		10.0	9.6	9.0	8.5	7.1	6.8	6.5	6.2

Note: Moderate and extreme working poverty rates refer, respectively, to the shares of workers living in households with a daily per capita income or consumption of between US$1.90 and US$3.20 in PPP terms and less than US$1.90 (PPP). As defined here, working poverty is negligible in Northern, Southern and Western Europe and in Eastern Europe, which is why no rates are presented for those two subregions.

Source: ILOSTAT, ILO modelled estimates, November 2019.

was estimated at 15.4 per cent in 2019. Meanwhile, unemployment is rising in Central and Western Asia and reached 9.4 per cent in 2019. In these two subregions and in Eastern Europe, the share of young people not in employment, education or training (NEET) is persistently high or even rising, which points to various challenges faced by young workers that will be discussed in more detail below.

Extreme and moderate working poverty rates have continued to decline in Central Asia (they are negligible outside of Central Asia). However, it is notable that young people are disproportionately affected by working poverty, with rates consistently 1–3 percentage points higher than among the adult population.

Ageing of the labour force and problems faced by young workers

Demographic ageing has long been an issue of concern for policy-makers across the region (see figure 2.5). According to ILO modelled estimates, the median age of workers rose by 3.0 years between 2000 and 2019 (from 38.4 to 41.4 years) and is expected to rise by a further 1.6 years between 2019 and 2030. These regional aggregates mask the fact that population ageing is more pronounced in certain countries in the region, especially in Southern and Western Europe.

The relative importance of the causes of population ageing varies across subregions. In Western Europe,

low fertility rates are a major factor (cf. Human Fertility Database, 2019). As a result, workers above the age of 50 now marginally outnumber those under the age of 35 in the EU (Eurofound, 2017). In Eastern Europe, out-migration has played a role, with younger workers migrating at a disproportionate rate. Migration is driven not only by wage differentials between source and destination countries, but also by concerns about one's career prospects, by perceptions of injustice and corruption in one's home country, by poor public services in the source country and also by migrant networks (with earlier émigrés assisting later waves of migrants in destination countries) (EBRD, 2018). In Southern Europe, the economic crisis after 2007 likewise induced young workers to emigrate; countries in that subregion display the highest rates of demographic ageing. In Central Asia, on the other hand, the population trends are different. There, the median age of the workforce remained relatively stable between 2000 and 2019 (figure 2.5). Now that the current youth bulge has largely entered the labour force, Central Asian countries will face increased workforce ageing over the next few decades. (The large youth cohort that recently entered the labour market is comparable to the "baby-boomer" generation in Western Europe.) Thus, the median age of the labour force in Central Asia is projected to be 39.2 years in 2030, which is 2.6 years higher than in 2019.

Population ageing and an associated rise of the economic dependency ratio pose at least four challenges. First, it is becoming increasingly difficult to ensure the adequacy of pensions, since both the number of pensioners and the average duration of receipt of pensions are rising. In the EU countries, the time spent in retirement already equals 51 per cent of the time spent at work and is projected to increase further (SPC, 2018). Second, unit labour costs are bound to increase with growing pension expenditure and a shrinking labour force, putting more pressure on wages and possibly harming international competitiveness. Third, the drag on competitiveness can have a secondary effect by suppressing domestic demand, as can lower pension entitlements, thereby further undermining economic growth. Finally, rapid ageing creates a new need for economic transformation related to the provision of care and other services for the elderly, which can at the same time bring about new opportunities for job growth (see also Harasty and Ostermeier, forthcoming).

Demographic change implies that young workers play an increasingly important social and economic role – for example, as contributors to social security schemes.

However, a significant proportion of young workers face a difficult labour market situation. The associated economic and social uncertainty has an impact on their life choices and consumption patterns, and even on social cohesion and the long-term functioning of the economy. The financial crisis of 2007–08 exacerbated the labour market vulnerability of young people, resulting in more difficult school-to-work transitions, lower quality of jobs, and higher unemployment (Elder et al., 2015).

Part of the perceived insecurity among young workers stems from a general shift towards non-standard forms of employment. While the standard employment relationship[13] remains the norm for the overall working population, its relative importance has steadily declined across most of the region since the crisis; this decline is also associated with changes in technology and labour market regulation since the early 2000s. This has affected young workers who are disproportionately represented among those in temporary employment, on-call work, disguised self-employment and part-time work (Eurofound, 2017; ILO, 2017c; O'higgins, 2017).

Temporary employment in particular affects a large proportion of young people, especially in Northern, Southern and Western Europe. Among young workers in the EU as a whole, the rate of temporary employment went up from 41.4 per cent in 2007 to 43.5 per cent in 2018. Some countries have seen a dramatic increase: in Italy, the share of 15–24-year-old workers in temporary employment jumped from 42.2 per cent in 2007 to 64.0 per cent in 2018 (OECD, 2019c). Moreover, temporary employment rose by 6.9 percentage points among young workers between 2000 and 2018, while for prime-age workers (25–54 years) it increased by only 2.7 percentage points over the same period (to reach a much lower level of 12.1 per cent in 2018).

There are no age-disaggregated data for young workers (aged 15–24), but the available data for workers aged 25–39 indicate that the likelihood of their transitioning from temporary to permanent contracts has decreased in most EU countries since 2011 – quite strongly in some Baltic and Central European countries (Eurostat, 2019). Moreover, one in five young workers on a temporary contract is afraid of losing their job within the next six months, according to Eurofound (2017). The problem of temporary employment is less acute in Eastern Europe and Central Asia, though this is partly due to generally less stringent employment protection legislation that blurs the distinction between permanent and temporary employment, thereby masking issues of job security.

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[13] Non-standard employment includes temporary employment (e.g., fixed-term or project based contracts); part-time and on-call work; temporary agency work and other multi-party employment relationships; disguised employment; and dependent self-employment (see ILO, 2019j for details).

Figure 2.5

Median age of the labour force, estimates and projections, by detailed subregion, Europe and Central Asia, 2000, 2019 and 2030 (years)

KEY
▶ 2000
▶ 2019
▶ 2030
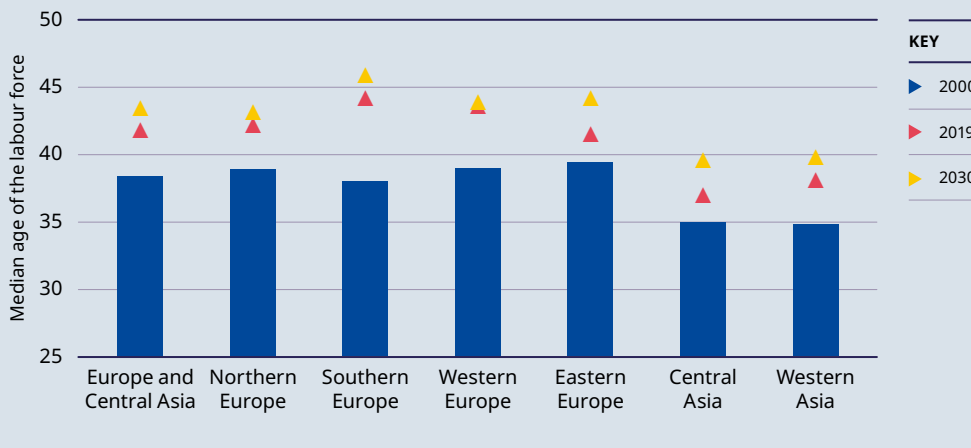
Source: ILOSTAT, ILO modelled estimates, November 2019.

These developments are a cause for concern, since workers in non-standard forms of employment face various disadvantages compared to permanent workers, including higher income volatility and lower hourly wages, putting those without substantial savings at increased economic and social risk (ILO, 2016c; Rokicka and Kłobuszewska, 2016). In addition, the negative consequences of growing precariousness can extend beyond the individuals directly affected. Permanent contracts tend to allow employers to attract and retain talent, which improves productivity and reduces turnover and training costs. Employers' investment in training is also more likely to pay off if they can retain their staff (OECD, 2019d). Of course, it should be noted that these beneficial effects of permanent contracts are not automatic: they tend to occur in industries with a long-term business perspective, such as in the manufacturing sector (ILO, 2015b).

Besides the quality of employment, it is important also to examine the rate of youth not in employment, education or training (NEET). While the rate has declined in the

region as a whole, there are considerable subregional variations. The positive development has been driven largely by labour market improvements in Northern, Western and Eastern Europe. By contrast, the youth NEET rate in Southern Europe was higher in 2019, standing at 16.4 per cent, than in 2007 (15.7 per cent). In Central Asia, nearly one in five young people still has NEET status.

High inactivity and NEET rates are symptomatic of a progressive deterioration of the quality of school-to-work transitions across most of the region (see, for example, Hadjivassiliou et al., 2016). This problem even affects countries enjoying close to full employment, such as the Visegrád Group (Czechia, Hungary, Poland and Slovakia), where the untapped youth labour force could make a significant contribution to alleviating labour shortages that are holding back economic growth (Mosler and Calori, forthcoming). The main factors behind this situation are, on the one hand, skill gaps and mismatches and, on the other, working conditions that are not sufficiently attractive, especially for entry-level jobs. Geographical mismatches also play a role (see EU, 2015).

03

Assessing inequality using labour income
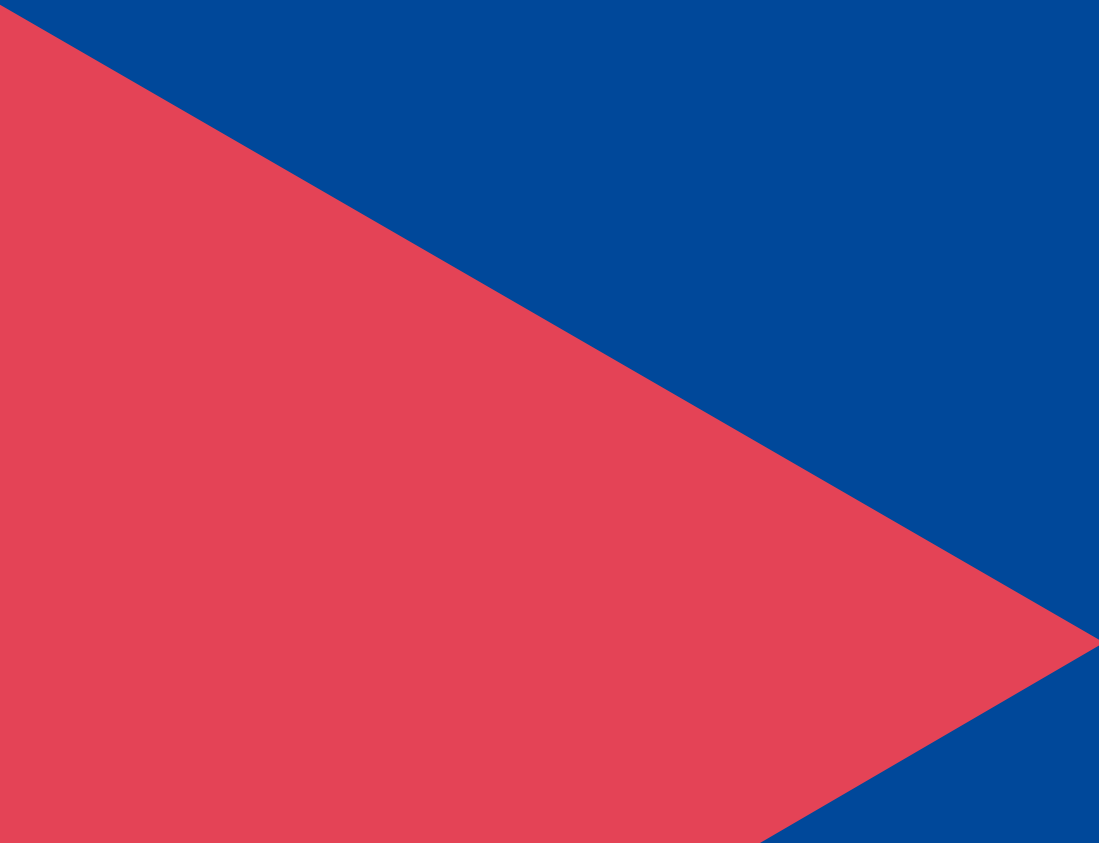
Labour income is the income that people earn by working, either as paid employees or through self-employment. Economists distinguish it from capital income, which is the return that the owners of assets (such as land, machines, buildings or patents) earn from their property. In 2019, 57.4 per cent of people aged 15 years or older worldwide were employed; for most of them, work was the main source of income. Labour income thus shapes the livelihoods of some 3.3 billion workers (and their families) around the world.

At the macroeconomic level, a key related indicator is the labour income share, which is the share of national income accruing to workers through their earnings (with the remainder accruing to the holders of capital). Bearing in mind that capital income disproportionately goes to the affluent, the labour income share has received a great deal of attention as a measure of inequality because it indicates the extent to which workers are benefiting from economic growth in their country (ILO, 2018h). This indicator is also used to measure progress towards Goal 10 ("Reduce inequality within and among countries") of the United Nations Sustainable Development Goals (SDGs) since it provides a means of assessing the link between labour market developments and inequality trends around the world.

Despite the widespread interest in this indicator and its usefulness, reliable and internationally comparable estimates of the labour income share were until very recently not available for the vast majority of countries. The main factor behind this long-standing data limitation is that not all labour income is earned by employees. Aggregate labour income in a given country includes not only the wages of employees, which are relatively straightforward to compute, but also part of the income of the self-employed, who derive earnings from both their work and their ownership of capital. The labour income of the self-employed can be estimated using microdata on workers' earnings and other characteristics, a highly data-intensive process that deterred its application.

Before recent methodological innovations at the ILO, estimates of the labour income share were available mainly for high-income countries in the Global SDG Indicators Database. Furthermore, because of data limitations, earlier studies either disregarded the income of the self-employed, leading to often substantial underestimates of the labour income share, or included an estimate of that income based on generic and largely untested rules of thumb (see box 3.1). Given that nearly half of the world's workers are self-employed, with much

higher shares of self-employment in most lower-income countries, the failure to account for the labour income of the self-employed greatly reduced the indicator's utility for international comparisons and global monitoring. Many of the abovementioned shortcomings of the labour share indicator have now been resolved thanks to intensive data collection and modelling efforts undertaken at the ILO over the past year. Specifically, the labour income of the self-employed is now estimated from microdata. In an extension of the methodology pioneered by Young (1995), the labour income of the self-employed is estimated on the basis of the wages of employees with similar characteristics.[1]

This methodology has also made it possible to obtain estimates of the labour income distribution for the first time. Data on the distribution of total income, mainly in high- and middle-income countries, have recently attracted substantial attention (Piketty, Saez and Zucman, 2018). Similarly, distributional data on expenditure have been used to obtain estimates of poverty levels in developing countries (Chen and Ravallion, 2010). In contrast to the labour income share, the distribution of labour income has tended to be neglected in international studies. The new ILO estimates presented here tackle that deficiency by focusing on labour income rather than total income (income from both capital and labour) or expenditure. This approach has two key merits. First, much of the debate over inequality and poverty – covering such topics as job polarization, minimum wages, new forms of work and the "gig economy" – is closely related to the world of work. Looking directly at the distribution of income from work makes it easier to analyse those topics. For instance, when assessing the implications of the gig economy, it is more instructive to focus on the labour income of the self-employed than on economic inequality as a whole. Second, the new estimates of labour income distribution are based on a previously untapped data source for the study of global inequality, namely labour survey microdata.[2] This data source has reasonable coverage for all country income groups, unlike other data sources that are characterized by undercoverage for either lower-income countries (regarding data on total income) or higher-income countries (regarding data on expenditure).

This chapter presents and analyses the new ILO data on the labour income share and the distribution of labour income. The analysis sheds light on important developments in the world of work and reveals "blind spots" in our current understanding of inequality. The key results are highlighted below.

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[1] For full information on the methodology used, see ILO, 2019k.
[2] Labour survey microdata include microdata from labour force surveys and from household surveys with a labour module.

The global labour income share declined substantially between 2004 and 2017. The decrease was temporarily reversed during 2008 and 2009, because during recessions the remuneration of workers tends to decline more slowly than capital income. Europe and Central Asia and the Americas are the main regions driving these trends. Given the relatively short timespan of the new estimates, the decline in the labour income share reported here is modest, albeit economically significant. Moreover, in high-income countries, a key driver of the decline in the labour income share is the decreasing average labour income of the self-employed. This is consistent with a scenario in which new forms of work erode the earning power of the self-employed.

The global labour income distribution is lopsided. In 2017, a worker in the top decile of that distribution earned US$7,475 (PPP) per month, whereas a worker in the bottom decile earned just US$22 (PPP) per month. Furthermore, the average remuneration for the 50 per cent of workers with the lowest pay was US$198 (PPP) per month. Encouragingly, economic convergence, driven mainly by China and India, has caused global labour income inequality to decline over the past 13 years, even though inequality has not decreased within either country. Moreover, within countries, on average, labour income inequality has barely changed over the same period.

The labour income distribution has been found to be a reliable proxy of the total income distribution, offering a new tool for studying inequality in lower-income countries. Income distribution data are not generally available for those countries, which means that earlier studies of inequality had to use data on expenditure instead. Two novel findings emerge from the analysis. First, the data indicate that the share of income accruing to the middle and upper-middle classes, which is commonly thought to be stable irrespective of a country's average income (Palma, 2011), is likely to be much smaller in lower-income countries than in more developed economies. Second, the use of data on the distribution of expenditure as a proxy for income distribution in lower-income countries (a common practice in studies of international inequality) is shown to severely underestimate the degree of inequality. Global income inequality is thus likely to be much higher than previously assumed.

This chapter is organized as follows. The next section provides an overview of the new ILO data set on labour income share and distribution, and emphasizes the importance of taking into account the labour income earned by the self-employed. The ILO's estimates of the global and regional shares and distribution of labour income are subsequently presented. The final section looks at estimates of labour income inequality obtained from the new data set, and considers the extent to which earlier studies have underestimated inequality in lower-income countries.

Estimates of the labour income share and distribution using the ILO Harmonized Microdata collection

Ever since Gollin (2002) it has been clear that producing accurate estimates of the labour income share is not straightforward. The main problem lies in including the labour income of the self-employed. Given the negative relationship observed between the share of self-employment in total employment and national income level, this measurement problem is especially acute in the case of developing countries. However, the need to take self-employment into account even in high-income countries is widely acknowledged, all the more so in view of increased automation and the expansion of the gig economy. Until the launch of the ILO's new data set, the labour income share was estimated either by disregarding the income of the self-employed (i.e. wage share estimates) or by applying a rule-of-thumb approach (see box 3.1).

The ILO's data set on labour income share and distribution was constructed with a newly developed methodology, presented in ILO (2019k), which uses the G3 approach (see box 3.1) as a stepping stone, but instead of making assumptions about the average labour income of the self-employed relative to employees, it estimates their relative income on the basis of microdata. The use of microdata to estimate the labour income of the self-employed has often been cited as a best practice in the empirical literature, albeit one that is not feasible on an international scale because of data constraints, specifically the lack of consistent and comparable labour force survey microdata for a sufficient number of countries. Young (1995) produced a relative wage using the wages of employees and imputed it for the

▶ **Box 3.1**

Estimating the labour income share using rule-of-thumb approaches

The wage share is readily computed from System of National Accounts (SNA) data:

$$Wage\ share\ =\ \frac{Compensation\ of\ employees}{GDP}$$

where "compensation of employees" refers to the total income – both wages and salaries and supplements to wages and salaries – earned by employees in return for contributing to production during an accounting period. To overcome the exclusion of the self-employed from the wage share, it is common to make an assumption, based on a rule of thumb, about the income of the self-employed. The most popular rules of thumb can be categorized into two types: Gollin's first approach (G1) and Gollin's third approach (G3).

The G1 approach seeks to correct the wage share by drawing on SNA data. The most common approach is to use mixed income, which refers to the earnings accruing to unincorporated enterprises, as a measure of the income of the self-employed:

$$G1\ labour\ income\ share\ =\ \frac{Compensation\ of\ employees + \theta \times Mixed\ income}{GDP}$$

The coefficient θ reflects the labour income share of the self-employed. Several values have been proposed, including two-thirds, or the value that makes the share equal to the employees' share:

$$\theta\ =\ \frac{Compensation\ of\ employees}{GDP - Mixed\ income}$$

Among others, ONS (2018), Karabarbounis and Neiman (2014), and Feenstra, Inklaar and Timmer (2015) broadly follow the G1 approach.

The G3 approach involves using, instead, the number of the self-employed (or a subset of the self-employed) to correct the wage share:

$$G3\ labour\ income\ share\ =\ \frac{Compensation\ of\ employees}{GDP} \times \frac{Share\ of\ employees + \gamma \times Share\ of\ self\ employed}{Share\ of\ employees}$$

where the coefficient γ indicates the ratio of the labour income earned, on average, by a self-employed worker to the labour income earned by an employee. The most commonly assumed value is 1, although lower values for developing economies have been proposed. The G3 approach is used by the European Commission's AMECO database, IMF (2017) and van Treeck (2017).

Rules of thumb are convenient to apply and can be used to obtain estimates for most countries. However, the results depend to a considerable extent on the underlying assumptions, which do not allow for important national specificities, notably the value of θ or γ.

self-employed in three economies – Hong Kong (China), the Republic of Korea and Singapore – according to their economic activity, gender, age and education. However, apart from that important study, all other international estimates of the labour income share have continued to use a rule-of-thumb approach. As recently as three years ago, acknowledging the absence of international microdata-based estimates of the relative wage of the self-employed, Cho, Hwang and Schreyer observed that "[t]he theoretically most compelling approach is a procedure based on matching micro-data records at national level" (2017, p. 12).

The development of the ILO Harmonized Microdata collection, which includes labour force survey microdata from over 150 countries that are systematically processed in accordance with the standards established by the International Conference of Labour Statisticians, has made it possible to produce reliable international estimates of the adjusted labour income share.[3] Drawing on this collection, ILO (2019k) uses the Young (1995) methodology to estimate the relative labour income of the self-employed taking into account their observable characteristics and how they compare with employees. Relevant variables, such as economic sector, occupation, education and age, are used in a regression analysis to estimate how they influence employees' labour income. On the basis of the estimated relationship between the labour income of employees and the explanatory variables, labour income is extrapolated to the self-employed. Extending Young's (1995) approach, a correction procedure is applied in ILO (2019k) to mitigate the effect of selection bias in self-employment (see that report for a detailed explanation of the methodology). The total labour income is then computed by aggregating across the workforce, i.e. including both employees and the self-employed.

The labour income share has been directly estimated for 95 countries and imputed for 94 others. Relevant data are therefore available for 189 countries, in addition to regional and global aggregates covering the period from 2004 to 2017.[4] This new ILO data set includes direct estimates for nearly twice the number of countries previously available in the SDG Indicators Global Database. Moreover, analysis of the new ILO estimates suggests that the previous estimates suffered from significant bias.

It is instructive to consider the results from two very different countries: India and the United States. Figure 3.1 presents the unadjusted measure of the labour income share (the wage share), along with three adjusted measures: one proposed by Gollin (2002), which assumes that the average earnings of the self-employed are equal to the average earnings of employees, one proposed by van Treeck (2017), which assumes a fixed relative wage of the self-employed, namely two-thirds of employee's wages, and the one proposed by ILO (2019k).

Several key patterns emerge from figure 3.1. The panel on the left makes it clear that even in a developed economy such as the United States, the assumption underlying the G3 measure is at odds with the microdata evidence of ILO (2019k). The G3 measure assumes that the relative wage of the self-employed compared with that of employees is 1, yet the evidence points to it being considerably higher. In 2016, for instance, the unadjusted labour income share stood at 53.7 per cent. The G3 measure was 57.3 per cent, whereas the microdata-based measure was 59.0 per cent. This is consistent with the general observation that in high-income countries, the self-employed tend to earn a higher relative wage than employees, in other words, that there is a "self-employment premium" (van Treeck, 2017). The self-employed include entrepreneurs, with or without employees, and highly skilled professionals who often earn more than their employee counterparts. Self-employment also includes groups in less favourable situations, such as some of the workers in the gig economy. Nonetheless, in high-income countries the average self-employment premium is considerable, as is the effect it has on the adjusted labour income share. The additional effect of that premium accounts for roughly half of the G3 adjustment, highlighting the importance of estimating relative wages in high-income countries. Furthermore, the effect is also important in terms of the evolution of the labour income share over time. The gap between the G3 and ILO measures decreased by roughly 20 per cent between 2005 and 2016, suggesting that the labour income share in the United States has declined to a greater extent than is commonly reported.

The ILO estimates of the labour income share suggest that the income premium for the self-employed vis-à-vis employees has been declining in the United States. This is consistent with a gradual downward shift in the labour income of the self-employed relative to that of employees.

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[3] See: https://ilostat.ilo.org/about/data-collection-and-production/ and ILO (2018i). The ILO Harmonized Microdata collection has been complemented with the Luxembourg Income Study data for two countries, Germany and the United States.
[4] All these estimates are available at: https://ilostat.ilo.org/topics/labour-income/.

Figure 3.1

Labour income share, unadjusted and adjusted to take into account the labour income of the self-employed, United States and India, 2005–16 (percentages)
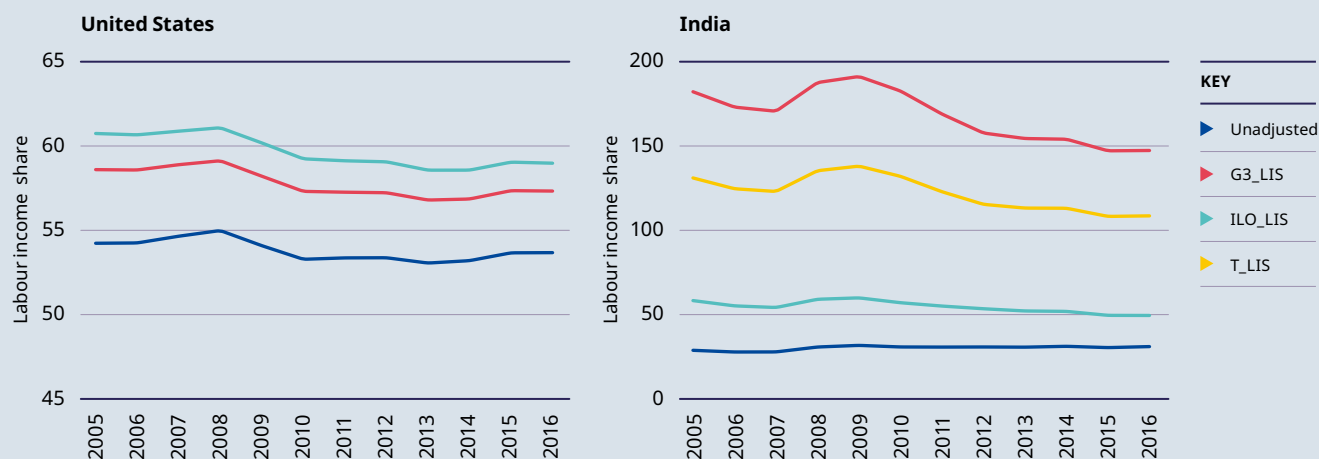
Note: The graphs show the following measures of the labour income share: unadjusted (wage share); adjusted following the third approach in Gollin (2002) ("G3_LIS"); adjusted following van Treeck (2017) ("T_LIS"); and adjusted using microdata following the ILO (2019k) methodology ("ILO_LIS").

Source: ILO, 2019k.

Because of their design, rule-of-thumb approaches fail to take into account this type of dynamic, which can be highly relevant in countries experiencing ongoing labour market shifts, including the emergence of new forms of employment such as gig work. Although the effect of the decreasing self-employment premium is modest given the short period considered, that trend can have a significant impact over longer timespans. The evidence suggests that the rule-of-thumb approaches currently used for developed countries lead to skewed estimates of both the level and the evolution of the labour income share.

The panel on the right in figure 3.1 shows the various measures of the labour income share for India. Assuming that the self-employed earn the same labour income as employees is clearly not acceptable in this case, as it results in estimated values of the G3 measure that are consistently above 100 per cent. However, even following a rule-of-thumb approach specifically designed

for developing economies – where the relative wage of the self-employed is assumed to be two-thirds that of employees (van Treeck, 2017) – the labour income share would implausibly exceed 100 per cent. While the example of the United States suggests the desirability of basing relative wages in high-income countries on microdata, India's case demonstrates that the use of microdata for developing countries is a necessity.

The reason for these implausible estimates is straightforward. The share of self-employment in India (as in many other developing countries) is very high; at the same time, the microdata suggest that there is a large self-employment penalty in India (in 2005, the labour income of an own-account worker was estimated to be roughly one-fifth of an employee's wage). The combination of a high share of self-employment with large self-employment penalties renders such a rule-of-thumb approach unusable.

Trends in the labour income share

A worldwide decline, with differing patterns across regions

The new ILO estimates indicate that the adjusted global labour income share declined from 53.7 per cent in 2004 to 51.4 per cent in 2017 (figure 3.2). To put that into perspective: if the labour income share had remained constant over this period, instead of declining, then the average worker worldwide would have earned US$820 (PPP) more per year in 2017. This trend was temporarily reversed during 2008 and 2009, which saw a sharp reduction in capital income, reflecting the countercyclical behaviour of the labour income share. The Europe and Central Asia region and the Americas have both been key drivers of the global decline in the labour share. Since 2004, the share in the Americas has declined by 1.6 percentage points and in Europe and Central Asia by more than 2.0 percentage points. The labour share in the United States decreased by almost 3.0 percentage points between 2004 and 2016.[5] In contrast, Brazil presents an even greater upward trend. Mexico experienced a decline exceeding that observed in the United States,

while Canada's labour income share has remained relatively stable. As for European countries, despite the countercyclical increases during 2008–11, the labour income share declined significantly in Germany, the United Kingdom, Italy and Spain between 2004 and 2016.

The pattern of a long-term decrease with countercyclical behaviour is also observed in Asia and the Pacific, where it is driven mainly by the labour income share in India. Africa, on the other hand, seems to be unaffected by the global decline: since 2010, its labour income share has steadily risen (albeit starting from the lowest level in all of the regions considered). It is important to note that data availability is limited in both Asia and the Pacific and Africa, which means that the estimates for those two regions are subject to greater uncertainty.[6]

The estimated regional labour income shares lie within a relatively narrow range, with a minimum value of 45.2 per cent in Africa in 2008 and a maximum of 58.2 per cent in Europe and Central Asia in 2009. This low dispersion is, in part, a result of adjusting for self-employment.

Figure 3.2

Global and regional labour income shares, 2004–17 (percentages)

KEY
▶ Africa
▶ Americas
▶ Asia and the Pacific
▶ Europe and Central Asia
▶ World
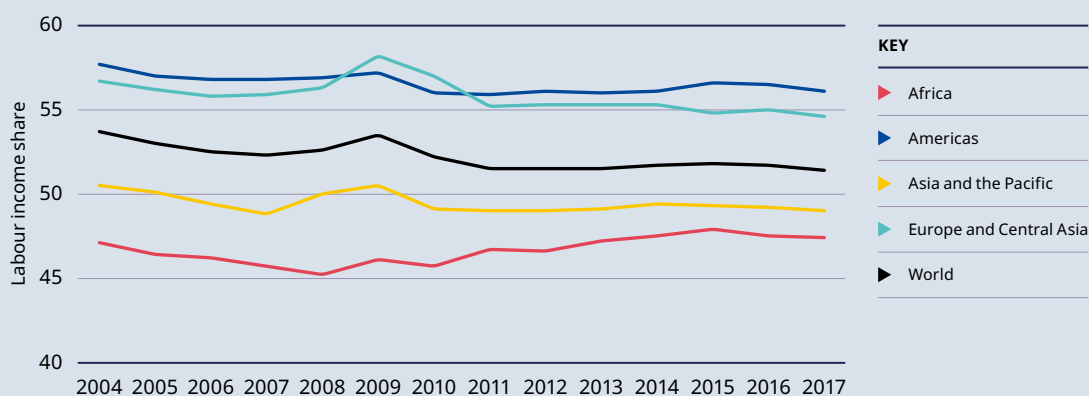
Source: ILO, 2019k.

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[5] At the time the ILO data set on labour income share and distribution was assembled, national accounts data from the United Nations Statistics Division's repository ended in 2016 for many countries. Therefore, 2016 is often referred to throughout this chapter as the end year for country-level data. The methodology we used allowed us to impute the missing observations for 2017, and they are indeed shown at the aggregate level. However, these estimates should be viewed as preliminary and subject to great uncertainty.

[6] In India, the last microdata set we were able to use is from 2010; for later years the relative wages must be imputed. The data for China exhibit very specific characteristics, and an ad hoc procedure – described in detail in ILO (2019k) – is used to take them into account. The country sampling for Africa is sparse, resulting in uneven coverage across years. Regional estimates have not been presented for the Arab States at all because of data limitations. Two elements are of particular concern with regard to the Arab States: the almost total lack of microdata from the region and difficulties in the statistical measurement of migrant workers. The microdata required to compute relative wages are available for 95 out of 189 countries worldwide. By region, the microdata availability is as follows: 22 out of 54 countries in Africa; 22 out of 33 in the Americas; 1 out of 12 in the Arab States; 15 out of 39 in Asia and the Pacific; and 35 out of 51 in Europe and Central Asia.

Figure 3.3

ILO and AMECO estimates of the labour income share, selected countries, 1961–2017 (percentages)
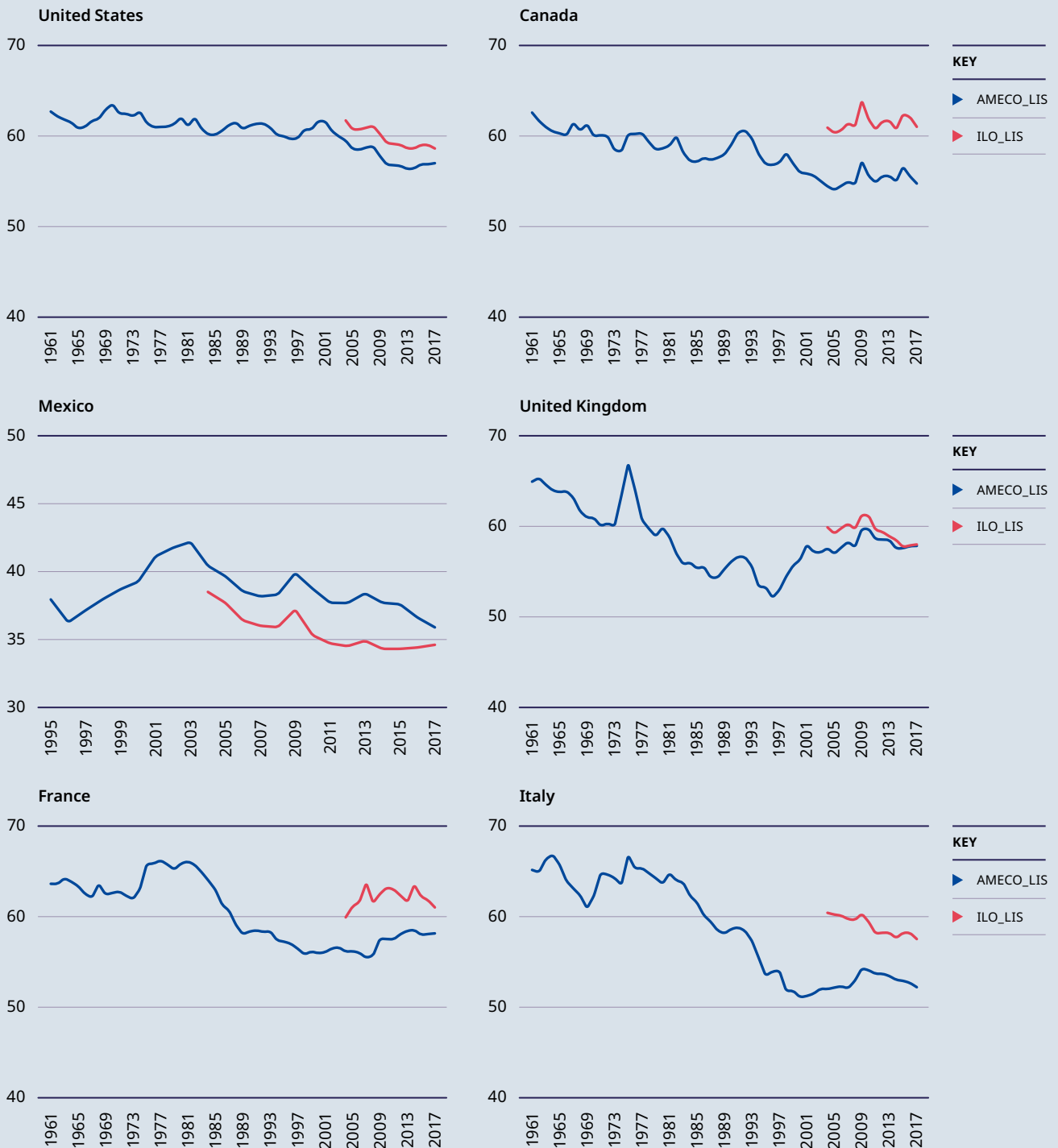
Source: Data set on labour income share and distribution in the ILOSTAT database; AMECO database.

The unadjusted labour income share is strongly correlated with a country's income level. Adjustment for self-employment reduces the degree of correlation because economic development is strongly associated with lower levels of self-employment. Nevertheless, a regional pattern related to income can still be observed. Higher-income regions have adjusted labour income shares above the global level, and vice versa.

Recent trends in the labour income share considered in a historical context

A limitation of the new ILO data set on labour income share and distribution is its relatively short timespan, which is mainly due to the time covered by the various sets of microdata on which it is based. In contrast, the widely used AMECO[7] database, which relies on the G3 adjustment for self-employment, offers a longer time series for most of the countries included, though the number of countries covered is far smaller. A comparison of the ILO and AMECO estimates therefore not only provides a longer-term perspective on the recent evolution of the labour income share as determined from the ILO data set, it also sheds further light on the advantages of the ILO's adjustment for self-employment based on microdata compared with the rule-of-thumb approach used for the G3 measure.

Such a comparison has been undertaken for six countries in figure 3.3. The ILO estimates indicate that Italy, Mexico, the United Kingdom and the United States all registered a decline in the labour income share between 2004 and the most recent year. In all of these countries except for Mexico, the recent decreases were part of a longer-term trend of declining labour shares since 1960. In Mexico, which exhibits a far lower labour income share than the other countries in the figure, the earliest year for AMECO data is 1995. The country has experienced a modest net decline since 1995, with a particularly large drop since 2003. By contrast, Canada and France have experienced little change in the ILO-estimated labour income share since 2004. Nevertheless, the recent stability in these countries has come after a long-term, significant decline since 1960, as suggested by the AMECO estimates.

In all the countries included in figure 3.3 except Mexico, the ILO-estimated labour income shares are higher than the AMECO estimates, which indicates that the self-employed have higher average earnings than employees. This premium for the self-employed is greatest in Canada, followed by Italy and France. The self-employed in the United Kingdom and the United States have a much smaller income premium vis-à-vis employees. In the United States, the self-employment premium halved between 2004 and 2016. In the United Kingdom, the self-employed had a modest income premium in the earlier years of the ILO estimates. However, by 2016 this premium had been completely eliminated. These trends point to important ongoing changes in the nature of self-employment in the United Kingdom and the United States. Even if the AMECO and ILO series are highly correlated at the level of individual years, comparison between the two makes it clear that estimates of the evolution of the labour shares over longer timespans, even when focusing on the last 13 years, are substantially affected by the different methodologies used. For instance, the ILO estimates point to significant decreases in both the United Kingdom and Italy, whereas the AMECO series suggests a roughly constant share in the United Kingdom and in Italy.

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[7] AMECO is the annual macroeconomic database of the European Commission's Directorate-General for Economic and Financial Affairs.

Global and regional patterns of labour income distribution

In addition to estimating labour income shares, the new ILO data set can be used to gain other insights into labour market dynamics. In particular, for all workers in each set of microdata used, their actual labour income is available (or an imputed one in the case of the self-employed and employees for whom data are missing). These values can, in turn, be used to compute the full labour income distribution at the national, regional and global level. These new estimates provide a unique opportunity to study the labour income distribution, while taking into account the role of self-employment at these three levels.

This section presents key results concerning the labour income distribution. The global labour income distribution and its recent evolution are analysed, with a particular focus on the role of economic convergence in shaping the evolution of labour income inequality. Even if global labour income inequality has been declining during the past 13 years, the distribution is still strongly skewed in favour of a small share of workers: in 2017, workers in the top decile earned almost half of total labour income. The observed decline in inequality is a result of economic convergence, mainly driven by strong growth in China and India. In contrast to global labour inequality, within countries labour income inequality has remained constant on average. These findings are complemented by examining the evolution of inequality within regions. The data reveal very different levels of inequality across regions. Africa is the most unequal region, whereas Europe and Central Asia

has the lowest levels of labour income inequality. Finally, the relationship between the distribution of labour income and national income per capita is studied. The results show that, at the country level, as GDP per capita decreases, inequality increases.

The global labour income distribution is lopsided: A worker in the top decile earns US$7,475 per month, one in the bottom decile just US$22

In 2017, the latest year with available data, an average worker in the top decile of the global labour income distribution earned US$7,475 (PPP) per month, whereas a worker in the bottom decile earned just US$22 (PPP). The average remuneration for the 50 per cent of workers with the lowest pay was US$198 (PPP) per month (figure 3.4). Put slightly differently, the highest-earning 10 per cent of workers worldwide received almost half (48.9 per cent) of total pay, the next decile received 20.1 per cent, while the remaining 80 per cent of workers received just 31.0 per cent (figure 3.5).

Although global pay inequality levels are very high, it is important to note that they have decreased between 2004 and 2017. However, if we exclude India and China, we observe a much slower reduction in labour income inequality over that period. Interestingly, these findings do not reflect a decrease in inequality within India or China – indeed, the data suggest that neither country registered such a decline during 2004–17. Instead, the two

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Figure 3.4

Global average monthly earnings per worker by decile, 2017 (US$ in PPP terms)
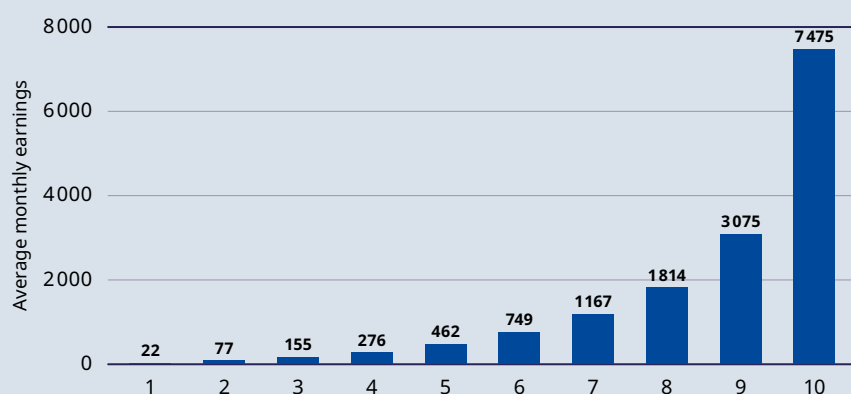
Note: The bars show the estimated average monthly earnings per worker for each decile. The distribution was obtained by dividing workers worldwide into ten groups of equal size (each accounting for roughly 320 million workers) ranked according to their estimated earnings in 2017, and then computing the average for each group.

Source: ILO, 2019k.

Figure 3.5

Labour income distribution by decile, global, 2004 and 2017 (percentages)

World

World – excluding China and India
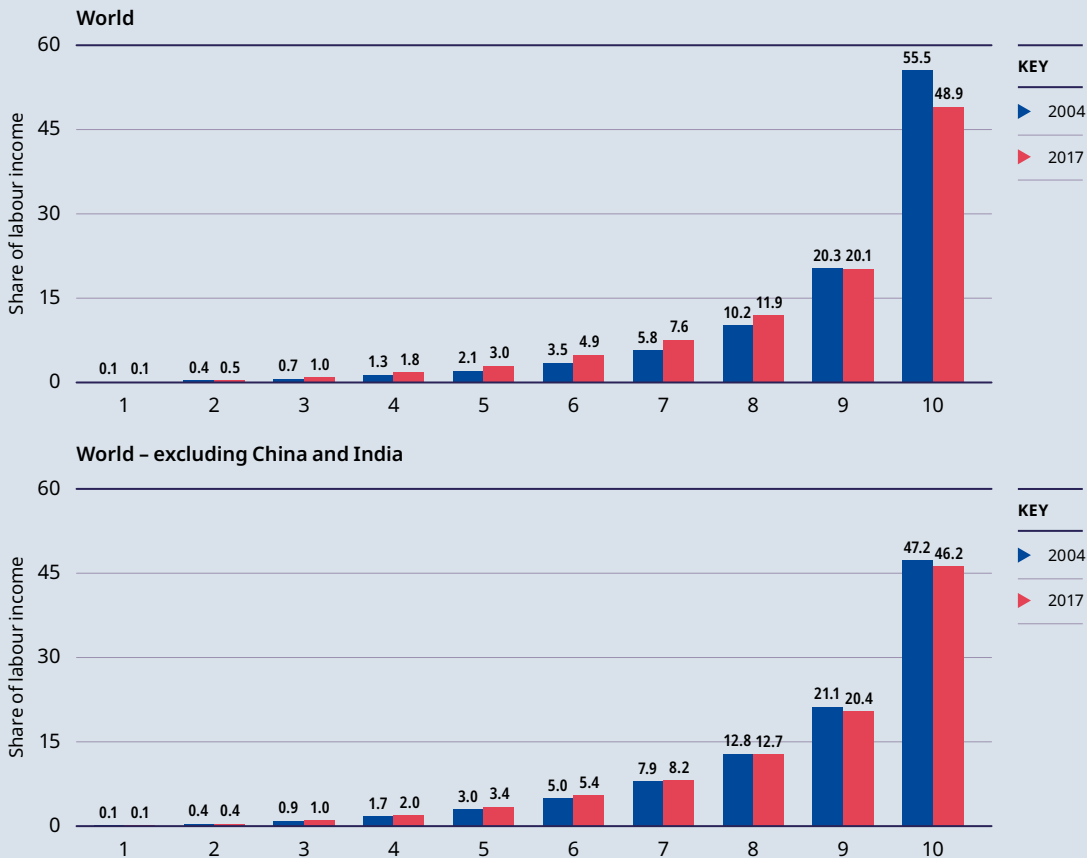
Note: These charts have been produced using a procedure analogous to that for figure 3.4, but in this case focusing on the relative share of income per decile rather than the average level.

Source: ILO, 2019k.

countries have enjoyed very high growth rates, which, together with their initially low level of average labour income, have contributed "mechanically" – via economic convergence – to a global decrease in inequality.

Economic convergence between countries has reduced global pay inequality, but within countries, on average, the middle class and the lowest earners have barely seen their shares of labour income change

Given the effect of certain countries' economic convergence on the evolution of the global labour income distribution, it is useful to compare that distribution with

an indicator that looks solely at the variation of inequality within countries. The objective is to determine how the labour income distribution has changed on average within each country. Dividing workers into three groups – the bottom 20 per cent, the middle 60 per cent and the top 20 per cent[8] – and averaging their share of labour income across countries enables us to study the within-country component of global inequality. Additionally, to take into account the economic size of countries, the averages are weighted by GDP.

The evolution of the average GDP-weighted labour income distribution points to a stagnation in inequality over the past 13 years (figure 3.6). On average, the middle

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[8] This division captures the workers that are in the middle class (defined here as the middle 60 per cent of the labour income distribution) and the two groups above and below. There are many definitions of the middle class, but in this report we have used the one from Reeves and Guyot (2018), published under the Future of the Middle Class Initiative at the Brookings Institution. The main advantages of their definition are that the resulting middle-class category is symmetrical around the median, that this category represents a majority of workers, and that it is straightforward to communicate.

Figure 3.6

Average share of total labour income accruing to the middle 60 per cent ("middle class") and the top and bottom quintiles of the labour income distribution, global, 2004 and 2017 (percentages)

KEY
▶ 2004
▶ 2017

Note: The figure was prepared by dividing workers into three groups on the basis of labour income – the bottom 20 per cent, the middle 60 per cent and the top 20 per cent – for each country and year. The average share of labour income of each of these groups across all countries was then calculated, with the averages weighted by the economic size of each country in 2004.

Source: ILO, 2019k.

class (defined here as the middle 60 per cent of workers) has seen its share of labour income change little, from 44.8 per cent in 2004 to 45.1 per cent in 2017. For the lowest earners (the bottom 20 per cent), the change has also been negligible: they earned 4.0 per cent of labour income in 2017, compared with 3.9 per cent in 2004. Consequently, the highest 20 per cent of earners saw little change in their average share of global pay. Nonetheless, labour income inequality has increased in large countries around the world, such as Germany, Indonesia, Italy, Pakistan, the United Kingdom and the United States.

Regional patterns: Africa is the region most affected by labour income inequality, while Europe and Central Asia is the least affected

A synthetic measure of inequality in the labour income distribution is the ratio of the labour income of the top 50 per cent of earners to that of the bottom 50 per cent. One can interpret this measure as the number of years that the poorer half of the distribution needs to work on average to earn the same as the richer half does in a year. Figure 3.7 shows the evolution of this ratio for the world as a whole and in the various regions.

The disparate levels of inequality across regions are quite apparent. In 2017, the poorer half of the total employed population worldwide would have had to work around 14 years to earn the same as the richer half earned in one year. In the region with the greatest labour income disparities, Africa, the corresponding number was as high as 28 years. In contrast, in the region least affected by

Figure 3.7

Ratio of the labour income of the top 50 per cent of the labour income distribution to that of the bottom 50 per cent, global and by region, 2004–17

KEY
▶ Africa
▶ Americas
▶ Asia and the Pacific
▶ Europe and Central Asia
▶ World
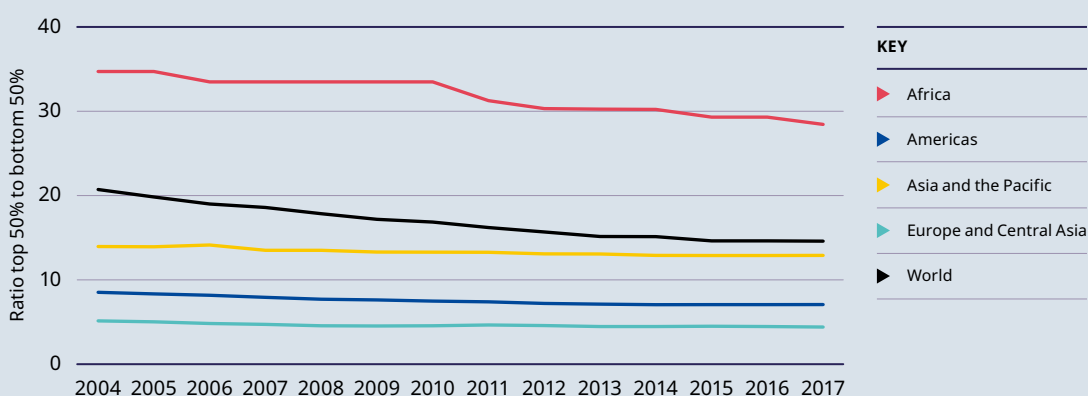
Source: ILO, 2019k.

labour income inequality, Europe and Central Asia, the poorer half of the employed population in 2017 would have had to work for roughly four years to earn the annual labour income of the richer half. In the Americas and in Asia and the Pacific, the corresponding numbers were seven and 13 years, respectively.

Although Africa currently has the highest level of labour income inequality, it has also experienced the steepest decline in inequality since 2004. Nonetheless, the rate of decline has stalled somewhat since 2013. Global labour income inequality has followed the same trend. In Asia and the Pacific and in Europe and Central Asia, the stall started earlier.

Countries with lower GDP per capita tend to have much higher levels of inequality

Using the ratio of the earnings of the top 50 per cent of the labour income distribution to those of the bottom 50 per cent as a measure of inequality, we can analyse its relationship with GDP per capita (figure 3.8). The results

show a strong negative association between inequality and national income level. Countries with low GDP per capita tend to have much more unequal labour income distributions. In higher-income countries, the 50 per cent of workers with the lowest pay have to work between two and four years to earn the annual pay of the richer half. For the countries with the lowest levels of GDP per capita, the corresponding number of years can exceed 20. This high level of inequality in the distribution of labour income in certain developing countries is driven by two key factors. First, the upper end of the distribution encompasses very large incomes (i.e. the top 10 per cent have a much larger share of total labour income than the following 40 per cent). Second, a large proportion of workers (broadly speaking, the bottom 50 per cent of the distribution) have extremely low labour income. Our analysis therefore shows that labour income is unequally distributed worldwide both because of differences in average labour income per worker across countries and because of a more unequal pay distribution precisely in those countries with lower average income.

Figure 3.8

Labour income inequality versus GDP per capita, selected countries, 2004–17
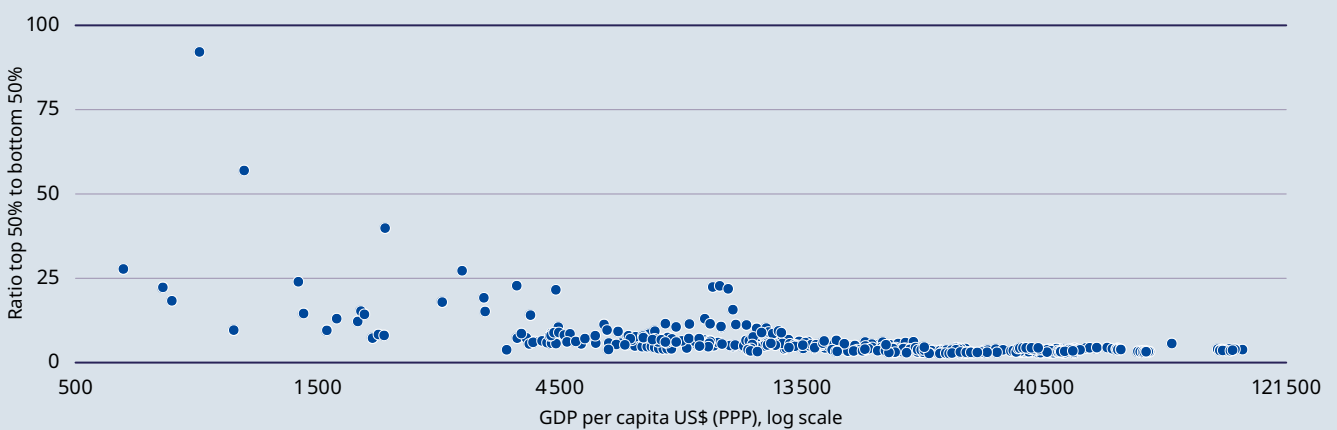
Note: The figure plots the ratio of the earnings of the top 50 per cent of the labour income distribution to those of the bottom 50 per cent against the logarithm of the GDP per capita in US dollars (PPP) for all countries for which the necessary microdata from the period 2004–17 are available.

Source: Data set on labour income share and distribution in the ILOSTAT database.

Are we underestimating income inequality in lower-income countries?

What insights can the data on labour income distribution bring to the study of total income inequality?

Inequality is a key global issue and one of the ILO's priorities. The ILO Centenary Declaration for the Future of Work (2019) emphasizes the need to tackle income inequality, as does the 2030 Agenda for Sustainable Development under SDG 10. Moreover, tackling inequality also underpins SDG 1 (on poverty eradication) and SDG 8 (on achieving decent work for all).

It is therefore not surprising that the study of international inequality has attracted considerable attention on the part of policy-makers as well as researchers. Given the large differences in average income per capita across countries, studying the income distribution at the global level is key to improving our understanding of income inequality. However, the data on total income distribution in lower-income countries have remained quite limited over the past few decades. The ILO's new data set on labour income share and distribution offers an opportunity to analyse the global distribution of total income, which includes both labour and capital income, using labour income as a proxy.

When analysing international income inequality, data on the distribution of expenditure have been widely used as a proxy for the income distribution in countries with GDP per capita below US$4,000 (PPP)[9] (Deininger and Squire, 1996; Lakner and Milanovic, 2013; Palma, 2011; Sala-i-Martin, 2006). This is because no other types of data were generally available. The main source of distributional data was the World Bank's PovcalNet repository, which contains estimates derived from both income and expenditure measures, with the latter being by far the most common for lower-income countries. While acknowledging that considering income and expenditure measures jointly is not an ideal approach, studies of international income inequality have had no choice but to rely on such data. Countries below the GDP per capita threshold of US$4,000 (PPP) account for a substantial share of the world's population.

The ILO's labour income distribution data include household survey-based estimates for 94 countries. Since 22 of these countries are below the US$4,000 (PPP) threshold, this presents the opportunity to use a new proxy to study income inequality that offers substantial coverage for lower-income countries. Although the labour income distribution is not identical to the total income

distribution (ILO, 2019k), the two are strongly correlated. By looking at the labour income distribution, one can overcome the limitations of the expenditure-based proxy used in analyses of the total income distribution.

When comparing the labour income distribution with the total income distribution, no systematic differences arise. In contrast, the expenditure-based proxy seems to underestimate total income inequality systematically, and the difference grows as GDP per capita decreases. If we adjust the expenditure measure by the size of this difference to estimate the income distribution for countries with low GDP per capita (for which we do not have direct income distribution data), we find that the labour income proxy is in line with the adjusted estimates. The results show that labour income is a reliable proxy of total income, whereas expenditure is not. The frequently used combination of income and expenditure measures, taken from PovcalNet, yields estimates of the total income share for the top 10 per cent that are very similar to the estimates obtained for higher-income countries using the labour income as a proxy. By contrast, in lower-income countries, the income shares of the top decile obtained from PovcalNet are substantially lower than the estimates based on labour income – by as much as 20 percentage points. This suggests that in lower-income countries, inequality is likely to be significantly underestimated.

The share of labour income of the top decile of workers steadily increases as GDP per capita decreases. In lower-income countries, this increase comes at the expense of both the lowest earners and the middle class

The ILO's estimates of the labour income distribution (based on 548 country–year observations for 94 countries) show a clear negative relationship between GDP per capita and labour income inequality (figure 3.9). A number of studies (Cobham, Schlogl and Sumner, 2015; Palma, 2011 and 2014) have identified a negative relationship between GDP per capita income inequality, but following a very specific pattern. Dividing the total income distribution into three groups – the bottom 40 per cent, the top 10 per cent and the 50 per cent in the middle – these studies have found that the share of total income accruing to the top 10 per cent increases at the expense of the bottom 40 per cent as average national income declines, while the share of total income accruing to the middle 50 per cent remains roughly stable. This is referred to as the "Palma proposition".

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[9] This threshold roughly corresponds to two of the World Bank's income groups: "low-income" and "lower-middle-income" countries, defined as having a gross national income per capita below US$996 (PPP) and US$3,895 (PPP), respectively.

Figure 3.9

Labour income distribution versus GDP per capita: Labour income shares of the bottom 40 per cent, middle 50 per cent and top 10 per cent, selected countries, 2004–17
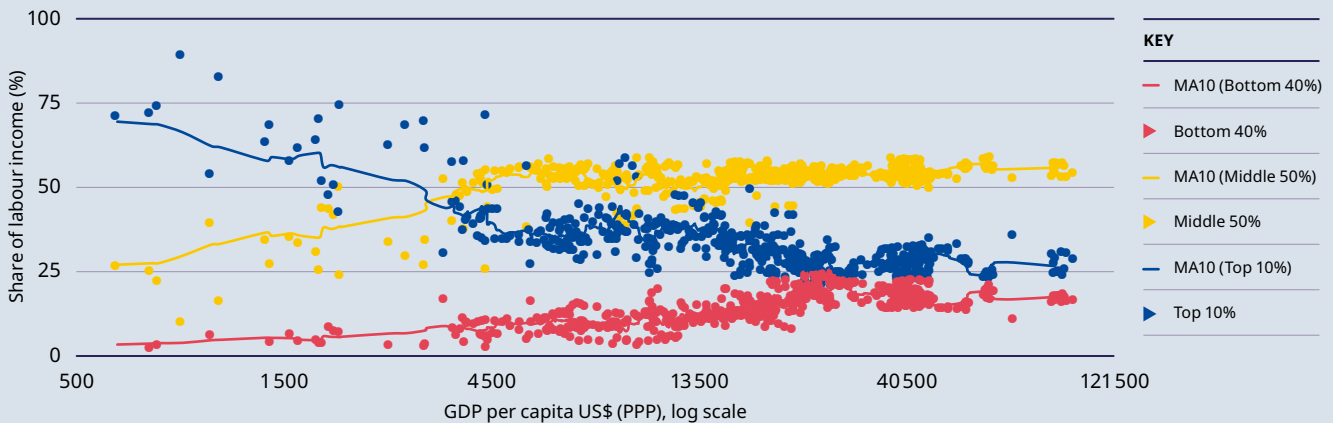
Note: The figure shows the estimated labour income distribution in countries with available microdata for the 2004–17 period. MA10(z) indicates a moving average of ten observations of the variable *z*.

Source: Data set on labour income share and distribution in the ILOSTAT database.

Interestingly, the country-level distribution of labour income shows a discontinuity at a GDP per capita of around US$4,000 (PPP). In countries above that threshold, decreasing GDP per capita is associated with an increasing share of labour income for the top 10 per cent and a decreasing share for the bottom 40 per cent, while the share of the middle 50 per cent remains roughly stable, at slightly above 50 per cent. This pattern is consistent with the findings related to total income from previous studies.

A different relationship is observed for countries below the GDP per capita threshold of US$4,000 (PPP). Decreasing GDP per capita continues to be associated with an increasing share of labour income for the top 10 per cent of a country's income distribution. The share accruing to the bottom 40 per cent decreases, but not enough to compensate for the increase for the top decile, which means that the share of the middle 50 per cent decreases. That decrease is considerable, from an average share of 50 per cent of labour income at the US$4,000 (PPP) threshold to an average share of 26 per cent in countries with the lowest GDP per capita. From labour income data we may therefore conclude that the income share of the middle 50 per cent does not remain stable in low- and lower-middle-income countries. Is this pattern observed for labour income, but not for total income? The evidence presented in the next subsections suggests that "No" is the most likely answer: one would expect to see a similar pattern for total income as well.

The distributions of total income and labour income are roughly comparable. However, almost no income data are available for countries with a GDP per capita below US$4,000

Figure 3.10 compares the labour income and total income distributions, showing only the top three quintiles for ease of visualization. The two measures do not differ significantly throughout the majority of the sample. Interestingly, very few observations are available with GDP per capita below US$4,000 (PPP). Figure 3.10 nevertheless shows that the labour income distribution, at least near the GDP per capita threshold of US$4,000 (PPP), is not substantially different from the total income distribution. Although we cannot establish definitively whether the labour income distribution is similar to the total income distribution at GPD per capita levels much lower than US$4,000 (PPP), there is no evidence suggesting otherwise.

The total income and expenditure distributions increasingly diverge as GDP per capita decreases, so using both measures indistinctively distorts inequality estimates in lower-income countries

Given the lack of income distribution data from PovcalNet for countries below the GDP per capita threshold of US$4,000 (PPP), earlier studies have inevitably used what was available, namely expenditure data. Lakner and Milanovic, for example, pointed out that they had used "a mix of income and consumption surveys, as is customary in this literature" (2013, p. 17). However, combining income and expenditure measures is problematic. Whereas in higher-income countries the expenditure and income distributions are comparable, the two distributions

Figure 3.10

Labour and total income distributions versus GDP per capita:
Labour and total income shares of the top three quintiles, selected countries, 2004–17

KEY

▶ Labour Income Quintile 3

+ Total Income Quintile 3

▶ Labour Income Quintile 4

− Total Income Quintile 4

▶ Labour Income Quintile 5

✕ Total Income Quintile 5
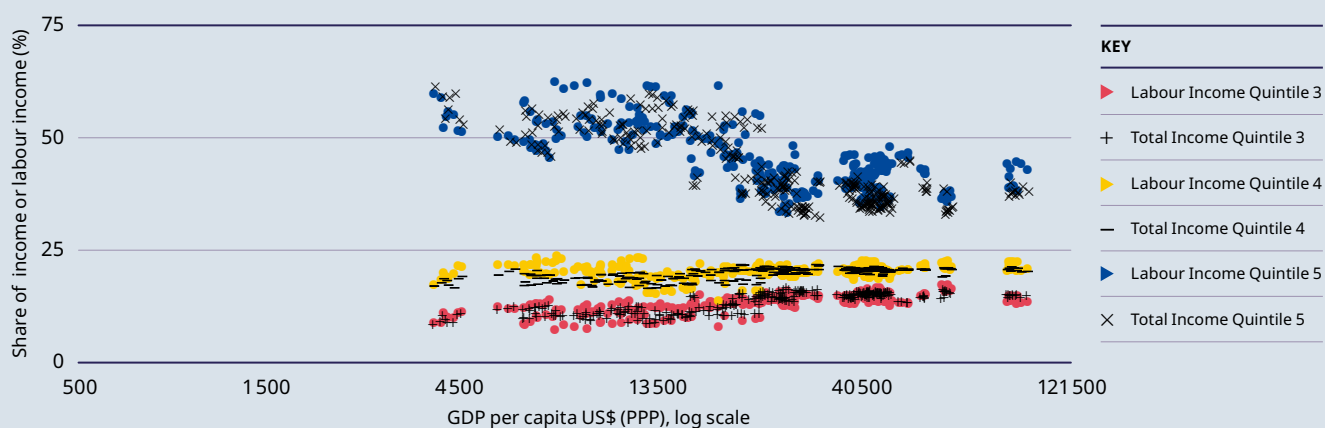
Note: The figure shows the estimated labour income distribution in countries with available microdata for the 2004–17 period together with the total income distribution for the same countries, based on PovcalNet data.

Source: Data set on labour income share and distribution in the ILOSTAT database; World Development Indicators database (World Bank).

Figure 3.11

Distributions of total income, estimated total income, and expenditure versus GDP per capita:
Total income, and expenditure shares of the top three quintiles, selected countries, 2004–17
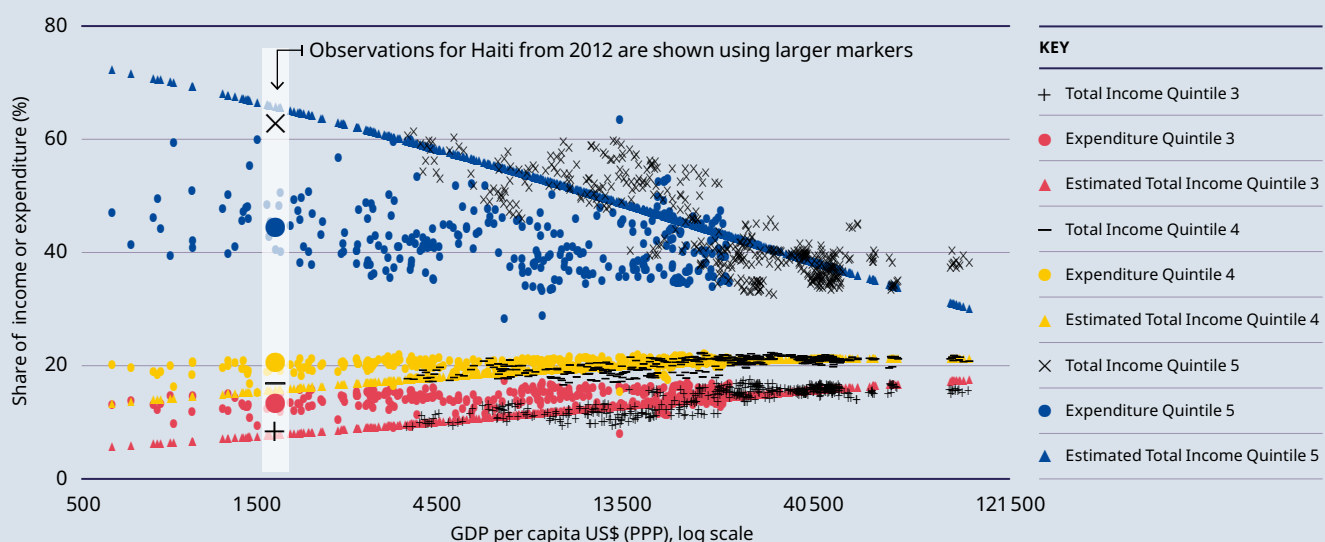
Observations for Haiti from 2012 are shown using larger markers

KEY

+ Total Income Quintile 3

● Expenditure Quintile 3

▲ Estimated Total Income Quintile 3

− Total Income Quintile 4

● Expenditure Quintile 4

▲ Estimated Total Income Quintile 4

✕ Total Income Quintile 5

● Expenditure Quintile 5

▲ Estimated Total Income Quintile 5

Note: The estimated total income distribution is derived from the expenditure distribution after adjusting for the average difference between the total income distribution and the expenditure distribution (both based on PovcalNet data) as a function of GDP. The figure shows the observations that are available for the 2004–17 period.

Source: Data set on labour income share and distribution in the ILOSTAT database; World Development Indicators database (World Bank).

increasingly diverge as GDP per capita decreases (figure 3.11). Moreover, very few income distribution observations are available for countries with GDP per capita below US$4,000 (PPP). Except for Haiti, the income distribution sample does not contain any observations for countries with a GDP per capita below US$3,600 (PPP).

Figure 3.12

**Labour income and estimated total income distributions versus GDP per capita:
Labour and total income shares of the top three quintiles, selected countries, 2004–17**

KEY

▶ MA10 (Labour Income) Quintile 3

+ Estimated Total Income Quintile 3

▶ MA10 (Labour Income) Quintile 4

– Estimated Total Income Quintile 4

▶ MA10 (Labour Income) Quintile 5

✕ Estimated Total Income Quintile 5
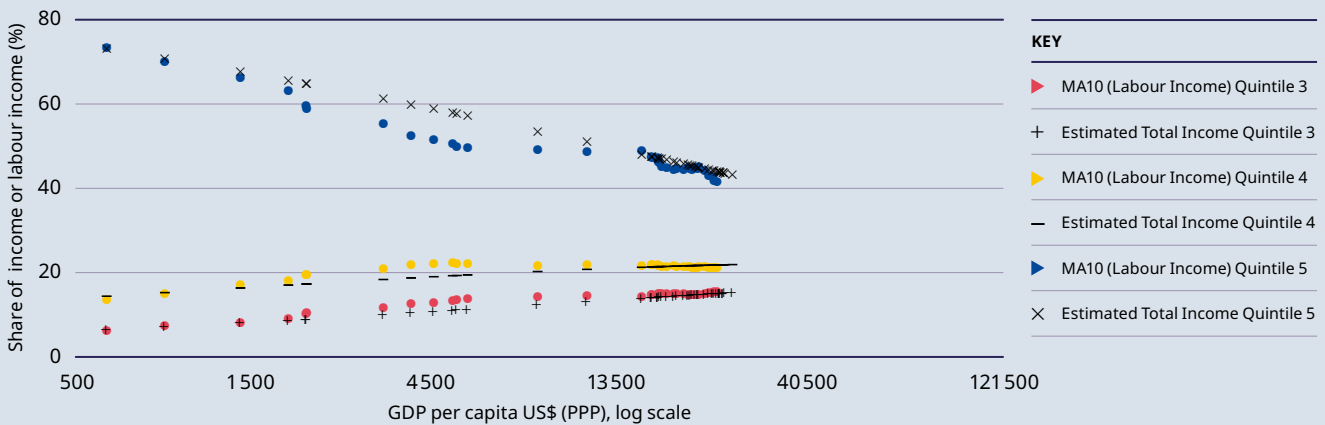
Note: The estimated total income distribution is derived from the expenditure distribution after adjusting for the average difference between the total income distribution and the expenditure distribution (both based on PovcalNet data) as a function of GDP. MA10(z) indicates a moving average of ten observations of the variable *z*. The figure shows observations corresponding to countries for which both the labour income distribution and expenditure data are available for the 2004–17 period.

Source: Data set on labour income share and distribution in the ILOSTAT database; World Development Indicators database (World Bank).

As can be seen from figure 3.11, below the US$4,000 (PPP) threshold the expenditure shares of the top three quintiles hardly vary as a function of GDP per capita. Such "flatness" is not exhibited by the income shares. The 2012 data for Haiti – the only country with available income data that belongs to the lower-income group – clearly illustrate this phenomenon. While the country has an expenditure distribution comparable to the average distribution for a country of its level of GDP per capita, the income distribution points to a much higher degree of inequality. For instance, the share accruing to the top 10 per cent is 17 percentage points higher when using the income distribution than when using the expenditure distribution.

In view of the apparent systematic discrepancy between income and expenditure, an approach can be used to estimate the likely income distribution for a country depending on its GDP level and expenditure distribution. This is done by regressing the (log) share of each quintile against (log) GDP per capita and its interaction with a dummy variable that indicates whether a measure is income- or expenditure-based. Using the regression results, the values of the income distribution are then fitted for countries for which only expenditure distribution data are available. In short, a regression model is used to extrapolate the observed difference between expenditure and income measures to produce a counterfactual income distribution of countries without such data. From the estimates it is clear that the apparent upper bound on the shares of the top quintile is an artefact caused by combining income and expenditure measures (figure 3.11).

The total income estimates suggest that the labour income distribution is a reasonable proxy for studying income inequality

Comparing the estimates of the total income distribution with the labour income distribution (figure 3.12), where the labour income data are smoothed for ease of visualization, we see that no systematic difference arises. This suggests that labour income distribution is a reasonably reliable proxy of total income distribution. The high degree of inequality in the labour income distribution is not peculiar to this type of income. In fact, using the labour income distribution as a proxy for total income distribution could somewhat understate income inequality, as evidenced by the occasionally lower shares of the fifth quintile. The results suggest that the labour income distribution is, on average, a good proxy for the total income distribution. It is important to have such a proxy because in lower-income countries, the expenditure distribution differs significantly from the income distribution, with expenditure data in particular presenting a much more equitable distribution than income data. This is not surprising, given that subsistence consumption and consumption smoothing can cause expenditure to exhibit a lower degree of inequality than income. All in all, income inequality is likely to be higher than previously estimated. Correcting for the likely underestimation, the global, population weighted, average income share of the bottom quintile decreases by 33 per cent, whereas the top quintile increases by 13 per cent. In lower-income countries the corrected average share of the bottom quintile decreases by 65 per cent, whereas the top quintile increases by 35 per cent.

Conclusion

This chapter focused on the labour income share, which is an inequality measure included in the United Nations SDG framework. However, obtaining internationally comparable estimates of this indicator is not straightforward. The main challenge lies in estimating the labour income of the self-employed. Taking advantage of the ILO Harmonized Microdata collection, the recently assembled ILO data set on labour income share and distribution, has enabled us to analyse the first-ever internationally comparable estimates of the labour income share. These estimates show that the global labour income share declined substantially between 2004 and 2017. The estimated labour income shares for six key economies were compared with the data from a repository with longer time series. This comparison suggests that the recent decline follows decades of labour income losing ground, in relative terms, to capital income. In high-income countries, the recent decline in the labour share is driven largely by decreases in the average labour income of the self-employed. This is consistent with a scenario in which new forms of work erode the earning power of the self-employed.

The same methodology has been used to obtain the first-ever estimates of the labour income distribution. The results show that the global labour income distribution is lopsided. Although economic convergence – driven mainly by growth in China and India – has caused global labour income inequality to decline during the past 13 years, the labour income distribution within countries has barely changed. Using the labour income distribution as a proxy for the total income distribution suggests that data constraints have led earlier studies to severely underestimate total income inequality in less developed countries. Hence, global inequality is likely to be much higher than previously assumed.

Appendices
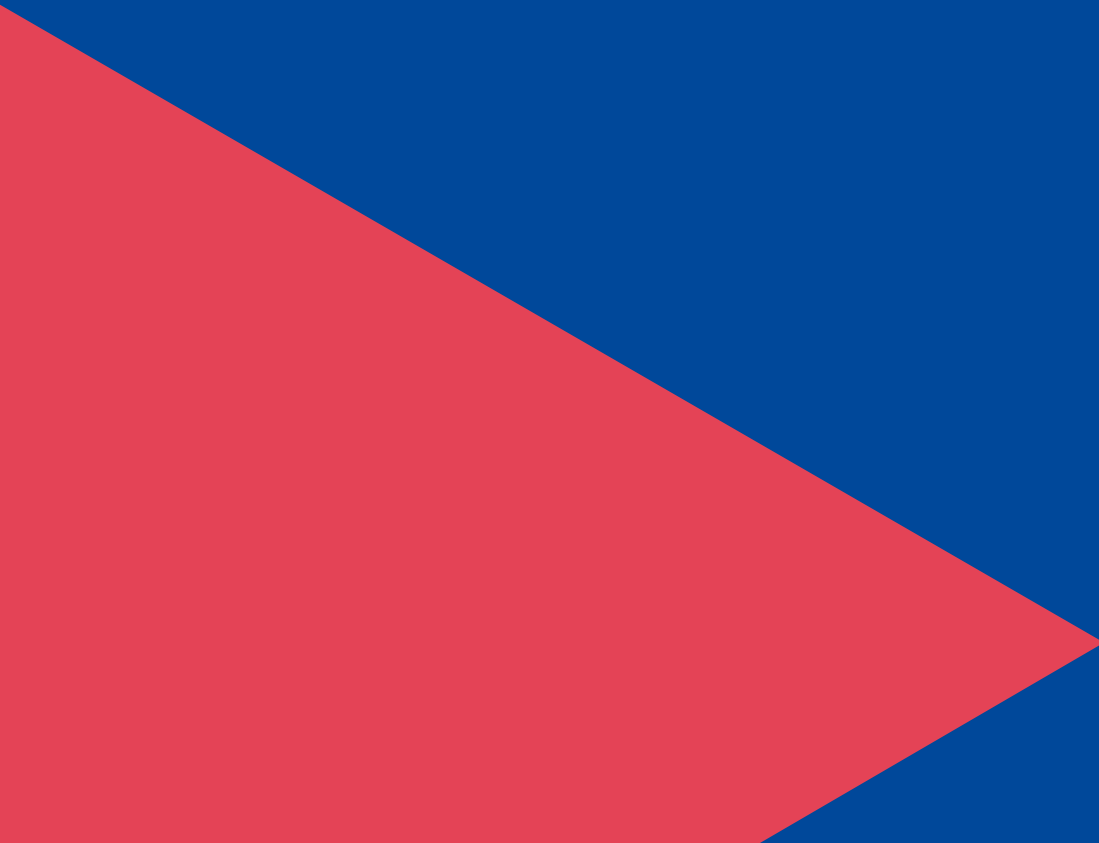
A. Country groupings by region and income level

Africa	Americas	Asia and the Pacific	Europe and Central Asia
North Africa	***Latin America and the Caribbean***	***East Asia***	***Northern, Southern and Western Europe***
Algeria	Argentina	China	Albania
Egypt	Bahamas	Hong Kong, China	Austria
Libya	Barbados	Japan	Belgium
Morocco	Belize	Korea, Democratic People's	Bosnia and Herzegovina
Sudan	Bolivia, Plurinational State of	Republic of	Channel Islands
Tunisia	Brazil	Korea, Republic of	Croatia
Western Sahara	Chile	Macau, China	Denmark
	Colombia	Mongolia	Estonia
Sub-Saharan Africa	Costa Rica	Taiwan, China	Finland
Angola	Cuba		France
Benin	Dominican Republic	***South-East Asia and the Pacific***	Germany
Botswana	Ecuador	Australia	Greece
Burkina Faso	El Salvador	Brunei Darussalam	Iceland
Burundi	Guatemala	Cambodia	Ireland
Cabo Verde	Guyana	Fiji	Italy
Cameroon	Haiti	French Polynesia	Latvia
Central African Republic	Honduras	Guam	Lithuania
Chad	Jamaica	Indonesia	Luxembourg
Comoros	Mexico	Lao People's Democratic Republic	Malta
Congo	Nicaragua	Malaysia	Montenegro
Congo, Democratic Republic of the	Panama	Myanmar	Netherlands
Côte d'Ivoire	Paraguay	New Caledonia	North Macedonia
Djibouti	Peru	New Zealand	Norway
Equatorial Guinea	Puerto Rico	Papua New Guinea	Portugal
Eritrea	Saint Lucia	Philippines	Serbia
Eswatini	Saint Vincent and the Grenadines	Samoa	Slovenia
Ethiopia	Suriname	Singapore	Spain
Gabon	Trinidad and Tobago	Solomon Islands	Sweden
The Gambia	United States Virgin Islands	Thailand	Switzerland
Ghana	Uruguay	Timor-Leste	United Kingdom
Guinea	Venezuela, Bolivarian Republic of	Tonga	
Guinea-Bissau		Vanuatu	***Eastern Europe***
Kenya	***North America***	Viet Nam	Belarus
Lesotho	Canada		Bulgaria
Liberia	United States	***South Asia***	Czechia
Madagascar		Afghanistan	Hungary
Malawi	**Arab States**	Bangladesh	Moldova, Republic of
Mali		Bhutan	Poland
Mauritania	Bahrain	India	Romania
Mauritius	Iraq	Iran, Islamic Republic of	Russian Federation
Mozambique	Jordan	Maldives	Slovakia
Namibia	Kuwait	Nepal	Ukraine
Niger	Lebanon	Pakistan	
Nigeria	Occupied Palestinian Territory	Sri Lanka	***Central and Western Asia***
Rwanda	Oman		Armenia
Sao Tome and Principe	Qatar		Azerbaijan
Senegal	Saudi Arabia		Cyprus
Sierra Leone	Syrian Arab Republic		Georgia
Somalia	United Arab Emirates		Israel
South Africa	Yemen		Kazakhstan
South Sudan			Kyrgyzstan
Sudan			Tajikistan
Tanzania, United Republic of			Turkey
Togo			Turkmenistan
Uganda			Uzbekistan
Zambia			
Zimbabwe			

High-income countries	Upper-middle-income countries	Lower-middle-income countries	Low-income countries
Australia	Albania	Angola	Afghanistan
Austria	Algeria	Bangladesh	Benin
Bahamas	Argentina	Bhutan	Burkina Faso
Bahrain	Armenia	Bolivia, Plurinational State of	Burundi
Barbados	Azerbaijan	Cabo Verde	Central African Republic
Belgium	Belarus	Cambodia	Chad
Brunei Darussalam	Belize	Cameroon	Congo, Democratic Republic of the
Canada	Bosnia and Herzegovina	Comoros	Eritrea
Channel Islands	Botswana	Congo	Ethiopia
Chile	Brazil	Côte d'Ivoire	The Gambia
Croatia	Bulgaria	Djibouti	Guinea
Cyprus	China	Egypt	Guinea-Bissau
Czechia	Colombia	El Salvador	Haiti
Denmark	Costa Rica	Eswatini	Korea, Democratic People's
Estonia	Cuba	Ghana	Republic of
Finland	Dominican Republic	Honduras	Liberia
France	Ecuador	India	Madagascar
French Polynesia	Equatorial Guinea	Indonesia	Malawi
Germany	Fiji	Kenya	Mali
Greece	Gabon	Kyrgyzstan	Mozambique
Guam	Georgia	Lao People's Democratic Republic	Nepal
Hong Kong, China	Guatemala	Lesotho	Niger
Hungary	Guyana	Mauritania	Rwanda
Iceland	Iran, Islamic Republic of	Moldova, Republic of	Sierra Leone
Ireland	Iraq	Mongolia	Somalia
Israel	Jamaica	Morocco	South Sudan
Italy	Jordan	Myanmar	Syrian Arab Republic
Japan	Kazakhstan	Nicaragua	Tajikistan
Korea, Republic of	Lebanon	Nigeria	Tanzania, United Republic of
Kuwait	Libya	Occupied Palestinian Territory	Togo
Latvia	Malaysia	Pakistan	Uganda
Lithuania	Maldives	Papua New Guinea	Yemen
Luxembourg	Mauritius	Philippines	Zimbabwe
Macau, China	Mexico	Sao Tome and Principe	
Malta	Montenegro	Senegal	
Netherlands	Namibia	Solomon Islands	
New Caledonia	North Macedonia	The Sudan	
New Zealand	Paraguay	Timor-Leste	
Norway	Peru	Tunisia	
Oman	Romania	Ukraine	
Panama	Russian Federation	Uzbekistan	
Poland	Saint Lucia	Vanuatu	
Portugal	Saint Vincent and the Grenadines	Viet Nam	
Puerto Rico	Samoa	Western Sahara	
Qatar	Serbia	Zambia	
Saudi Arabia	South Africa		
Singapore	Sri Lanka		
Slovakia	Suriname		
Slovenia	Thailand		
Spain	Tonga		
Sweden	Turkey		
Switzerland	Turkmenistan		
Taiwan, China	Venezuela, Bolivarian Republic of		
Trinidad and Tobago			
United Arab Emirates			
United Kingdom			
United States			
United States Virgin Islands			
Uruguay			

B. ILO modelled estimates

The source of all global and regional labour market estimates presented in this *World Employment and Social Outlook* report is the ILO modelled estimates as at November 2019. The ILO has designed and actively maintains a series of econometric models that are used to produce estimates of labour market indicators in the countries and years for which country-reported data are unavailable. The purpose of estimating labour market indicators for countries with missing data is to obtain a balanced panel data set so that, every year, regional and global aggregates with consistent country coverage can be computed. These allow the ILO to analyse global and regional estimates of key labour market indicators and related trends. Moreover, the resulting country-level data, combining both reported and imputed observations, constitute a unique, internationally comparable data set on labour market indicators.

Data collection and evaluation

The ILO modelled estimates are generally derived for 189 countries, disaggregated by sex and age as appropriate. Additionally, for selected indicators a disaggregation by geographical area (urban and rural) is performed. Before running the models to obtain the estimates, labour market information specialists from the ILO Department of Statistics, in cooperation with the Research Department, evaluate existing country-reported data and select only those observations deemed sufficiently comparable across countries. The recent efforts by the ILO to produce harmonized indicators from country-reported microdata have greatly increased the comparability of the observations. Nonetheless, it is still necessary to select the data on the basis of the following four criteria: (a) type of data source; (b) geographical coverage; (c) age-group coverage; and (d) presence of methodological breaks or outliers.

With regard to the first criterion, in order for labour market data to be included in a particular model, they must be derived from a labour force survey, a household survey or, more rarely, a population census. National labour force surveys are generally similar across countries and present the highest data quality. Hence, the data derived from such surveys are more readily comparable than data obtained from other sources. Strict preference is therefore given to labour force survey-based data in the selection process. However, many developing countries, which lack the resources to carry out a labour force survey, do report labour market information on the basis of other types of household surveys or population censuses. Consequently, because of the need to balance the competing goals of data comparability and data coverage, some (non-labour force survey) household survey data and, more rarely, population census-based data are included in the models.

The second criterion is that only nationally representative (i.e. not geographically limited) labour market indicators are included. Observations corresponding to only urban or only rural areas are not included, because large differences typically exist between rural and urban labour markets, and using only rural or urban data would not be consistent with benchmark data such as gross domestic product (GDP). Nonetheless, when the data are explicitly to be broken down by urban versus rural location, geographically limited data covering the area of interest are included.

The third criterion is that the age groups covered by the observed data must be sufficiently comparable across countries. Countries report labour market information for a variety of age groups, and the age group selected can influence the observed value of a given labour market indicator.

The last criterion for excluding data from a given model is whether a methodological break is present or if a particular data point is clearly an outlier. In both cases, a balance has to be struck between using as much data as possible and including observations likely to distort the results. During this process, particular attention is paid to the existing metadata and the underlying methodology for obtaining the data point under consideration.

Historical estimates can be revised in cases where previously used input data are discarded because a source that is more accurate according to the above-mentioned criteria has become available (see box B.1 for major revisions implemented for the November 2019 edition of the ILO modelled estimates).

Methodology used to estimate labour market indicators

Labour market indicators are estimated using a series of models, which establish statistical relationships between observed labour market indicators and explanatory variables. These relationships are used to impute missing observations and to make projections for the indicators.

There are many potential statistical relationships, also called "model specifications" that could be used to predict labour market indicators. The key to obtaining accurate and unbiased estimates is to select the best model specification in each case. The ILO modelled estimates generally rely on a procedure called cross-validation, which is used to identify those models that minimize the expected error and variance of the estimation. This procedure involves repeatedly computing a number of candidate model specifications using random subsets of the data: the missing observations are predicted and the prediction error is calculated for each iteration.

Revisions to historical estimates

As in previous years, the ILO modelled estimates have been updated to take into account new information and revisions to historical data.

The main difference between the ILO modelled estimates of November 2019 and those of November 2018 is the revision of historical unemployment rates for India. There are considerable methodological differences between the recently published Periodic Labour Force Survey (PLFS), covering 2017–18, and the previously used National Sample Survey. Consequently, only the most recent data have been used by the ILO; the rest of the time series has been imputed. The new estimates of unemployment are substantially higher than the previous ones, and given the country's size, this has a large impact on the global aggregates.

The unemployment rate has been derived directly from the PLFS microdata so as to facilitate international comparison, in particular by applying a definition of unemployment that is as close as possible to the standards set by the International Conference of Labour Statisticians. That being said, there is only one question in the PLFS that can be used to identify employment and unemployment: this is not in line with international best practice, which means that both the comparability and reliability of the results obtained using PLFS data are limited.

Each candidate model is assessed on the basis of the pseudo-out-of-sample root mean squared error, although other metrics such as result stability are also assessed depending on the model. This makes it possible to identify the statistical relationship that provides the best estimate of a given labour market indicator. It is worth noting that the most appropriate statistical relationship for this purpose could differ depending on the country.

The benchmark for the ILO modelled estimates is the 2019 Revision of the United Nations World Population Prospects, which provides estimates and projections of the total population broken down into five-year age groups. The working-age population comprises everyone who is at least 15 years of age. First, a model is used to estimate and project the labour force participation rates disaggregated by sex and five-year age groups. These estimated and projected rates are applied to the estimates for the working-age population in order to obtain the labour force. Second, another model is used to estimate the unemployment rate disaggregated by sex and for young people (15–24) and adults (25+). Combining the unemployment rate with the labour force estimates, the numbers of employed and unemployed are obtained. Third, yet another model is used to estimate the labour underutilization rates (LU2, LU3 and LU4 rates – see further down), from which the time-related underemployment and the potential labour force can

be derived. Fourth, the distribution of employment as a function of four different indicators is estimated using four different models. These indicators are: employment status, economic activity (sector), occupation, and economic class (working poverty). Fifth, a model is used to estimate the share of the youth population not in employment, education or training. Sixth, for all the aforementioned indicators – except for economic class – a breakdown by geographical area (urban and rural) is produced. Lastly, by combining national accounts data with the ILO Harmonized Microdata collection on labour-related earnings, the labour income share and distribution are estimated.

Although the same basic approach is followed in the models used to estimate all the indicators, there are differences between the various models because of specific features of the underlying data. Further details are provided below for each model.

Labour force estimates and projections

The ILO labour force estimates and projections (LFEP) are part of a broader international campaign to obtain demographic estimates and projections to which several United Nations agencies contribute. Estimates and projections are produced by the United Nations Population Division for the total population, and for its

sex and age composition; by the ILO for the employed, unemployed and related populations; by the Food and Agriculture Organization of the United Nations (FAO) for the agricultural population; and by the United Nations Educational, Scientific and Cultural Organization (UNESCO) for the school-attending population.

The basic data used as input for the relevant model are single-year labour force participation rates disaggregated by sex and age groups, of which ten groups are defined using five-year age intervals (15–19, 20–24, and so on until 60–64) and the last age group is defined as 65 years and above. The underlying methodology has been extensively assessed in terms of pseudo-out-of-sample performance. However, the LFEP model and the model used to estimate the labour income share are the only two models described in this appendix that do not automatically carry out model specification searching.

The estimation is performed in two different steps, each of which is applied recursively. Linear interpolation is used to fill in the missing data for countries for which such a procedure is possible. The performance of this procedure has been found to be reasonable, which is not surprising, given that the labour force participation rate is a very persistent variable. In all other cases, weighted multivariate estimation is carried out. Countries are divided into nine estimation groups, which were chosen on the combined basis of broad economic similarity and geographical proximity. In terms of model specification, after taking into account the data structure and the heterogeneity among the various countries in the input data used, it was decided to use panel data techniques with country-fixed effects. The regressions are weighted by the non-response likelihood. The explanatory variables used include economic and demographic variables. The estimates are produced using the detailed five-year age intervals. The global figures are calculated using the benchmark population from the United Nations World Population Prospects and the detailed rates.

The projections are carried out following a different methodology than that used for the imputation of missing values over the historical period. A logistic trend model is used to extrapolate the data. The main advantage of the logistic curve and other sigmoid or S-shaped curves is that they can capture growth processes that ultimately reach a steady state. These curves are frequently used to model populations and labour force participation rates. Furthermore, on the basis of past behaviour of observed labour force participation rates, upper and lower bounds on cumulative change are imposed to avoid extrapolating changes that would be excessive judging by historical experience.

Unemployment estimates

This model estimates a complete panel data set of unemployment rates disaggregated by sex and age (15–24, 25+). Real observations are more likely to exist for the total unemployment rate than for the rate disaggregated by sex and age. In order to maximize the use of real information, the model first estimates the total rate. Next, the rates for male and female employment, and for youth and adult employment, are estimated separately. These estimates are then rebalanced so that the implied total rate matches the total rate estimated in the first step. A similar procedure is used in the final step for the unemployment rates among male and female young people, and among male and female adults.

The estimation of each indicator is performed in a two-step process. In the first step, a cross-country regression is carried out to identify the level of the unemployment rate in 2018 in countries with completely missing data. This step uses information on demography, per capita income, economic structure and an employment index from the Gallup World Poll. In the second step, the evolution of the unemployment rate is estimated, using information on the economic cycle and also on economic structure and demographics. The two-step process has the advantage of treating two very different econometric problems using separate approaches.

Unemployment projections

These models project the future development of unemployment rates from 2019 onwards. In a first set of projection models, quarterly data are used. The use of such higher-frequency information increases the forecast accuracy. For 44 countries with available quarterly economic forecasts, a series of models are run to obtain estimates for 2019 and projections for 2020. These models are evaluated using the model search routines described above, specifically by splitting the data into training and evaluation samples. Because of the high serial correlation of quarterly unemployment rates, a block of observations around the evaluation sample needs to be excluded from the estimation to ensure the training sample's independence from the observation that is being evaluated. Models are combined using a "jackknife model-averaging" technique described in Hansen and Racine (2012), which essentially finds the linear combination of models that minimizes the variance of the prediction error. For countries with available quarterly labour market information, but for which quarterly macroeconomic forecasts are not available, an ARIMA ("Auto Regressive Integrated Moving Average") model is used to project the remaining quarters of the year of which at least one quarter has been observed.

A second set of projection models is used to estimate the unemployment rate for countries without quarterly data, and to make projections over longer horizons for all countries. These models use the full panel data set of unemployment rates up to the last year with reported information as the base; they also make use of projections of the cyclical component of GDP growth. A series of dynamic models are specified and evaluated using a slightly modified cross-validation procedure to identify the best-fitting projection models. For forecasting, a specified number of periods are dropped from the end of the sample, the parameters of the candidate model are re-estimated, and projections are then made for these periods in order to calculate the forecast error for different forecast horizons. By shifting the point at which periods are dropped, the forecast can be evaluated for different historical periods, and hence a root-mean-squared forecast error can be calculated for each candidate model and each projection horizon. The models in question are as follows:

▶ country-level error correction models for countries that exhibit a cointegrated relationship between employment growth and labour force growth;

▶ a country-level model projecting the unemployment rate itself;

▶ a country-level model projecting the change in the unemployment rate;

▶ a panel regression model projecting the unemployment rate, where the panel dimensions are (a) geographical regions; (b) income groups; (c) oil exporters;

▶ a multi-level mixed model with random intercepts and coefficients projecting the unemployment rate;

▶ a multi-level mixed model with random intercepts and coefficients projecting the change in the unemployment rate.

Models are weighted on the basis of their forecasting performance over different horizons. This means that a model may receive a higher weighting in the short run, but a lower weighting in the long run. The forecast confidence interval is estimated using the weighted root-mean-squared forecast errors from the cross-validation, together with the weighted variance of forecasts obtained from the various forecasting models.

Estimates of error bounds of the unemployment rate

When observations in the ILO modelled estimates are not real but derived using econometric techniques, they have a certain degree of uncertainty. In addition, projections of the future are also uncertain. These uncertainties are estimated for the unemployment rate. As stated above, we make use of cross-validation techniques to identify the models that minimize the prediction error. This same error describes the uncertainty due to the model-based approach. However, the unemployment rate displays some serial dependence, meaning that adjacent observations will always be closer together than observations far apart in time. Hence, the uncertainty around an estimate adjacent to a real observation is smaller than when the real observation is farther away in time. This effect is also taken into account in the construction of the error bounds.

The unemployment projection model evaluates the forecast performance over different projection horizons, and hence already provides a measure of the model-based forecast uncertainty. In addition, we also compute a measure of the uncertainty around GDP growth projections by comparing the five-year projections of the various vintages since 1991 of the International Monetary Fund's World Economic Outlook database with the realized values. Using this measure of uncertainty, we simulate 100 random realizations of GDP growth projections, use these to project unemployment 100 times, and then compute the variance due to growth forecast uncertainty of these simulated projections. The total variance of the unemployment projection is the sum of the model-based variance and the growth uncertainty variance.

Estimates of labour underutilization (LU2, LU3 and LU4 rates)

The target variables of the model are the measures of labour underutilization defined in the resolution concerning statistics of work, employment and labour underutilization adopted by the 19th International Conference of Labour Statisticians (ICLS) in October 2013. These measures include the combined rate of time-related underemployment and unemployment (LU2), the combined rate of unemployment and the potential labour force (LU3), and the composite measure of labour underutilization (LU4). The measures are defined as:

$$LU2 = \frac{\text{Unemployed}+\text{Time-related underemployment}}{\text{Labour force}}$$

$$LU3 = \frac{\text{Unemployed}+\text{Potential labour force}}{\text{Labour force}+\text{Potential labour force}}$$

$$LU4 = \frac{\text{Unemployed}+\text{Potential labour force}+\text{Time-related underemployment}}{\text{Labour force}+\text{Potential labour force}}$$

Persons in time-related underemployment are defined as all persons in employment who, during a short reference period, wanted to work additional hours, whose working time in all their jobs was below a specified threshold

of hours, and who were available to work additional hours if they had been given the opportunity to do so. The potential labour force consists of people of working age who were actively seeking employment, were not available to start work in the reference week, but would become available within a short subsequent period (unavailable jobseekers), or who were not actively seeking employment but wanted to work and were available in the reference week (available potential jobseekers).

The model uses the principles of cross-validation and uncertainty estimation to select the regression models with the best pseudo-out-of-sample performance, not unlike the unemployment rate model. The labour underutilization model, however, has three very specific features. First, all demographic groups are jointly estimated, using the appropriate categorical variable as a control in the regression, because the groups are interdependent (and data availability is roughly uniform across breakdown). Second, the model incorporates the information on unemployment and labour force into the regressions (used alongside other variables to reflect economic and demographic factors). Finally, the LU4 rate is uniquely pinned down by the LU2 and LU3 rates, since it is a composite measure based on the two indicators.

The resulting estimates include the LU2, LU3 and LU4 rates and the level of time-related underemployment and of the potential labour force.

Estimates of the distribution of employment by status, occupation and economic activity

The distribution of employment by status, occupation and economic activity (sector) is estimated for the total and also disaggregated by sex. In the first step, a cross-country regression is performed to identify the share of each of the employment-related categories in countries with completely missing data. This step uses information on demography, per capita income, economic structure and a model-specific indicator with high predictive power for the estimated distribution. The indicators for each category are as follows:

▶ for status, an index of work for an employer from the Gallup World Poll;

▶ for occupation, the share of value added of a sector in which people with a given occupation are most likely to work;

▶ for sector, the share of value added of the sector.

The next step estimates the evolution of the shares of each category, using information on the economic cycle and also on economic structure and demographics. Lastly, the estimates are rebalanced to ensure that the individual shares add up to 100 per cent.

The estimated sectors are based on an ILO-specific classification that ensures maximum consistency between the third and fourth revision of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). The sectors A, B, C, F, G, I, K, O, P and Q correspond to the ISIC Rev.4 classification. Furthermore, the following composite sectors are defined:

▶ "Utilities" is composed of sectors D and E;

▶ "Transport, storage and communication" is composed of sectors H and J;

▶ "Real estate, business and administrative activities" is composed of sectors L, M and N;

▶ "Other services" is composed of sectors R, S, T and U.

The estimated occupations correspond in principle to the major categories of the 1988 and 2008 iterations of the ILO International Standard Classification of Occupations (ISCO-88 and ISCO-08). However, subsistence farming occupations were classified inconsistently across countries, and sometimes even within one country across years. According to ISCO-08, subsistence farmers should be classified in ISCO category 6, namely as skilled agricultural workers. However, a number of countries with a high incidence of subsistence farming reported a low share of workers in category 6, but a high share for category 9 (elementary occupations). This means that the shares of occupational categories 6 and 9 can differ widely between countries that have a very similar economic structure. It is not feasible to determine the extent of misclassification between categories 6 and 9. Consequently, in order to obtain a consistent and internationally comparable classification, categories 6 and 9 are merged and estimated jointly.

Estimates of employment by economic class

The estimates of employment by economic class are produced for a subset of countries. The model uses the data derived from the unemployment, status and economic activity models as inputs in addition to other demographic, social and economic variables.

The methodology involves two steps. In the first step, the various economic classes of workers are estimated using the economic class of the overall population (among other explanatory variables). This procedure is based on the fact that the distribution of economic class in the overall population and the distribution in the working population are closely related. The economic class of the overall population is derived from the World Bank's PovcalNet database. In general, the economic class is defined in terms of consumption, but in particular cases for which no other data exist, income data are used instead.

Once the estimates from this first step have been obtained, a second step estimates the data for those observations for which neither data on the economic class of the working population nor estimates from step 1 are available. This second step relies on cross-validation and subsequent selection of the best-performing model to ensure a satisfactory performance.

In the present edition of the model, employment is subdivided into five different economic classes: workers living on US$0–1.9 per day, US$1.9–3.2 per day, US$3.2–5.5 per day, US$5.5–13.0 per day, and above US$13.0 per day, in purchasing power parity terms.

Estimates of the labour income share and the labour income distribution

The model estimates a complete panel data set of the labour income share and the labour income distribution. To this end, national accounts data from the United Nations Statistics Division and labour income data from the ILO Harmonized Microdata collection are combined. When national accounts data or microdata are not available, the estimates rely on a regression analysis to impute the necessary data. The imputation is based on countries that are similar in terms of key economic and labour market variables.

The methodology involves two steps. The first step is to compute the labour income share, adjusted for the labour income of the self-employed. Taking into account the labour income of the self-employed has been recognized in the economic literature as a crucial element for international comparability. In order to achieve this, detailed data on status in employment are used (from the model outlined in the preceding section), which subdivides self-employment into three different groups: own-account workers, contributing family workers and employers. Furthermore, the labour income of each group of the self-employed relative to the income of employees is estimated on the basis of a regression analysis of the microdata. The resulting estimate corresponds to the share of total income that accrues to labour:

$$\text{Labour income share} = \frac{\text{Labour income}}{\text{Gross domestic product}}$$

The second step, drawing on the level of labour income estimated in the first step and on the microdata, produces a detailed distribution, at the percentile level, of the labour income for each country and year. It is thus possible to determine the percentage of aggregate labour income that accrues to the bottom (first) percentile, to the second percentile, and so on. Importantly, given that the definition of employment follows the ICLS recommendations, the labour income is estimated on a per worker basis, not on a full-time equivalent basis.

Additionally, the distribution of labour income at the global and regional level is computed, at the decile level. Because of the cross-country differences in prices, the distribution of global and regional labour income deciles is computed in purchasing power parity terms.

Estimates related to youth not in employment, education or training

The target variable of the model is the share of youth not in employment, education or training (NEET):

$$\text{NEET share} = \frac{\text{Youth not in employment, education or training}}{\text{Youth population}}$$

It is worth noting that, by definition, 1 minus the NEET share gives the share of young people who are either in employment or enrolled in some educational or training programme. The NEET share is included as one of the indicators used to measure progress towards the achievement of the Sustainable Development Goals, specifically of Goal 8 ("Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all").

The model uses the principles of cross-validation and uncertainty estimation to select the regression models with the best pseudo-out-of-sample performance, not unlike the unemployment rate model. The NEET model estimates all demographic groups jointly, using the appropriate categorical variable as a control in the regression, because the groups are interdependent (and data availability is roughly uniform across breakdown). The model incorporates the information on unemployment, labour force and enrolment rates into the regressions (used alongside other variables to reflect economic and demographic factors). The resulting estimates include the NEET share and the number of NEET youth.

Estimates of key indicators by geographical area: Urban and rural labour market indicators

Separate estimates for urban and rural areas are produced for the following indicators: labour force, unemployment, LU2, LU3, LU4, youth NEET share and the employment distribution by status, economic activity and occupation.

In order to produce the estimates, the models decompose the variable of interest into two components. The procedure described here is for the labour force model; an analogous procedure is used for the other models. The labour force participation rate (LFPR) by geographical area that the model estimates can be expressed as:

$$\text{Labour force participation rate}_{ij} = \frac{\text{Labour force}_{ij}}{\text{Population}_{ij}}$$

$$i=\{\text{urban,rural}\};\ j=\{\text{gender}\times\text{age}\}$$

One relationship of particular importance between the urban and rural rates and the national rates is that the distance of the former rates to the latter rate determines the respective share of the urban and rural population (the denominator of the LFPR expression). The strategy of the modelling approach is to target, for the estimation, two variables that jointly determine the rural and urban LFPRs. The main variable used to produce the LFPR is the spread between urban and rural LFPR:

$$\text{Spread urban} = \frac{\text{Urban LFPR}}{\text{Rural LFPR}} = \frac{1}{\text{Spread rural}}$$

This variable alone does not pin down both the urban and rural LFPRs. Another variable is necessary to complete the system of equations that can be used to produce the two rates. The other variable is the share of the denominator of the LFPR expression by type of area, which is simply the population:

$$\text{Share urban} = \frac{\text{Urban labour force} \div \text{Urban LFPR}}{\text{Rural labour force} \div \text{Rural LFPR} + \text{Urban labour force} \div \text{Urban LFPR}} = 1 - \text{Share rural}$$

Decomposing the two rates into the spread and share variables has two main advantages. First, it makes it possible to model explicitly the dependence between the distances of the two rates to the total rate and the share of the population in urban and rural areas. The second advantage is that this framework is easy to extrapolate to the other variables of interest. Once these two auxiliary variables have been estimated using regression methods, the results can easily be used to compute the urban and rural rates of interest:

$$\text{Urban LFPR} = \frac{\text{LFPR}}{\text{Share urban} + \dfrac{\text{Share rural}}{\text{Urban spread}}}$$

$$\text{Rural LFPR} = \frac{\text{LFPR} - \text{Share urban} \times \text{Urban LFPR}}{\text{Share rural}}$$

As mentioned above, the unemployment, labour underutilization, NEET and employment distribution models follow the same procedure.

In order to estimate the spread and share for all the variables, the models of key indicators by geographical area use the principles of cross-validation and uncertainty estimation to select the regression models with the best pseudo-out-of-sample performance, not unlike the unemployment rate model. However, in this case the targets of the estimation are the spread and share variables instead of the variable of interest directly. In the geographical models, all demographic groups are jointly estimated, using the appropriate categorical variable as a control in the regression, because the groups are interdependent (and data availability is roughly uniform

across breakdown). The models use various indicators to reflect economic and social factors as explanatory variables for the imputation. Finally, the modelling procedure ensures the consistency of interdependent variables. For this purpose, labour force estimates are used as a basis for the models of the distribution of unemployment and labour underutilization by geographical area. The population benchmark, derived from the labour force model, is used in the model of the NEET distribution by geographical area. Similarly, estimates of unemployment by rural and urban area are used as the basis for the estimates of labour underutilization by geographical area. Finally, the employment estimates derived jointly from the models of the distribution of the labour force and unemployment by geographical area are used as a basis for estimating the distributions of employment with respect to status, economic activity and occupation by geographical area.

The resulting estimates are of the shares (or rates) and the corresponding levels. The following estimates are available by rural and urban breakdown: LFPR, number of people in the labour force, unemployment rate, unemployment level, LU2 rate, time-related underemployment, LU3 rate, potential labour force, LU4 rate, composite labour underutilization measure, and the distribution of employment by employment status, economic activity and occupation.

Social unrest index

The social unrest index provides a reflection of "social health" at the national level. The index uses data from the Global Database of Events, Language and Tone (GDELT) project on events around the world classified as "protests" (code 14 in the database). Many different types of protest behaviours are recorded, such as street protests, riots, rallies, boycotts, blocking of roads, and strikes. Such protests are not necessarily violent, but they always reflect a certain discontent with the social, political or economic situation in the country in question.

The index ranges from 0 to 100 and is computed from a log-transformation of the share of protest events in the total number of events in a year and country, as reported by the GDELT project. An index of 100 corresponds to protest events making up 15 per cent or more of the total number of events.

Social unrest is a relative concept across countries. An equal value of the social unrest index in two countries does not imply identical conditions of social unrest in both because of the inherent differences in countries' culture, history and methods of reporting. The social unrest index enables a cross-country comparison which identifies those countries or regions that are experiencing periods of heightened unrest. However, it is conceptually incorrect to state that one country experiences, say, 10 per cent more unrest than another.

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C. Estimation of the detailed breakdown of employment in the manufacturing sector

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C. Estimation of the detailed breakdown of employment in the manufacturing sector

Our breakdown of the manufacturing sector into detailed subsectors follows the fourth revision of the International Standard Industrial Classification of All Economic Activities (ISIC), except for the following subsectors, which have been grouped together (D10T12, for example, refers to the sectors with the ISIC Rev.4 two-digit "division" codes 10 to 12):

▶ D10T12 – Food Products, Beverages and Tobacco

▶ D13T15 – Textiles, Wearing Apparel, Leather and Related Products

▶ D17T18 – Paper Products and Printing

▶ D20T21 – Chemicals and Pharmaceutical Products

▶ D31T33 – Other Manufacturing; Repair and Installation of Machinery and Equipment

The methodology for estimating the breakdown of the distribution of employment within the subsectors of manufacturing is essentially the same as that used to estimate the distribution of employment by economic activity, as described in Appendix B. Using cross-validation, candidate models are evaluated and then the best combination of models is chosen. However, we make use of the following additional data sources, which are at the same level of detail for each subsector:

▶ the OECD database "6A. Value added and its components by activity, ISIC Rev.4, 2019 archive" for the shares of value added of each subsector;

▶ the OECD database "7A. Labour input by activity, ISIC Rev.4, 2019 archive" for the shares of employment of each subsector;

▶ the OECD STAN Bilateral Trade Database by Industry and End-use category for the shares of exports of each subsector;

▶ the UNIDO INDSTAT4 – Industrial Statistics Database for the shares of employment and value added of each subsector; and

▶ the World Input–Output Database (WIOD) for the shares of employment and value added of each subsector.

Data inspection has shown that the subsectoral employment shares from these other sources do not match perfectly those derived from the ILOSTAT database, mainly because of different data collection methods. Consequently, we do not use these employment shares directly, but only to estimate data that are consistent with the ILOSTAT methodology.

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World

Indicator			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	64.7	64.4	64.2	64.0	63.9	63.7	63.5	63.3	63.1	62.8	62.5	62.2	62.0	61.8	61.5	61.4	61.2	61.0	60.9	60.7	60.5	60.3	60.1	59.8
Labour force participation rate	Male	per cent	78.5	78.2	77.9	77.6	77.5	77.3	77.0	76.9	76.7	76.4	76.1	76.0	75.8	75.5	75.3	75.0	74.8	74.6	74.4	74.2	74.0	73.8	73.6	73.4
Labour force participation rate	Female	per cent	51.0	50.8	50.6	50.5	50.4	50.3	50.0	49.8	49.5	49.2	48.8	48.5	48.3	48.0	47.8	47.7	47.6	47.5	47.4	47.2	47.0	46.8	46.5	46.3
Labour force participation rate	Youth	per cent	52.3	51.6	51.0	50.3	50.0	49.6	49.0	48.4	47.9	47.1	46.2	45.5	44.7	43.9	43.1	42.6	42.2	41.8	41.4	41.2	41.0	40.7	40.5	40.2
Labour force	Total	millions	2777.6	2814.0	2855.8	2900.9	2949.6	2995.7	3032.7	3073.3	3109.0	3142.6	3172.7	3205.8	3240.9	3273.9	3306.6	3342.8	3376.8	3413.3	3449.2	3482.4	3515.0	3545.7	3575.9	3605.9
Labour force	Male	millions	1679.7	1702.3	1727.6	1754.0	1784.0	1811.5	1836.5	1862.4	1887.5	1909.1	1931.2	1954.5	1978.8	1999.7	2020.3	2042.2	2062.6	2084.6	2105.8	2128.4	2150.6	2171.3	2191.8	2212.1
Labour force	Female	millions	1097.9	1111.7	1128.2	1147.0	1165.5	1184.2	1196.2	1210.9	1221.6	1233.5	1241.6	1251.3	1262.1	1274.1	1286.3	1300.6	1314.1	1328.8	1343.4	1354.0	1364.4	1374.4	1384.1	1393.8
Labour force	Youth	millions	567.7	568.4	572.6	576.0	583.1	586.5	585.3	583.4	579.8	572.4	561.5	552.2	541.2	529.1	518.4	511.1	505.6	501.5	497.6	496.5	495.6	495.1	494.8	494.8
Employment-to-population ratio	Total	per cent	61.0	60.7	60.3	60.0	60.0	60.0	59.9	59.9	59.7	59.0	58.8	58.6	58.4	58.2	58.1	57.9	57.7	57.6	57.6	57.4	57.2	57.0	56.8	56.5
Employment	Total	millions	2617.5	2649.5	2681.4	2721.6	2772.2	2819.0	2863.1	2908.9	2942.7	2954.0	2984.9	3019.8	3053.8	3084.9	3120.4	3154.4	3185.5	3223.4	3263.4	3294.7	3324.7	3352.0	3379.0	3406.1
Composite rate of labour underutilization	Total	per cent						13.8	13.5	13.2	13.2	14.0	13.9	13.8	13.7	13.7	13.5	13.4	13.4	13.3	13.1	13.1	13.2	13.2	13.3	13.4
Total labour underutilization	Total	millions						427.9	422.6	419.2	423.0	455.3	456.6	455.7	459.9	462.4	460.2	462.8	468.7	469.5	467.5	472.5	478.6	485.5	492.3	498.6
Unemployment rate	Total	per cent	5.8	5.8	6.1	6.2	6.0	5.9	5.6	5.4	5.4	6.0	5.9	5.8	5.8	5.8	5.6	5.6	5.7	5.6	5.4	5.4	5.4	5.5	5.5	5.5
Unemployment	Total	millions	160.0	164.5	174.4	179.4	177.3	176.7	169.6	164.5	166.4	188.5	187.8	186.0	187.1	188.9	186.2	188.4	191.3	190.0	185.8	187.7	190.3	193.7	197.0	199.8
Rate of time-related underemployment	Total	per cent						5.4	5.4	5.4	5.4	5.5	5.5	5.4	5.4	5.3	5.2	5.2	5.1	5.1	5.0	5.0	5.0	5.0	5.0	5.0
Time-related underemployment	Total	millions						153.6	155.1	156.4	159.5	163.9	163.0	162.1	163.6	164.0	162.6	162.7	162.7	164.1	164.2	165.5	166.7	167.9	169.0	170.2
Rate of potential labour force	Total	per cent						3.2	3.1	3.1	3.0	3.2	3.2	3.2	3.3	3.2	3.3	3.2	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4
Potential labour force	Total	millions						97.6	98.0	98.4	97.2	102.9	105.8	107.6	109.2	109.4	111.4	111.7	114.7	115.5	117.5	119.4	121.6	124.0	126.4	128.7
Rate of NEET	Youth	per cent						23.2	22.8	22.3	22.0	22.1	21.9	21.7	21.6	21.8	21.7	21.7	21.6	21.7	21.9	22.2	22.3	22.5	22.6	22.8
NEET	Youth	millions						273.8	272.2	269.0	266.2	268.8	265.8	263.9	261.8	263.3	260.7	260.0	259.0	260.3	263.2	267.0	269.7	273.0	276.4	280.1
Extreme working poverty rate	Total	per cent	26.3	25.2	23.7	22.2	20.3	18.6	17.6	16.6	16.2	15.2	14.3	12.4	11.0	9.3	8.8	8.3	8.0	7.7	7.4	7.1	6.9	6.6	6.4	6.3
Moderate working poverty rate	Total	per cent	21.4	21.3	21.0	20.8	20.4	20.0	19.3	18.7	18.3	17.9	17.3	16.8	16.1	15.4	14.7	13.9	13.5	13.0	12.6	12.2	11.9	11.5	11.2	10.9
Extreme working poverty	Total	millions	688.6	668.0	634.2	605.1	564.0	525.2	505.1	482.0	476.5	448.6	425.5	373.9	337.2	286.6	273.4	262.0	256.0	248.7	241.1	234.4	228.0	222.6	217.7	213.2
Moderate working poverty	Total	millions	561.4	564.1	563.1	565.3	565.9	565.0	553.9	544.0	539.3	529.3	515.1	507.1	492.8	474.2	457.6	439.3	429.2	419.0	410.1	402.3	394.6	387.1	379.9	372.9
Wage and salaried employment	Total	per cent	45.3	45.6	45.8	46.0	46.4	46.8	47.3	47.8	48.3	48.4	48.8	49.4	50.2	50.7	51.2	51.7	52.1	52.4	52.7	52.8	52.8	52.8	52.9	52.9
Employers	Total	per cent	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Own-account workers	Total	per cent	35.0	34.8	34.8	34.8	34.7	34.5	34.5	34.5	34.4	34.6	34.6	34.4	33.9	33.9	33.7	33.6	33.6	33.6	33.5	33.7	33.8	33.9	34.1	34.2
Contributing family workers	Total	per cent	17.3	17.1	16.8	16.7	16.4	16.1	15.6	15.2	14.7	14.4	14.1	13.7	13.3	12.9	12.6	12.2	11.8	11.4	11.1	10.9	10.8	10.6	10.4	10.3

World (cont'd)

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Low-income countries

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	73.8	73.7	73.7	73.6	73.5	73.4	73.1	72.8	72.5	72.2	71.9	71.6	71.3	71.1	70.8	70.7	70.7	70.7	70.6	70.6	70.6	70.5	70.5	70.4
Labour force participation rate	Male	per cent	82.3	82.2	82.1	82.0	81.9	81.7	81.5	81.3	81.0	80.7	80.5	80.2	79.9	79.6	79.2	79.0	78.8	78.6	78.4	78.4	78.3	78.3	78.3	78.2
Labour force participation rate	Female	per cent	65.7	65.6	65.6	65.6	65.6	65.5	65.1	64.7	64.4	64.0	63.7	63.4	63.1	62.9	62.8	62.9	63.0	63.1	63.2	63.2	63.1	63.0	62.9	62.8
Labour force participation rate	Youth	per cent	61.3	61.2	61.0	60.8	60.6	60.3	59.9	59.5	59.1	58.7	58.3	58.0	57.6	57.3	56.8	56.6	56.4	56.1	55.8	55.7	55.5	55.4	55.2	55.1
Labour force	Total	millions	184.1	189.0	194.3	199.8	205.4	211.1	216.5	221.8	227.5	233.1	239.0	244.7	250.5	256.8	263.2	270.6	278.6	286.9	295.5	304.7	314.1	323.8	333.9	344.2
Labour force	Male	millions	100.3	103.0	105.9	108.8	111.9	115.1	118.1	121.2	124.5	127.6	130.9	134.1	137.3	140.6	143.9	147.6	151.7	156.0	160.5	165.6	170.8	176.3	182.0	187.9
Labour force	Female	millions	83.7	86.0	88.4	90.9	93.5	96.1	98.3	100.6	103.0	105.4	108.0	110.6	113.2	116.2	119.3	122.9	126.9	130.9	135.0	139.1	143.3	147.5	151.9	156.3
Labour force	Youth	millions	53.9	55.4	56.9	58.4	60.0	61.6	62.9	64.2	65.5	66.8	68.2	69.7	71.1	72.7	74.1	75.9	77.7	79.4	81.0	83.1	85.1	87.0	89.0	90.9
Employment-to-population ratio	Total	per cent	70.7	70.6	70.5	70.5	70.4	70.4	70.1	69.8	69.6	69.1	68.8	68.6	68.3	68.1	67.9	67.8	67.9	67.9	67.9	67.9	67.8	67.7	67.7	67.6
Employment	Total	millions	176.3	181.0	185.9	191.1	196.7	202.4	207.6	212.8	218.2	223.3	228.7	234.3	239.9	246.1	252.5	259.5	267.3	275.5	284.0	292.7	301.8	311.0	320.6	330.5
Composite rate of labour underutilization	Total	per cent						19.1	19.1	19.3	19.4	19.8	20.1	20.2	20.4	20.5	20.4	20.5	20.4	20.3	20.3	20.3	20.3	20.3	20.3	20.3
Total labour underutilization	Total	millions						42.0	43.1	44.5	46.1	48.1	50.1	51.6	53.2	54.9	56.2	57.8	59.4	60.9	62.5	64.5	66.6	68.7	70.9	73.1
Unemployment rate	Total	per cent	4.2	4.3	4.3	4.3	4.2	4.2	4.1	4.1	4.1	4.2	4.3	4.3	4.2	4.2	4.1	4.1	4.1	4.0	3.9	3.9	3.9	4.0	4.0	4.0
Unemployment	Total	millions	7.8	8.1	8.4	8.7	8.7	8.8	8.9	9.0	9.3	9.8	10.3	10.5	10.6	10.7	10.7	11.1	11.3	11.4	11.5	11.9	12.4	12.8	13.2	13.7
Rate of time-related underemployment	Total	per cent						12.0	12.1	12.3	12.4	12.6	12.8	13.0	13.2	13.4	13.5	13.5	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.3
Time-related underemployment	Total	millions						24.4	25.1	26.1	27.2	28.2	29.3	30.5	31.7	33.0	34.0	34.9	35.9	37.0	38.1	39.2	40.4	41.6	42.8	44.1
Rate of potential labour force	Total	per cent						4.0	4.0	4.0	4.1	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.3
Potential labour force	Total	millions						8.8	9.1	9.3	9.7	10.0	10.4	10.7	10.9	11.2	11.5	11.8	12.2	12.5	12.9	13.3	13.8	14.3	14.8	15.3
Rate of NEET	Youth	per cent						19.7	19.5	19.3	19.0	19.0	19.0	18.9	18.8	19.2	19.2	19.5	19.6	19.6	19.7	19.8	19.8	19.9	20.0	20.1
NEET	Youth	millions						20.1	20.4	20.8	21.0	21.6	22.2	22.8	23.2	24.3	25.0	26.2	27.0	27.7	28.6	29.5	30.4	31.3	32.2	33.1
Extreme working poverty rate	Total	per cent	60.0	58.7	57.4	55.9	54.1	52.2	50.8	49.4	48.1	46.6	45.1	43.6	42.1	41.8	41.0	40.8	40.7	39.9	39.0	38.2	37.3	36.5	35.6	34.8
Moderate working poverty rate	Total	per cent	21.0	21.6	22.2	22.9	23.7	24.5	25.0	25.4	25.9	26.2	26.6	27.3	27.8	27.9	27.9	27.9	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.7
Extreme working poverty	Total	millions	105.8	106.2	106.7	106.9	106.5	105.6	105.5	105.1	104.9	104.1	103.0	102.2	100.9	102.8	103.6	105.8	108.7	110.0	110.8	111.8	112.5	113.4	114.2	115.0
Moderate working poverty	Total	millions	37.0	39.1	41.4	43.7	46.6	49.6	51.8	54.1	56.4	58.5	60.9	63.9	66.6	68.6	70.4	72.5	74.2	76.5	79.0	81.4	83.9	86.4	89.0	91.7
Wage and salaried employment	Total	per cent	14.3	14.3	14.4	14.4	14.5	14.5	14.8	15.0	15.5	15.8	16.2	16.6	16.9	17.1	17.3	17.4	17.5	17.7	17.8	17.9	18.1	18.3	18.5	18.6
Employers	Total	per cent	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Own-account workers	Total	per cent	52.6	52.6	52.5	52.5	52.5	52.5	52.6	52.5	52.2	52.1	51.7	51.5	51.2	50.9	50.6	50.8	50.9	51.0	51.1	51.2	51.3	51.4	51.5	51.6
Contributing family workers	Total	per cent	31.6	31.6	31.6	31.5	31.5	31.4	31.1	31.0	30.8	30.6	30.5	30.4	30.2	30.3	30.4	30.1	29.8	29.5	29.3	29.1	28.8	28.6	28.3	28.0

Low-income countries (cont'd)

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Lower-middle-income countries

Indicator			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	59.9	59.8	59.6	59.6	59.6	59.6	59.1	58.9	58.5	58.2	57.9	57.5	57.0	56.6	56.4	56.0	55.7	55.5	55.3	55.2	55.2	55.1	55.0	54.9
Labour force participation rate	Male	per cent	80.7	80.6	80.5	80.3	80.4	80.2	79.9	79.6	79.3	79.0	78.8	78.6	78.3	77.8	77.4	77.0	76.5	76.2	75.9	75.8	75.7	75.6	75.5	75.4
Labour force participation rate	Female	per cent	38.5	38.4	38.2	38.3	38.4	38.4	37.8	37.7	37.2	36.8	36.4	35.9	35.1	34.9	34.7	34.5	34.3	34.2	34.1	34.1	34.0	34.0	33.9	33.8
Labour force participation rate	Youth	per cent	46.2	45.9	45.8	45.5	45.5	45.0	44.2	43.3	42.4	41.5	40.5	39.6	38.6	37.8	37.3	36.7	36.1	35.6	35.1	34.9	34.7	34.5	34.3	34.1
Labour force	Total	millions	871.8	890.1	908.1	928.5	950.4	969.7	983.2	1000.8	1014.9	1029.7	1045.4	1059.3	1070.3	1084.8	1100.4	1115.3	1128.9	1145.7	1162.6	1182.0	1201.5	1220.3	1239.1	1258.0
Labour force	Male	millions	594.8	607.5	620.5	633.5	648.4	660.9	672.4	684.5	696.4	708.1	720.7	733.3	744.5	755.3	766.0	776.5	786.4	797.8	808.7	822.4	836.2	849.4	862.7	876.0
Labour force	Female	millions	277.0	282.6	287.6	295.0	302.0	308.9	310.8	316.4	318.5	321.6	324.8	326.0	325.7	329.5	334.4	338.8	342.5	347.9	353.9	359.6	365.3	370.9	376.4	381.9
Labour force	Youth	millions	207.2	209.9	213.2	215.4	219.1	220.0	218.5	216.8	214.0	211.1	207.9	205.1	201.5	199.2	197.9	196.4	194.9	193.8	192.2	192.5	192.8	193.1	193.5	193.8
Employment-to-population ratio	Total	per cent	56.6	56.5	56.3	56.3	56.4	56.3	56.0	55.9	55.6	55.2	55.0	54.6	54.1	53.7	53.5	53.1	52.7	52.5	52.4	52.3	52.2	52.1	52.0	51.9
Employment	Total	millions	824.2	841.6	858.2	877.4	898.4	916.8	931.9	949.8	964.3	976.9	992.7	1005.1	1015.9	1028.7	1044.1	1057.0	1069.1	1085.0	1101.5	1119.6	1137.7	1155.4	1173.0	1190.4
Composite rate of labour underutilization	Total	per cent						12.8	12.5	12.3	12.2	12.3	12.3	12.3	12.3	12.3	12.2	12.2	12.3	12.2	12.2	12.2	12.2	12.2	12.2	12.2
Total labour underutilization	Total	millions						127.5	126.4	126.8	126.9	130.7	132.0	134.5	135.1	137.0	138.5	139.8	142.8	144.0	146.1	148.6	151.0	153.4	155.8	158.4
Unemployment rate	Total	per cent	5.5	5.5	5.5	5.5	5.5	5.5	5.2	5.1	5.0	5.1	5.0	5.1	5.1	5.2	5.1	5.2	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.4
Unemployment	Total	millions	47.6	48.5	49.9	51.1	52.0	52.9	51.3	51.0	50.5	52.8	52.7	54.1	54.4	56.1	56.3	58.3	59.8	60.7	61.1	62.4	63.7	64.9	66.2	67.5
Rate of time-related underemployment	Total	per cent						5.2	5.1	5.1	5.0	5.0	4.9	4.8	4.8	4.8	4.7	4.6	4.5	4.5	4.5	4.5	4.4	4.4	4.4	4.4
Time-related underemployment	Total	millions						47.6	47.8	48.1	48.4	48.8	48.9	48.7	48.8	49.0	48.7	48.6	48.6	48.9	49.3	49.9	50.4	50.9	51.4	51.8
Rate of potential labour force	Total	per cent						2.7	2.7	2.7	2.7	2.8	2.8	2.9	2.9	2.9	2.9	2.9	3.0	2.9	3.0	3.0	3.0	3.0	3.0	3.0
Potential labour force	Total	millions						27.1	27.3	27.6	28.0	29.1	30.3	31.6	31.9	32.0	33.4	32.9	34.5	34.4	35.6	36.2	36.9	37.6	38.3	39.0
Rate of NEET	Youth	per cent						27.7	27.3	26.9	26.5	26.4	25.8	25.6	25.4	25.8	25.8	25.9	25.7	25.9	26.2	26.5	26.7	26.8	26.9	27.0
NEET	Youth	millions						135.6	135.1	134.5	133.5	134.1	132.4	132.2	132.6	136.0	136.9	138.4	138.8	140.7	143.6	146.5	148.3	150.0	151.9	153.7
Extreme working poverty rate	Total	per cent	34.9	34.0	32.3	30.9	29.3	28.0	27.5	25.8	24.7	23.0	21.6	19.2	16.8	15.5	14.5	13.6	12.6	11.7	10.8	10.0	9.3	8.7	8.1	7.6
Moderate working poverty rate	Total	per cent	34.3	34.5	34.4	34.3	34.4	34.5	34.3	34.0	33.9	33.3	32.2	31.7	30.8	30.1	29.3	28.2	27.3	26.1	25.1	24.1	23.1	22.2	21.2	20.3
Extreme working poverty	Total	millions	288.0	286.3	277.0	271.0	263.5	257.0	255.9	244.9	238.3	225.1	214.6	192.6	170.7	159.9	151.2	143.4	134.9	126.6	119.0	112.1	105.7	100.1	94.9	90.2
Moderate working poverty	Total	millions	282.6	290.2	295.2	300.9	309.3	316.0	319.3	322.7	327.0	325.6	320.1	318.5	313.3	310.0	306.3	298.1	291.6	283.6	276.5	270.1	263.2	256.2	249.0	241.7
Wage and salaried employment	Total	per cent	25.9	26.3	26.5	26.4	26.8	27.2	27.8	28.1	28.4	28.8	29.3	30.4	31.7	32.4	33.0	33.9	34.6	35.2	35.7	36.0	36.3	36.5	36.8	37.1
Employers	Total	per cent	1.9	2.1	2.1	2.1	2.2	2.2	2.1	2.2	2.2	2.3	2.3	2.4	2.5	2.4	2.5	2.5	2.6	2.7	2.8	2.8	2.8	2.8	2.8	2.8
Own-account workers	Total	per cent	51.9	51.3	51.2	51.0	50.7	50.5	50.8	51.0	51.2	51.3	51.3	50.7	49.8	49.7	49.4	49.1	48.8	48.8	48.7	48.7	48.8	48.8	48.8	48.9
Contributing family workers	Total	per cent	20.3	20.3	20.2	20.5	20.3	20.2	19.3	18.7	18.1	17.6	17.1	16.5	16.0	15.4	15.2	14.4	14.0	13.3	12.9	12.5	12.2	11.9	11.6	11.2

Lower-middle-income countries (cont'd)

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Upper-middle-income countries

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	69.7	69.2	68.7	68.2	67.9	67.5	67.2	67.0	66.7	66.5	66.1	65.9	65.9	65.6	65.3	65.2	65.0	64.8	64.5	64.2	63.8	63.4	63.0	62.6
Labour force participation rate	Male	per cent	79.9	79.4	78.8	78.2	77.9	77.6	77.3	77.1	76.9	76.7	76.3	76.2	76.1	75.9	75.7	75.5	75.3	75.1	74.8	74.5	74.2	73.8	73.4	73.0
Labour force participation rate	Female	per cent	59.5	59.0	58.7	58.2	57.9	57.6	57.2	56.9	56.6	56.4	55.8	55.7	55.7	55.5	55.1	55.0	54.9	54.6	54.4	54.0	53.5	53.1	52.7	52.3
Labour force participation rate	Youth	per cent	57.9	56.5	55.3	54.1	53.3	52.7	52.0	51.6	51.4	50.9	50.0	49.2	48.3	47.1	45.9	45.1	44.5	43.9	43.4	43.1	42.8	42.4	42.0	41.5
Labour force	Total	millions	1196.2	1206.1	1220.2	1234.6	1250.9	1264.9	1276.5	1287.5	1296.4	1306.2	1311.2	1321.4	1333.9	1342.2	1348.6	1358.4	1365.3	1371.8	1377.2	1380.1	1382.3	1383.9	1384.9	1385.5
Labour force	Male	millions	684.3	690.2	697.7	706.2	716.0	724.2	731.3	738.3	744.7	750.3	754.8	760.6	767.4	772.6	777.2	782.6	786.6	790.6	794.1	796.9	799.2	801.0	802.4	803.5
Labour force	Female	millions	511.9	516.0	522.5	528.5	535.0	540.7	545.2	549.2	551.7	555.8	556.4	560.8	566.5	569.6	571.5	575.8	578.7	581.2	583.1	583.2	583.1	582.9	582.5	582.0
Labour force	Youth	millions	232.6	230.0	230.0	230.7	232.8	233.3	232.0	230.9	229.1	225.2	218.0	210.5	201.5	190.7	180.4	173.1	167.2	162.7	159.0	156.6	154.2	152.1	150.1	148.4
Employment-to-population ratio	Total	per cent	65.6	64.9	64.3	63.7	63.6	63.4	63.2	63.2	62.9	62.4	62.2	62.1	62.1	61.9	61.7	61.4	61.1	60.8	60.7	60.3	59.9	59.5	59.1	58.7
Employment	Total	millions	1125.8	1132.6	1141.5	1153.5	1172.1	1186.5	1201.1	1214.6	1223.3	1225.9	1233.9	1245.8	1258.2	1266.2	1272.5	1279.0	1282.2	1288.0	1295.2	1296.3	1297.8	1298.3	1298.4	1298.4
Composite rate of labour underutilization	Total	per cent						14.4	14.0	13.7	13.4	14.0	13.7	13.4	13.3	13.1	12.9	13.1	13.4	13.5	13.4	13.6	13.6	13.7	13.8	13.8
Total labour underutilization	Total	millions						188.2	184.6	181.8	179.0	189.5	186.2	183.1	183.7	182.0	180.6	184.5	189.8	192.3	191.9	194.1	195.3	196.8	198.1	198.8
Unemployment rate	Total	per cent	5.9	6.1	6.4	6.6	6.3	6.2	5.9	5.7	5.6	6.1	5.9	5.7	5.7	5.7	5.6	5.8	6.1	6.1	6.0	6.1	6.1	6.2	6.2	6.3
Unemployment	Total	millions	70.4	73.5	78.7	81.1	78.8	78.4	75.4	72.9	73.1	80.2	77.3	75.6	75.7	75.9	76.2	79.4	83.1	83.8	82.0	83.8	84.5	85.6	86.5	87.0
Rate of time-related underemployment	Total	per cent						5.6	5.4	5.4	5.2	5.3	5.1	5.0	4.9	4.7	4.6	4.5	4.5	4.6	4.6	4.5	4.5	4.4	4.4	4.3
Time-related underemployment	Total	millions						65.9	65.4	65.1	64.0	64.5	63.3	61.9	61.8	59.9	58.3	58.2	58.0	58.7	59.1	58.5	58.0	57.4	56.9	56.3
Rate of potential labour force	Total	per cent						3.4	3.3	3.3	3.1	3.3	3.4	3.3	3.4	3.3	3.3	3.3	3.4	3.5	3.6	3.6	3.7	3.7	3.8	3.9
Potential labour force	Total	millions						43.9	43.8	43.8	41.9	44.7	45.6	45.6	46.3	46.2	46.1	47.0	48.7	49.8	50.9	51.9	52.8	53.8	54.7	55.5
Rate of NEET	Youth	per cent						22.1	21.8	21.2	20.7	20.6	20.5	20.4	20.3	20.2	20.0	20.0	20.0	20.2	20.3	20.6	20.7	20.9	21.1	21.2
NEET	Youth	millions						97.8	97.2	94.8	92.4	91.2	89.2	87.3	84.4	81.8	78.8	76.6	75.1	74.9	74.5	74.8	74.7	75.0	75.4	75.9
Extreme working poverty rate	Total	per cent	26.2	24.3	21.9	19.7	16.5	13.7	11.9	10.9	10.9	9.7	8.7	6.3	5.2	1.9	1.5	1.0	1.0	0.9	0.9	0.8	0.7	0.7	0.7	0.6
Moderate working poverty rate	Total	per cent	21.4	20.7	19.8	19.1	17.9	16.8	15.2	13.7	12.7	11.8	10.8	10.0	9.0	7.5	6.3	5.4	4.9	4.6	4.2	3.9	3.6	3.4	3.2	3.0
Extreme working poverty	Total	millions	294.5	275.1	250.2	226.9	193.8	162.3	143.5	131.9	133.3	119.2	107.8	79.0	65.5	23.8	18.6	12.8	12.3	12.1	11.3	10.5	9.7	9.1	8.5	8.0
Moderate working poverty	Total	millions	241.2	234.2	226.1	220.2	209.6	199.0	182.4	166.9	155.6	144.9	133.8	124.5	112.7	95.4	80.7	68.5	63.2	58.7	54.4	50.6	47.3	44.3	41.7	39.3
Wage and salaried employment	Total	per cent	47.1	47.8	48.5	49.2	50.0	50.8	51.5	52.4	53.2	53.7	54.4	55.0	55.8	56.5	57.2	57.8	58.2	58.7	59.2	59.4	59.6	59.8	60.0	60.2
Employers	Total	per cent	2.2	2.3	2.3	2.3	2.3	2.3	2.4	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.4	2.4
Own-account workers	Total	per cent	31.2	31.1	30.9	30.7	30.4	30.2	30.0	29.7	29.4	29.4	29.2	29.1	28.8	28.7	28.5	28.4	28.4	28.3	28.3	28.3	28.3	28.3	28.3	28.2
Contributing family workers	Total	per cent	19.5	18.8	18.3	17.8	17.2	16.7	16.1	15.6	15.1	14.6	14.1	13.7	13.2	12.6	12.0	11.6	11.1	10.7	10.2	10.0	9.8	9.6	9.4	9.2

Upper-middle-income countries (cont'd)

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High-income countries / High-income countries (cont'd)

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	60.5	60.3	60.3	60.2	60.2	60.4	60.5	60.6	60.8	60.6	60.4	60.2	60.4	60.3	60.3	60.3	60.5	60.7	60.8	60.7	60.5	60.3	60.1	59.9
Labour force participation rate	Male	per cent	70.9	70.4	70.2	69.9	69.7	69.8	69.8	69.8	69.8	69.3	69.0	68.7	68.8	68.6	68.5	68.5	68.5	68.5	68.6	68.4	68.2	67.9	67.6	67.3
Labour force participation rate	Female	per cent	50.6	50.6	50.8	51.0	51.1	51.4	51.6	51.8	52.1	52.1	52.0	52.0	52.2	52.2	52.4	52.4	52.7	53.0	53.3	53.2	53.0	52.9	52.7	52.5
Labour force participation rate	Youth	per cent	50.1	49.5	48.9	48.2	47.9	48.1	48.1	47.8	47.5	46.2	45.2	44.9	45.1	45.0	45.0	45.1	45.5	45.7	45.9	45.7	45.5	45.1	44.8	44.4
Labour force	Total	millions	525.5	528.7	533.3	538.0	542.8	550.0	556.5	563.2	570.2	573.6	577.1	580.4	586.3	590.1	594.4	598.5	604.0	608.9	614.0	615.7	617.1	617.7	618.0	618.2
Labour force	Male	millions	300.3	301.6	303.6	305.4	307.8	311.4	314.7	318.4	321.9	323.0	324.8	326.5	329.6	331.3	333.2	335.5	338.0	340.2	342.5	343.6	344.4	344.6	344.7	344.7
Labour force	Female	millions	225.2	227.1	229.7	232.6	235.1	238.6	241.8	244.8	248.3	250.6	252.3	253.9	256.7	258.8	261.2	263.1	266.0	268.8	271.4	272.1	272.7	273.0	273.3	273.6
Labour force	Youth	millions	73.9	73.1	72.4	71.5	71.2	71.6	71.9	71.5	71.2	69.2	67.4	66.9	67.1	66.5	66.0	65.6	65.8	65.7	65.3	64.4	63.4	62.8	62.3	61.8
Employment-to-population ratio	Total	per cent	56.6	56.4	56.0	55.9	56.0	56.4	56.8	57.3	57.2	55.7	55.4	55.5	55.6	55.6	56.0	56.4	56.8	57.3	57.7	57.8	57.6	57.4	57.1	56.8
Employment	Total	millions	491.2	494.3	495.9	499.5	505.0	513.3	522.5	531.7	536.9	527.9	529.6	534.6	539.8	543.9	551.4	558.9	566.9	574.9	582.8	586.1	587.4	587.3	587.0	586.7
Composite rate of labour underutilization	Total	per cent						12.4	11.9	11.4	12.1	14.7	14.8	14.4	14.5	14.5	13.8	13.0	12.3	11.5	10.6	10.3	10.3	10.5	10.6	10.7
Total labour underutilization	Total	millions						70.2	68.5	66.1	71.0	87.1	88.4	86.5	87.9	88.5	85.0	80.7	76.7	72.3	67.0	65.3	65.7	66.7	67.6	68.3
Unemployment rate	Total	per cent	6.5	6.5	7.0	7.2	7.0	6.7	6.1	5.6	5.9	8.0	8.2	7.9	7.9	7.8	7.2	6.6	6.1	5.6	5.1	4.8	4.8	4.9	5.0	5.1
Unemployment	Total	millions	34.3	34.4	37.4	38.5	37.8	36.7	34.0	31.5	33.4	45.7	47.5	45.8	46.5	46.2	43.0	39.6	37.1	34.0	31.2	29.5	29.7	30.4	31.0	31.5
Rate of time-related underemployment	Total	per cent						3.1	3.2	3.2	3.7	4.2	4.1	3.9	4.0	4.1	3.9	3.8	3.6	3.4	3.0	3.0	3.1	3.1	3.1	3.1
Time-related underemployment	Total	millions						15.7	16.7	17.0	19.9	22.4	21.5	21.0	21.4	22.1	21.7	21.0	20.2	19.5	17.8	17.9	17.9	17.9	17.9	17.9
Rate of potential labour force	Total	per cent						3.1	3.1	3.0	3.0	3.2	3.3	3.3	3.3	3.3	3.3	3.2	3.1	3.0	2.9	2.8	2.8	2.9	2.9	3.0
Potential labour force	Total	millions						17.8	17.8	17.6	17.7	19.0	19.5	19.7	20.1	20.1	20.4	20.1	19.4	18.7	18.1	17.9	18.1	18.4	18.6	18.9
Rate of NEET	Youth	per cent						13.6	13.0	12.6	12.9	14.6	14.7	14.5	14.5	14.3	13.6	12.9	12.5	11.9	11.6	11.6	11.7	12.0	12.2	12.5
NEET	Youth	millions						20.3	19.4	18.8	19.4	21.8	22.0	21.6	21.5	21.1	20.0	18.8	18.1	17.0	16.5	16.3	16.4	16.7	17.0	17.4
Wage and salaried employment	Total	per cent	84.8	84.9	85.0	85.0	85.1	85.3	85.6	85.9	86.1	86.2	86.3	86.5	86.7	86.9	87.0	87.2	87.4	87.5	87.6	87.7	87.8	87.9	88.0	88.1
Employers	Total	per cent	4.2	4.2	4.1	4.2	4.2	4.1	4.1	4.0	3.9	3.9	3.9	3.8	3.7	3.7	3.6	3.6	3.5	3.5	3.4	3.4	3.4	3.3	3.3	3.3
Own-account workers	Total	per cent	8.9	8.9	8.9	9.0	8.9	8.9	8.8	8.7	8.5	8.5	8.5	8.5	8.4	8.3	8.3	8.2	8.1	8.1	8.0	8.0	8.0	7.9	7.9	7.9
Contributing family workers	Total	per cent	2.1	2.0	2.0	1.9	1.8	1.7	1.6	1.5	1.4	1.3	1.3	1.2	1.2	1.1	1.1	1.0	1.0	0.9	0.9	0.9	0.8	0.8	0.8	0.8

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North Africa

North Africa (cont'd)

			2000	2001	2002	2003	2004	2005	2006	2007	2008		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	47.0	46.8	46.4	46.7	46.9	47.0	47.1	47.5	47.3		47.6	47.8	47.7	47.8	48.1	47.5	46.7	46.5	45.8	45.7	45.7	45.6	45.6	45.5	45.4
Labour force participation rate	Male	per cent	73.4	72.7	72.6	72.6	72.6	72.5	72.5	72.4	72.7		72.7	73.1	73.0	72.9	73.0	72.2	71.0	70.5	69.7	69.5	69.5	69.3	69.2	69.0	68.8
Labour force participation rate	Female	per cent	20.9	21.0	20.5	21.0	21.3	21.6	21.9	22.7	22.2		22.8	22.8	22.7	23.0	23.5	23.2	22.6	22.6	22.1	22.1	22.1	22.2	22.2	22.2	22.2
Labour force participation rate	Youth	per cent	33.9	32.4	33.1	33.0	33.0	33.0	32.9	32.4	32.7		32.3	32.2	31.6	31.6	31.9	30.9	29.8	29.3	27.8	27.6	27.5	27.3	27.1	26.8	26.6
Labour force	Total	millions	51.2	52.3	53.3	55.0	56.7	58.2	59.7	61.5	62.6		64.2	65.9	67.0	68.4	70.1	70.6	70.6	71.5	71.7	73.0	74.3	75.7	77.0	78.3	79.6
Labour force	Male	millions	39.8	40.5	41.5	42.6	43.7	44.8	45.7	46.7	47.8		48.8	50.1	51.0	51.9	52.9	53.3	53.4	54.0	54.3	55.3	56.3	57.2	58.2	59.2	60.1
Labour force	Female	millions	11.4	11.8	11.8	12.4	12.9	13.4	13.9	14.8	14.8		15.5	15.8	16.0	16.5	17.2	17.3	17.2	17.5	17.4	17.7	18.1	18.4	18.8	19.2	19.5
Labour force	Youth	millions	12.1	11.9	12.4	12.6	12.8	13.0	13.0	12.9	13.1		13.0	13.0	12.7	12.7	12.8	12.4	11.9	11.7	11.1	11.1	11.1	11.1	11.1	11.2	11.2
Employment-to-population ratio	Total	per cent	39.9	39.9	39.7	39.9	40.8	40.9	41.6	42.1	42.3		42.6	42.8	41.8	41.6	41.9	41.4	40.6	40.6	40.0	40.0	40.1	40.2	40.3	40.2	40.1
Employment	Total	millions	43.5	44.7	45.6	47.0	49.3	50.7	52.7	54.6	55.9		57.6	58.9	58.7	59.6	61.1	61.4	61.4	62.4	62.6	63.8	65.3	66.7	68.0	69.2	70.3
Composite rate of labour underutilization	Total	per cent						26.3	25.0	24.3	23.7		23.4	23.5	25.6	26.1	26.0	26.0	26.4	25.8	25.9	25.7	25.3	24.9	24.7	24.6	24.7
Total labour underutilization	Total	millions						16.9	16.5	16.5	16.3		16.5	17.0	19.0	19.7	20.2	20.3	20.6	20.4	20.6	20.8	20.8	20.9	21.1	21.3	21.7
Unemployment rate	Total	per cent	15.1	14.6	14.5	14.5	13.0	12.8	11.7	11.2	10.7		10.4	10.6	12.4	12.9	12.9	13.0	13.1	12.7	12.7	12.5	12.1	11.9	11.7	11.6	11.6
Unemployment	Total	millions	7.7	7.6	7.7	8.0	7.3	7.5	7.0	6.9	6.7		6.7	6.9	8.3	8.8	9.0	9.2	9.3	9.1	9.1	9.2	9.0	9.0	9.0	9.1	9.3
Rate of time-related underemployment	Total	per cent						6.4	6.3	6.1	6.1		6.0	6.0	6.1	6.1	6.0	5.9	6.0	5.9	5.9	5.9	5.8	5.8	5.8	5.8	5.7
Time-related underemployment	Total	millions						3.2	3.3	3.3	3.4		3.5	3.5	3.6	3.6	3.7	3.6	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0	4.0
Rate of potential labour force	Total	per cent						9.7	9.4	9.2	9.1		9.0	9.0	9.5	9.6	9.6	9.7	9.8	9.7	9.8	9.8	9.7	9.6	9.6	9.5	9.6
Potential labour force	Total	millions						6.2	6.2	6.2	6.2		6.3	6.5	7.0	7.3	7.4	7.5	7.7	7.7	7.8	7.9	7.9	8.0	8.1	8.3	8.4
Rate of NEET	Youth	per cent						29.5	29.1	29.0	28.7		27.9	29.1	29.4	28.6	26.7	26.7	26.5	26.3	26.3	26.9	26.9	26.9	27.0	27.1	27.3
NEET	Youth	millions						11.6	11.5	11.6	11.5		11.2	11.7	11.8	11.5	10.7	10.7	10.6	10.5	10.5	10.8	10.9	10.9	11.1	11.3	11.5
Extreme working poverty rate	Total	per cent	5.0	4.7	4.5	4.2	4.3	4.4	3.9	3.7	3.3		2.8	2.2	1.9	1.7	1.6	1.5	1.4	1.3	1.2	1.2	1.2	1.1	1.1	1.0	1.0
Moderate working poverty rate	Total	per cent	18.4	18.1	17.8	18.0	18.6	18.5	17.5	17.1	16.2		14.7	13.1	12.2	10.7	10.0	9.9	9.3	9.2	8.8	8.5	8.3	8.1	7.8	7.6	7.4
Extreme working poverty	Total	millions	2.2	2.1	2.0	2.0	2.1	2.2	2.1	2.0	1.9		1.6	1.3	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7
Moderate working poverty	Total	millions	8.0	8.1	8.1	8.5	9.2	9.4	9.2	9.3	9.1		8.5	7.7	7.2	6.4	6.1	6.1	5.7	5.7	5.5	5.5	5.4	5.4	5.3	5.3	5.2
Wage and salaried employment	Total	per cent	54.5	55.3	55.0	54.5	53.9	55.6	57.6	56.8	57.4		57.7	58.6	58.3	59.3	59.1	58.9	59.7	62.9	62.2	62.3	62.5	62.7	62.9	63.0	63.2
Employers	Total	per cent	9.6	9.9	9.7	9.8	9.5	8.5	7.9	8.2	8.6		8.7	8.6	8.7	8.9	7.7	8.2	7.5	6.8	6.9	6.9	7.0	7.0	7.1	7.2	7.2
Own-account workers	Total	per cent	19.0	19.1	19.5	19.5	19.7	19.8	19.4	20.1	19.7		19.9	20.5	20.9	20.6	21.4	20.8	20.6	20.3	20.7	20.8	20.9	20.9	20.9	21.0	21.0
Contributing family workers	Total	per cent	16.9	15.7	15.8	16.2	17.0	16.1	15.1	14.9	14.2		13.8	12.4	12.1	11.3	11.8	12.1	12.2	10.0	10.2	9.9	9.7	9.4	9.1	8.8	8.6

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Sub-Saharan Africa / Sub-Saharan Africa (cont'd)

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	70.6	70.5	70.4	70.4	70.3	70.3	70.2	70.2	70.0	69.8	69.5	69.3	68.7	68.2	68.0	67.9	67.8	67.8	67.7	67.7	67.6	67.6	67.5	67.5
Labour force participation rate	Male	per cent	76.6	76.5	76.3	76.2	76.0	75.9	75.8	75.7	75.6	75.3	75.0	74.9	74.3	73.7	73.5	73.3	73.1	73.0	72.7	72.7	72.6	72.6	72.6	72.5
Labour force participation rate	Female	per cent	64.7	64.7	64.7	64.8	64.8	64.8	64.8	64.8	64.6	64.4	64.1	64.0	63.4	62.9	62.7	62.7	62.6	62.8	62.8	62.8	62.7	62.7	62.6	62.6
Labour force participation rate	Youth	per cent	53.0	52.8	52.6	52.4	52.2	51.9	51.8	51.7	51.5	51.0	50.7	50.5	49.5	48.7	48.7	48.9	49.1	48.8	48.3	48.2	48.1	48.0	47.9	47.7
Labour force	Total	millions	250.8	257.4	264.2	271.4	278.9	286.6	294.4	302.3	310.4	318.2	326.1	335.0	341.8	349.5	358.8	369.3	379.8	391.4	403.0	415.4	428.1	440.9	454.1	467.6
Labour force	Male	millions	133.9	137.3	140.7	144.4	148.2	152.2	156.3	160.5	164.9	169.0	173.4	178.1	182.0	186.1	191.0	196.5	202.0	207.8	213.6	220.3	227.1	234.0	241.1	248.4
Labour force	Female	millions	116.9	120.1	123.5	127.0	130.7	134.4	138.1	141.8	145.6	149.1	152.8	156.9	159.9	163.4	167.7	172.8	177.9	183.6	189.4	195.1	201.0	206.9	213.0	219.3
Labour force	Youth	millions	67.8	69.4	71.0	72.7	74.4	76.1	77.8	79.4	81.0	82.4	83.9	85.7	86.2	87.1	89.4	92.4	95.3	97.4	99.2	101.9	104.7	107.4	110.1	112.9
Employment-to-population ratio	Total	per cent	66.1	66.1	65.9	65.9	66.1	66.1	66.2	66.3	66.5	66.0	65.5	65.5	65.0	64.6	64.3	64.2	63.9	63.7	63.7	63.7	63.7	63.6	63.6	63.6
Employment	Total	millions	235.1	241.3	247.2	254.2	262.1	269.7	277.6	285.9	294.6	301.1	307.6	316.5	323.3	330.8	339.4	349.3	357.8	368.1	379.5	390.9	403.0	415.1	427.6	440.5
Composite rate of labour underutilization	Total	per cent						21.0	20.7	20.6	19.7	20.2	20.8	20.8	20.8	20.8	20.9	20.9	21.4	21.5	21.4	21.5	21.5	21.5	21.4	21.4
Total labour underutilization	Total	millions						63.4	64.4	65.6	63.9	67.4	71.3	73.0	74.7	76.3	78.6	80.8	85.2	88.4	90.8	93.8	96.6	99.4	102.2	105.0
Unemployment rate	Total	per cent	6.3	6.3	6.4	6.3	6.0	5.9	5.7	5.4	5.1	5.4	5.7	5.5	5.4	5.3	5.4	5.4	5.8	6.0	5.8	5.9	5.9	5.9	5.8	5.8
Unemployment	Total	millions	15.8	16.1	17.0	17.2	16.8	16.9	16.7	16.4	15.8	17.0	18.5	18.5	18.6	18.6	19.4	20.0	22.1	23.3	23.5	24.4	25.1	25.8	26.5	27.1
Rate of time-related underemployment	Total	per cent						11.4	11.5	11.5	11.6	11.8	11.9	12.0	12.1	12.2	12.3	12.3	12.4	12.4	12.4	12.4	12.3	12.3	12.3	12.3
Time-related underemployment	Total	millions						30.8	31.8	33.0	34.2	35.5	36.7	38.0	39.3	40.5	41.6	42.9	44.3	45.6	46.9	48.3	49.7	51.2	52.7	54.2
Rate of potential labour force	Total	per cent						5.2	5.1	5.1	4.3	4.5	4.7	4.7	4.7	4.7	4.7	4.6	4.7	4.7	4.8	4.8	4.8	4.8	4.8	4.8
Potential labour force	Total	millions						15.7	15.8	16.1	13.9	14.9	16.1	16.5	16.9	17.2	17.6	17.9	18.8	19.5	20.3	21.1	21.7	22.4	23.1	23.7
Rate of NEET	Youth	per cent						19.5	19.2	19.0	18.5	18.5	18.5	18.3	18.4	18.6	18.7	18.6	18.7	18.6	18.8	19.0	19.0	19.1	19.2	19.2
NEET	Youth	millions						28.5	28.8	29.2	29.2	29.9	30.7	31.1	32.0	33.2	34.3	35.1	36.2	37.1	38.6	40.1	41.4	42.7	44.1	45.5
Extreme working poverty rate	Total	per cent	55.5	54.3	53.2	51.9	50.3	49.1	48.2	47.2	46.4	45.6	44.6	43.3	41.6	40.7	39.8	39.0	38.5	37.7	36.7	35.9	35.0	34.1	33.2	32.4
Moderate working poverty rate	Total	per cent	20.5	21.2	21.9	22.6	23.3	23.8	23.9	24.1	24.2	24.4	24.6	25.0	25.3	25.4	25.4	25.4	25.3	25.4	25.4	25.4	25.5	25.4	25.4	25.4
Extreme working poverty	Total	millions	130.4	131.0	131.6	132.0	131.8	132.3	133.7	135.0	136.7	137.3	137.3	137.0	134.3	134.5	134.9	136.3	137.9	138.7	139.4	140.2	140.9	141.6	142.2	142.8
Moderate working poverty	Total	millions	48.2	51.2	54.2	57.6	61.2	64.1	66.4	68.9	71.4	73.6	75.6	79.1	81.9	84.0	86.3	88.7	90.6	93.4	96.4	99.5	102.6	105.6	108.6	111.8
Wage and salaried employment	Total	per cent	19.6	19.6	19.5	19.6	19.7	19.6	19.8	20.2	20.8	21.0	21.2	21.7	22.1	22.5	22.8	23.1	23.2	23.3	23.4	23.5	23.6	23.6	23.8	23.9
Employers	Total	per cent	2.4	2.3	2.3	2.3	2.3	2.2	2.3	2.2	2.1	2.1	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Own-account workers	Total	per cent	53.0	53.1	53.4	53.5	53.5	53.7	53.9	53.7	53.5	53.6	53.5	53.3	53.1	52.9	52.6	52.7	52.7	52.8	52.9	53.0	53.1	53.2	53.2	53.3
Contributing family workers	Total	per cent	25.0	24.9	24.8	24.7	24.5	24.4	24.1	23.8	23.5	23.2	23.1	22.8	22.6	22.4	22.3	22.0	21.8	21.6	21.4	21.3	21.1	20.9	20.8	20.6

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North America

Indicator			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	66.3	66.0	65.8	65.5	65.2	65.2	65.3	65.2	65.2	64.6	63.9	63.4	63.4	62.9	62.6	62.4	62.5	62.6	62.6	62.4	62.1	61.8	61.6	61.3
Labour force participation rate	Male	per cent	74.0	73.5	73.1	72.5	72.3	72.2	72.3	72.0	71.9	70.9	70.1	69.5	69.7	69.2	68.7	68.6	68.7	68.7	68.6	68.3	68.0	67.8	67.5	67.2
Labour force participation rate	Female	per cent	59.0	58.8	58.7	58.7	58.5	58.5	58.6	58.6	58.8	58.5	58.0	57.4	57.3	56.9	56.6	56.4	56.5	56.8	56.9	56.6	56.4	56.1	55.9	55.6
Labour force participation rate	Youth	per cent	62.8	61.4	60.1	58.5	57.9	57.6	57.8	56.7	56.1	54.1	52.2	51.9	52.8	52.3	52.3	52.5	52.9	53.3	52.9	52.6	52.2	51.8	51.4	51.1
Labour force	Total	millions	162.6	163.9	165.2	166.2	167.5	169.5	171.5	173.2	175.3	175.6	175.7	176.2	178.1	178.6	179.4	180.6	182.6	184.6	186.0	186.8	187.6	188.1	188.8	189.4
Labour force	Male	millions	88.5	89.1	89.7	90.0	90.7	91.8	92.8	93.6	94.6	94.4	94.4	94.7	96.0	96.3	96.7	97.5	98.6	99.4	100.1	100.5	101.0	101.3	101.7	102.0
Labour force	Female	millions	74.1	74.8	75.5	76.3	76.7	77.7	78.7	79.6	80.8	81.3	81.3	81.4	82.1	82.2	82.7	83.1	84.0	85.2	85.9	86.3	86.6	86.8	87.1	87.4
Labour force	Youth	millions	27.1	26.9	26.7	26.4	26.6	26.8	27.2	26.9	26.9	26.1	25.4	25.4	25.9	25.8	25.8	25.8	25.9	26.0	25.6	25.3	25.0	24.8	24.6	24.5
Employment-to-population ratio	Total	per cent	63.5	62.7	61.8	61.4	61.5	61.8	62.2	62.1	61.4	58.6	57.8	57.8	58.3	58.3	58.7	59.0	59.3	59.8	60.0	59.9	59.6	59.3	58.9	58.5
Employment	Total	millions	155.7	155.7	155.3	156.0	157.9	160.5	163.3	164.9	165.1	159.6	159.1	160.7	163.9	165.4	168.2	170.7	173.3	176.1	178.4	179.5	180.0	180.3	180.5	180.8
Composite rate of labour underutilization	Total	per cent						7.1	6.6	6.6	8.0	12.0	12.0	11.3	10.3	9.6	8.4	7.4	7.0	6.3	5.7	5.5	5.7	5.9	6.1	6.3
Total labour underutilization	Total	millions						12.1	11.4	11.5	14.2	21.3	21.5	20.1	18.7	17.4	15.2	13.5	12.9	11.7	10.8	10.3	10.7	11.2	11.6	12.1
Unemployment rate	Total	per cent	4.3	5.0	6.0	6.2	5.7	5.3	4.8	4.8	5.8	9.2	9.5	8.8	8.0	7.3	6.2	5.5	5.1	4.6	4.1	3.9	4.0	4.2	4.4	4.5
Unemployment	Total	millions	7.0	8.2	9.9	10.2	9.5	8.9	8.2	8.3	10.2	16.1	16.6	15.5	14.2	13.1	11.2	9.9	9.3	8.4	7.6	7.3	7.6	7.9	8.2	8.6
Rate of time-related underemployment	Total	per cent						1.0	0.9	1.0	1.4	1.9	1.5	1.4	1.2	1.2	1.0	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Time-related underemployment	Total	millions						1.5	1.5	1.7	2.3	3.0	2.4	2.2	2.0	1.9	1.7	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Rate of potential labour force	Total	per cent						1.0	0.9	0.9	1.0	1.3	1.4	1.4	1.4	1.3	1.2	1.1	1.1	0.9	0.9	0.9	0.9	1.0	1.0	1.1
Potential labour force	Total	millions						1.7	1.6	1.5	1.7	2.2	2.4	2.4	2.5	2.4	2.3	2.1	1.9	1.8	1.7	1.6	1.7	1.8	1.9	2.0
Rate of NEET	Youth	per cent						16.4	15.5	15.3	16.5	19.1	19.3	18.4	18.3	17.8	16.5	15.3	14.9	13.7	13.6	13.7	14.0	14.2	14.5	14.8
NEET	Youth	millions						7.7	7.3	7.3	7.9	9.2	9.4	9.0	9.0	8.8	8.1	7.5	7.3	6.7	6.6	6.6	6.7	6.8	7.0	7.1
Wage and salaried employment	Total	per cent	91.6	91.8	91.9	91.6	91.6	91.7	91.8	91.9	92.1	91.9	92.0	92.2	92.3	92.4	92.6	92.6	92.7	92.8	92.7	92.8	92.9	92.9	93.0	93.0
Employers	Total	per cent	3.5	3.4	3.3	3.4	3.4	3.3	3.3	3.2	3.1	3.1	3.1	3.0	2.9	2.9	2.8	2.8	2.7	2.7	2.7	2.6	2.6	2.5	2.5	2.5
Own-account workers	Total	per cent	4.8	4.7	4.7	4.9	4.9	4.9	4.8	4.8	4.7	4.9	4.8	4.7	4.7	4.6	4.6	4.6	4.6	4.5	4.5	4.5	4.5	4.5	4.5	4.4
Contributing family workers	Total	per cent	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

North America (cont'd)

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Latin America and the Caribbean

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	62.9	63.0	63.2	63.4	63.9	64.1	64.3	64.2	64.2	64.4	64.0	63.6	64.2	64.0	63.7	63.8	63.7	63.9	64.0	64.0	64.0	63.9	63.8	63.7
Labour force participation rate	Male	per cent	79.4	79.1	78.9	78.7	78.9	78.8	78.9	78.6	78.5	78.4	77.9	77.6	77.8	77.5	77.3	77.2	76.9	76.9	76.8	76.7	76.6	76.5	76.4	76.3
Labour force participation rate	Female	per cent	47.3	47.8	48.3	48.8	49.7	50.2	50.6	50.5	50.6	51.2	50.7	50.4	51.3	51.1	50.8	51.1	51.3	51.6	52.0	52.0	52.0	51.9	51.9	51.9
Labour force participation rate	Youth	per cent	53.7	53.3	53.2	53.1	53.6	53.9	53.5	53.1	52.7	52.4	51.5	50.8	50.9	49.9	49.3	48.9	48.8	49.0	49.0	48.9	48.7	48.5	48.4	48.2
Labour force	Total	millions	221.9	226.9	232.2	237.5	244.0	249.7	255.1	259.3	264.0	269.8	272.7	275.9	283.0	286.7	290.1	295.0	299.1	304.3	309.3	313.4	317.3	321.0	324.6	328.0
Labour force	Male	millions	136.4	138.7	141.0	143.5	146.5	149.2	152.1	154.4	157.0	159.6	161.6	163.6	166.9	168.9	171.2	173.6	175.4	178.0	180.3	182.6	184.8	186.9	188.9	190.8
Labour force	Female	millions	85.5	88.2	91.1	93.9	97.5	100.4	103.0	104.9	107.0	110.2	111.1	112.3	116.1	117.7	119.0	121.4	123.6	126.3	129.0	130.8	132.5	134.1	135.7	137.2
Labour force	Youth	millions	53.7	53.9	54.3	54.7	55.6	56.2	56.2	56.1	56.0	56.0	55.4	54.8	55.2	54.3	53.7	53.4	53.2	53.3	53.1	52.7	52.3	51.9	51.4	51.0
Employment-to-population ratio	Total	per cent	57.2	57.5	57.5	57.7	58.5	59.1	59.7	59.8	60.0	59.6	59.5	59.5	60.1	59.9	59.8	59.5	58.7	58.7	58.9	58.8	58.8	58.6	58.6	58.5
Employment	Total	millions	201.6	207.1	211.1	216.3	223.6	229.9	236.6	241.5	246.9	249.6	253.7	258.0	264.9	268.6	272.3	275.3	275.7	279.7	284.7	288.1	291.5	294.6	297.8	301.0
Composite rate of labour underutilization	Total	per cent						20.1	19.4	19.0	18.4	19.6	18.9	18.2	18.1	17.3	16.8	17.4	18.8	19.5	19.8	19.9	20.0	20.1	20.2	20.1
Total labour underutilization	Total	millions						53.1	52.0	51.9	51.1	55.8	54.3	52.9	54.0	52.1	50.9	53.6	59.0	62.7	64.8	66.0	67.1	68.2	69.1	69.8
Unemployment rate	Total	per cent	9.1	8.7	9.1	8.9	8.4	7.9	7.2	6.9	6.5	7.5	7.0	6.5	6.4	6.3	6.1	6.7	7.8	8.1	7.9	8.1	8.1	8.2	8.2	8.2
Unemployment	Total	millions	20.3	19.8	21.1	21.2	20.4	19.8	18.5	17.8	17.2	20.2	19.0	17.9	18.1	18.1	17.8	19.8	23.3	24.6	24.6	25.3	25.8	26.4	26.8	27.0
Rate of time-related underemployment	Total	per cent						8.5	8.4	8.4	8.1	8.4	8.2	7.9	8.0	7.4	7.1	7.2	7.4	7.7	8.1	8.1	8.1	8.1	8.1	8.1
Time-related underemployment	Total	millions						19.6	19.9	20.3	20.1	21.0	20.8	20.5	21.1	20.0	19.3	19.8	20.3	21.7	22.9	23.2	23.5	23.8	24.1	24.3
Rate of potential labour force	Total	per cent						5.2	5.1	5.0	5.0	5.1	5.1	5.0	5.0	4.7	4.5	4.6	4.9	5.1	5.3	5.3	5.3	5.3	5.3	5.3
Potential labour force	Total	millions						13.7	13.6	13.7	13.8	14.6	14.5	14.5	14.8	14.1	13.8	14.1	15.3	16.4	17.3	17.5	17.8	18.0	18.3	18.4
Rate of NEET	Youth	per cent						20.9	20.5	20.1	19.9	20.2	20.1	20.4	20.3	20.5	20.6	21.0	21.5	21.7	21.6	21.6	21.7	21.8	21.9	22.0
NEET	Youth	millions						21.8	21.5	21.3	21.2	21.6	21.6	22.0	22.0	22.3	22.4	22.9	23.4	23.6	23.4	23.3	23.2	23.3	23.3	23.3
Extreme working poverty rate	Total	per cent	8.9	8.7	8.4	7.6	6.8	6.6	5.2	4.6	4.2	3.9	3.5	3.2	2.8	2.7	2.4	2.3	2.5	2.6	2.5	2.4	2.3	2.1	2.0	1.9
Moderate working poverty rate	Total	per cent	11.0	11.0	11.1	10.5	9.6	9.2	7.9	7.3	6.8	6.7	6.4	5.8	5.5	5.0	4.8	4.8	4.8	4.7	4.5	4.3	4.2	4.0	3.8	3.7
Extreme working poverty	Total	millions	17.9	18.0	17.6	16.5	15.1	15.1	12.3	11.1	10.3	9.8	8.9	8.2	7.5	7.1	6.5	6.4	6.9	7.4	7.2	7.0	6.6	6.3	6.0	5.8
Moderate working poverty	Total	millions	22.1	22.8	23.5	22.7	21.5	21.2	18.7	17.7	16.8	16.6	16.2	15.1	14.6	13.4	13.1	13.3	13.3	13.1	12.9	12.5	12.1	11.8	11.4	11.1
Wage and salaried employment	Total	per cent	60.0	59.8	59.7	59.7	60.2	60.7	61.5	62.3	62.8	62.5	62.8	62.9	63.7	63.7	64.1	63.6	63.2	62.7	62.5	62.5	62.5	62.6	62.6	62.7
Employers	Total	per cent	4.4	4.5	4.4	4.4	4.4	4.6	4.6	4.4	4.6	4.5	4.3	4.1	4.2	4.2	4.1	4.1	4.2	4.3	4.4	4.4	4.4	4.3	4.3	4.3
Own-account workers	Total	per cent	28.0	28.2	28.5	28.6	28.3	27.9	27.3	27.1	26.8	27.3	27.4	27.7	26.8	27.0	27.0	27.4	28.0	28.3	28.5	28.5	28.6	28.6	28.6	28.6
Contributing family workers	Total	per cent	7.7	7.5	7.3	7.3	7.1	6.9	6.6	6.2	5.8	5.7	5.5	5.2	5.2	5.1	4.9	4.9	4.6	4.7	4.7	4.6	4.6	4.5	4.4	4.4

Latin America and the Caribbean (cont'd)

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Arab States

Arab States (cont'd)

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	48.7	48.4	48.2	48.2	48.2	48.3	48.4	48.7	49.1	49.3	49.8	50.1	50.4	50.7	51.0	51.4	51.5	51.2	51.2	51.3	51.3	51.1	50.8	50.5
Labour force participation rate	Male	per cent	76.4	75.9	75.5	75.3	75.1	75.0	74.8	74.9	75.2	75.5	76.0	76.2	76.6	77.0	77.3	77.6	77.5	77.5	77.5	77.6	77.7	77.4	77.1	76.8
Labour force participation rate	Female	per cent	17.3	17.0	16.9	16.9	16.7	16.7	16.7	16.8	16.9	16.6	16.9	17.2	17.4	17.6	18.0	18.6	19.0	18.1	18.0	18.0	18.0	17.9	17.8	17.7
Labour force participation rate	Youth	per cent	33.3	32.9	32.5	32.2	31.5	30.9	30.6	30.2	29.9	29.1	29.0	29.0	28.7	28.5	28.3	28.0	28.1	27.9	28.0	27.7	27.4	27.2	27.0	26.7
Labour force	Total	millions	28.4	29.2	30.2	31.4	32.6	34.1	35.8	37.8	39.9	41.8	44.0	46.0	47.9	49.7	51.5	53.4	54.8	55.8	57.0	58.3	59.7	60.9	62.1	63.3
Labour force	Male	millions	23.7	24.4	25.3	26.3	27.4	28.7	30.2	31.9	33.8	35.6	37.4	39.0	40.6	42.1	43.5	44.9	45.9	47.0	48.1	49.3	50.5	51.4	52.4	53.4
Labour force	Female	millions	4.7	4.8	4.9	5.1	5.2	5.4	5.6	5.9	6.1	6.3	6.6	7.0	7.3	7.6	8.1	8.6	8.9	8.7	8.9	9.0	9.2	9.4	9.6	9.9
Labour force	Youth	millions	6.6	6.7	6.9	7.0	7.1	7.1	7.3	7.5	7.7	7.6	7.7	7.9	8.0	8.0	7.9	7.8	8.0	8.0	8.0	7.9	7.8	7.9	8.0	8.0
Employment-to-population ratio	Total	per cent	45.0	44.3	44.1	44.2	44.2	44.4	44.6	45.1	45.4	45.8	46.3	46.6	46.9	47.0	47.2	47.6	47.6	47.1	47.1	47.2	47.2	46.9	46.7	46.4
Employment	Total	millions	26.2	26.8	27.6	28.8	29.9	31.3	33.0	35.0	36.9	38.9	40.9	42.8	44.5	46.1	47.7	49.4	50.7	51.3	52.4	53.6	54.9	55.9	57.0	58.1
Composite rate of labour underutilization	Total	per cent						17.9	17.4	16.9	16.9	16.4	16.4	16.3	16.1	16.4	16.5	16.5	16.6	17.2	17.3	17.3	17.3	17.4	17.5	17.6
Total labour underutilization	Total	millions						6.6	6.8	6.9	7.3	7.4	7.8	8.1	8.3	8.8	9.2	9.5	9.8	10.3	10.6	10.9	11.2	11.5	11.8	12.1
Unemployment rate	Total	per cent	7.7	8.4	8.6	8.4	8.3	8.1	7.8	7.4	7.4	7.1	7.1	7.1	7.0	7.3	7.4	7.4	7.5	8.1	8.0	8.0	8.0	8.1	8.1	8.2
Unemployment	Total	millions	2.2	2.4	2.6	2.6	2.7	2.8	2.8	2.8	3.0	3.0	3.1	3.3	3.3	3.6	3.8	4.0	4.1	4.5	4.6	4.7	4.8	4.9	5.0	5.2
Rate of time-related underemployment	Total	per cent						3.0	3.0	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.8	2.9	2.8	2.9	2.9	2.9	2.9	2.9
Time-related underemployment	Total	millions						1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.7
Rate of potential labour force	Total	per cent						7.9	7.7	7.6	7.5	7.4	7.3	7.3	7.2	7.2	7.2	7.2	7.2	7.3	7.4	7.4	7.4	7.5	7.6	7.7
Potential labour force	Total	millions						2.9	3.0	3.1	3.2	3.3	3.5	3.6	3.7	3.9	4.0	4.1	4.3	4.4	4.5	4.7	4.8	4.9	5.1	5.2
Rate of NEET	Youth	per cent						32.8	32.5	32.2	31.8	31.4	31.6	31.6	31.0	32.7	33.1	33.3	33.3	33.8	34.0	34.2	34.3	34.5	34.6	34.6
NEET	Youth	millions						7.5	7.8	8.0	8.1	8.2	8.4	8.6	8.6	9.2	9.3	9.3	9.4	9.6	9.7	9.8	9.8	10.0	10.2	10.4
Extreme working poverty rate	Total	per cent	0.9	0.8	0.8	1.1	0.8	1.0	0.9	0.8	0.8	0.8	0.8	2.0	2.6	3.7	3.7	5.6	6.9	7.6	7.8	7.9	7.8	7.8	8.0	8.1
Moderate working poverty rate	Total	per cent	8.0	7.6	7.6	9.2	7.2	7.3	6.9	6.7	6.5	6.6	6.7	7.4	7.5	7.5	7.4	7.8	7.7	7.7	7.6	7.5	7.4	7.4	7.4	7.5
Extreme working poverty	Total	millions	0.2	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.9	1.2	1.7	1.8	2.8	3.5	3.9	4.1	4.3	4.3	4.4	4.5	4.7
Moderate working poverty	Total	millions	2.1	2.0	2.1	2.6	2.2	2.3	2.3	2.3	2.4	2.6	2.7	3.2	3.3	3.5	3.5	3.8	3.9	3.9	4.0	4.0	4.1	4.1	4.2	4.3
Wage and salaried employment	Total	per cent	72.7	73.0	73.4	73.8	74.5	75.2	75.9	76.3	78.4	79.1	80.0	80.4	81.0	81.6	82.0	82.3	82.5	82.5	82.4	82.3	82.3	82.2	82.1	81.9
Employers	Total	per cent	4.3	4.3	4.3	4.3	4.3	4.3	4.4	4.3	4.1	3.7	3.6	3.6	3.5	3.5	3.4	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4
Own-account workers	Total	per cent	16.6	16.6	16.5	16.5	16.1	15.7	15.2	15.1	13.8	14.0	13.3	13.1	12.6	12.2	11.9	11.7	11.6	11.5	11.6	11.6	11.6	11.7	11.8	12.0
Contributing family workers	Total	per cent	6.3	6.2	5.8	5.4	5.1	4.7	4.4	4.3	3.7	3.3	3.1	2.9	2.9	2.8	2.7	2.6	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.7

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East Asia

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	75.1	74.5	73.8	73.1	72.4	71.8	71.4	71.0	70.7	70.3	69.8	69.6	69.4	69.2	69.0	68.7	68.4	68.1	67.8	67.3	66.9	66.4	65.9	65.4
Labour force participation rate	Male	per cent	82.3	81.7	81.0	80.3	79.6	79.1	78.7	78.4	78.2	77.8	77.5	77.3	77.0	76.8	76.5	76.3	76.0	75.6	75.3	74.9	74.5	74.1	73.7	73.2
Labour force participation rate	Female	per cent	67.8	67.2	66.4	65.7	65.0	64.4	63.9	63.4	63.0	62.5	62.0	61.8	61.6	61.4	61.3	61.0	60.7	60.4	60.1	59.6	59.0	58.5	58.0	57.5
Labour force participation rate	Youth	per cent	65.6	63.8	61.9	60.1	58.6	57.5	56.7	56.2	55.9	55.3	54.3	53.4	52.2	50.6	49.1	47.8	46.9	46.0	45.5	45.2	44.9	44.5	44.1	43.6
Labour force	Total	millions	870.5	874.7	881.1	888.5	895.7	901.2	906.5	911.1	914.1	916.0	917.4	920.8	924.3	927.8	930.9	932.7	933.8	934.1	934.1	932.2	929.8	927.3	924.4	921.1
Labour force	Male	millions	482.6	485.3	489.3	494.0	498.5	502.2	505.8	509.2	511.5	513.3	514.8	516.9	518.8	520.5	522.1	523.2	523.9	524.2	524.4	524.1	523.6	522.8	521.8	520.6
Labour force	Female	millions	387.9	389.4	391.7	394.5	397.2	399.0	400.7	401.9	402.5	402.7	402.5	403.9	405.5	407.3	408.7	409.5	409.9	409.9	409.7	408.1	406.3	404.5	402.6	400.6
Labour force	Youth	millions	153.9	150.9	150.2	150.7	151.4	151.3	150.8	150.1	148.5	145.1	139.8	133.7	125.9	117.0	108.8	102.2	97.1	93.3	90.7	89.1	87.3	85.7	84.2	82.7
Employment-to-population ratio	Total	per cent	72.6	71.6	70.6	69.7	69.2	68.6	68.3	68.0	67.5	67.0	66.7	66.5	66.3	66.1	65.9	65.7	65.4	65.2	65.0	64.5	64.1	63.6	63.1	62.6
Employment	Total	millions	840.8	840.5	843.1	847.6	855.6	861.0	867.0	872.4	873.3	872.9	875.8	879.6	882.9	886.4	889.3	891.1	893.0	894.3	895.9	893.7	890.8	887.9	884.7	881.2
Composite rate of labour underutilization	Total	per cent						11.5	11.3	11.1	11.2	11.5	11.2	11.0	10.9	10.8	10.7	10.7	10.5	10.3	10.0	10.0	10.1	10.1	10.1	10.1
Total labour underutilization	Total	millions						105.4	104.3	103.1	105.0	107.4	104.8	103.7	103.1	102.7	102.3	102.0	100.3	98.7	95.6	95.7	95.9	96.0	96.1	96.0
Unemployment rate	Total	per cent	3.4	3.9	4.3	4.6	4.5	4.5	4.4	4.3	4.5	4.7	4.5	4.5	4.5	4.5	4.5	4.5	4.4	4.3	4.1	4.1	4.2	4.2	4.3	4.3
Unemployment	Total	millions	29.6	34.1	38.0	40.9	40.1	40.2	39.5	38.7	40.8	43.1	41.5	41.3	41.3	41.4	41.5	41.6	40.8	39.8	38.2	38.5	39.0	39.4	39.8	39.9
Rate of time-related underemployment	Total	per cent						5.4	5.3	5.1	5.0	4.9	4.8	4.6	4.5	4.4	4.3	4.2	4.1	4.0	3.8	3.7	3.7	3.6	3.5	3.4
Time-related underemployment	Total	millions						46.5	45.7	44.9	44.0	43.1	41.9	40.8	39.9	39.0	38.3	37.4	36.6	35.7	34.1	33.4	32.6	31.8	31.0	30.2
Rate of potential labour force	Total	per cent						2.0	2.1	2.1	2.2	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.5	2.6	2.6	2.7	2.7
Potential labour force	Total	millions						18.7	19.1	19.5	20.3	21.1	21.3	21.6	21.9	22.2	22.6	22.9	23.0	23.2	23.4	23.8	24.4	24.9	25.4	25.8
Rate of NEET	Youth	per cent						19.1	19.0	18.3	18.1	17.9	17.7	17.8	17.8	17.7	17.3	17.0	16.5	16.6	16.6	16.7	16.9	17.0	17.2	17.3
NEET	Youth	millions						50.3	50.7	49.0	48.0	47.0	45.7	44.6	42.9	40.9	38.4	36.3	34.3	33.7	33.2	33.0	32.9	32.8	32.8	32.9
Extreme working poverty rate	Total	per cent	33.0	30.7	27.8	25.0	21.2	17.4	15.5	14.2	14.5	13.0	11.7	8.4	7.0	2.3	1.7	1.1	1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.6
Moderate working poverty rate	Total	per cent	24.7	24.2	23.3	22.6	21.5	20.4	18.7	17.1	15.9	14.8	13.6	12.6	11.3	9.5	7.9	6.5	5.9	5.4	5.0	4.6	4.3	4.0	3.8	3.6
Extreme working poverty	Total	millions	277.5	258.2	234.5	212.2	181.0	150.0	134.4	124.1	126.5	113.1	102.3	74.3	61.6	20.0	15.4	9.7	8.7	8.0	7.3	6.7	6.1	5.7	5.3	4.9
Moderate working poverty	Total	millions	208.0	203.4	196.6	191.7	184.4	175.3	162.3	149.1	139.1	129.1	119.0	111.2	100.2	84.3	70.2	57.7	52.6	48.4	44.5	41.1	38.2	35.6	33.4	31.3
Wage and salaried employment	Total	per cent	42.1	42.8	43.6	44.3	45.1	45.9	46.7	47.5	48.3	49.1	49.9	50.7	51.5	52.3	53.1	53.8	54.6	55.4	56.2	56.4	56.6	56.8	57.1	57.3
Employers	Total	per cent	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7
Own-account workers	Total	per cent	32.8	32.6	32.4	32.2	32.0	31.8	31.5	31.3	31.1	31.0	30.8	30.6	30.4	30.2	30.0	29.8	29.6	29.5	29.3	29.3	29.2	29.2	29.2	29.2
Contributing family workers	Total	per cent	23.4	22.9	22.3	21.8	21.2	20.6	20.0	19.5	18.9	18.3	17.7	17.1	16.5	15.9	15.3	14.7	14.1	13.5	13.0	12.8	12.5	12.3	12.1	11.9

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South-East Asia and the Pacific

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	69.0	68.6	68.0	67.7	67.7	67.3	67.3	68.1	68.2	68.2	68.3	68.8	68.8	68.4	68.2	67.9	67.5	67.2	67.4	67.3	67.2	67.1	67.0	66.9
Labour force participation rate	Male	per cent	81.2	81.3	81.1	80.6	81.0	80.4	80.4	80.6	80.5	80.4	80.3	80.7	80.8	80.4	80.2	79.8	79.2	79.0	78.8	78.7	78.6	78.4	78.3	78.2
Labour force participation rate	Female	per cent	57.1	56.3	55.4	55.2	54.8	54.6	54.5	56.0	56.2	56.3	56.5	57.1	57.1	56.6	56.5	56.3	56.0	55.8	56.2	56.2	56.1	56.1	56.0	55.9
Labour force participation rate	Youth	per cent	56.3	56.0	55.2	54.1	54.6	53.2	53.0	53.4	52.8	52.2	51.3	51.3	51.1	50.6	50.0	49.3	48.4	48.1	47.6	47.4	47.2	47.0	46.8	46.6
Labour force	Total	millions	263.0	266.9	269.7	273.3	278.3	281.6	286.8	295.9	301.7	307.1	312.8	320.3	325.7	328.8	333.4	336.9	339.7	343.5	349.3	353.8	358.1	362.4	366.5	370.4
Labour force	Male	millions	152.7	155.9	158.4	160.3	164.1	166.0	169.2	172.8	175.9	178.9	181.9	186.0	189.1	191.3	193.9	195.8	197.3	199.6	202.1	204.7	207.1	209.5	211.8	214.0
Labour force	Female	millions	110.3	111.0	111.3	113.0	114.2	115.6	117.5	123.1	125.7	128.2	130.8	134.3	136.5	137.5	139.5	141.1	142.4	143.9	147.1	149.1	151.0	152.9	154.7	156.4
Labour force	Youth	millions	61.0	61.3	60.9	60.1	61.1	60.0	60.0	60.7	60.0	59.2	58.1	58.3	58.4	58.1	57.8	57.2	56.2	55.8	55.3	55.0	54.6	54.4	54.2	53.9
Employment-to-population ratio	Total	per cent	66.3	65.8	65.3	65.0	64.9	64.4	64.4	65.2	65.5	65.7	66.0	66.5	66.8	66.3	66.3	65.8	65.5	65.3	65.4	65.3	65.1	65.0	64.8	64.7
Employment	Total	millions	252.6	256.0	258.8	262.3	266.6	269.2	274.6	283.0	289.5	295.7	302.4	309.9	316.0	319.0	323.7	326.6	329.6	333.3	338.7	342.9	346.8	350.8	354.5	358.2
Composite rate of labour underutilization	Total	per cent						12.0	11.8	11.9	11.5	11.2	10.8	10.5	10.3	10.3	10.1	10.0	9.9	9.7	9.7	9.8	9.9	10.0	10.1	10.1
Total labour underutilization	Total	millions						35.2	35.3	36.6	36.1	35.9	35.1	35.1	34.7	35.2	34.9	35.0	35.0	34.5	35.1	35.9	36.7	37.5	38.2	38.9
Unemployment rate	Total	per cent	4.0	4.1	4.0	4.0	4.2	4.4	4.2	4.4	4.0	3.7	3.3	3.3	3.0	3.0	2.9	3.0	3.0	3.0	3.0	3.1	3.2	3.2	3.3	3.3
Unemployment	Total	millions	10.4	10.9	10.9	11.0	11.7	12.4	12.2	12.9	12.2	11.4	10.4	10.5	9.7	9.8	9.7	10.3	10.1	10.2	10.5	10.9	11.3	11.6	11.9	12.2
Rate of time-related underemployment	Total	per cent						4.0	4.0	4.0	4.0	4.1	4.0	3.9	3.9	3.9	3.8	3.6	3.5	3.6	3.5	3.5	3.6	3.6	3.6	3.6
Time-related underemployment	Total	millions						10.8	11.0	11.4	11.6	12.1	12.2	12.1	12.3	12.4	12.2	11.8	11.4	11.9	11.9	12.1	12.3	12.5	12.7	12.9
Rate of potential labour force	Total	per cent						4.1	4.1	4.0	3.9	3.9	3.8	3.8	3.7	3.8	3.8	3.7	3.8	3.5	3.5	3.5	3.5	3.6	3.6	3.6
Potential labour force	Total	millions						12.0	12.1	12.3	12.3	12.4	12.5	12.5	12.7	13.0	13.1	12.9	13.5	12.5	12.6	12.9	13.1	13.4	13.6	13.8
Rate of NEET	Youth	per cent						21.2	20.8	20.7	20.0	20.1	19.6	19.2	18.5	18.8	18.4	18.5	18.3	18.0	17.9	18.2	18.4	18.5	18.7	18.9
NEET	Youth	millions						23.9	23.6	23.6	22.8	22.8	22.1	21.8	21.2	21.6	21.3	21.5	21.3	20.9	20.8	21.1	21.3	21.5	21.6	21.8
Extreme working poverty rate	Total	per cent	26.2	24.8	20.8	18.8	17.5	15.8	17.0	14.8	14.1	11.0	9.6	8.6	7.4	6.5	5.7	5.0	4.4	3.9	3.4	2.9	2.5	2.2	1.9	1.7
Moderate working poverty rate	Total	per cent	30.3	30.0	28.8	27.8	27.5	27.2	26.5	25.4	25.4	23.9	20.9	20.3	19.9	19.3	18.4	16.5	15.3	13.6	12.6	11.6	10.7	9.9	9.1	8.5
Extreme working poverty	Total	millions	66.1	63.5	53.9	49.3	46.8	42.4	46.8	41.9	40.7	32.6	28.9	26.6	23.5	20.8	18.5	16.5	14.6	13.0	11.4	10.0	8.8	7.7	6.9	6.2
Moderate working poverty	Total	millions	76.4	76.7	74.5	73.0	73.2	73.2	72.7	71.8	73.5	70.7	63.1	62.8	62.8	61.5	59.5	53.7	50.3	45.4	42.6	39.8	37.1	34.6	32.4	30.4
Wage and salaried employment	Total	per cent	36.2	37.7	37.7	37.7	39.6	40.7	41.4	41.9	42.3	43.0	43.7	44.8	46.1	47.3	48.1	50.0	50.8	51.2	51.2	51.6	51.9	52.3	52.7	53.1
Employers	Total	per cent	2.6	2.9	2.9	2.9	3.0	2.9	2.9	3.0	3.1	3.4	3.2	3.1	3.2	3.2	3.1	3.2	3.2	3.1	3.1	3.1	3.2	3.2	3.2	3.2
Own-account workers	Total	per cent	37.5	36.1	36.6	36.3	36.2	36.0	36.3	36.4	36.4	36.3	35.5	34.7	33.9	33.8	32.9	32.4	32.3	32.6	32.8	32.9	32.9	33.0	33.0	33.1
Contributing family workers	Total	per cent	23.7	23.3	22.7	23.1	21.3	20.4	19.3	18.7	18.1	17.4	17.6	17.3	16.8	15.8	15.9	14.4	13.7	13.1	12.9	12.4	12.0	11.5	11.1	10.6

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South Asia / South Asia (cont'd)

Indicator			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	56.7	56.7	56.8	57.0	57.1	57.2	56.5	55.8	55.0	54.5	53.9	53.1	52.5	52.2	51.8	51.6	51.3	51.2	50.9	50.8	50.7	50.6	50.5	50.4
Labour force participation rate	Male	per cent	82.9	82.8	82.7	82.7	82.7	82.6	82.1	81.6	81.0	80.7	80.2	79.7	79.4	79.0	78.4	78.1	77.7	77.4	77.1	77.0	76.9	76.8	76.7	76.6
Labour force participation rate	Female	per cent	28.8	29.0	29.3	29.6	30.0	30.3	29.3	28.4	27.4	26.8	26.0	25.0	24.1	23.9	23.7	23.7	23.5	23.5	23.3	23.2	23.1	23.0	22.9	22.8
Labour force participation rate	Youth	per cent	44.6	44.6	44.7	44.6	44.6	44.5	43.1	41.7	40.3	39.1	37.9	36.6	35.5	34.8	34.0	33.4	32.8	32.4	31.8	31.6	31.4	31.2	31.0	30.8
Labour force	Total	millions	530.0	543.7	558.1	573.2	588.7	603.4	608.4	613.7	618.2	624.8	630.5	634.4	638.9	647.6	655.3	665.4	674.2	684.9	692.3	703.1	714.0	724.2	734.6	745.0
Labour force	Male	millions	399.3	408.8	418.5	428.7	438.9	448.5	455.1	462.0	468.4	475.6	482.5	489.1	496.3	503.4	509.6	517.0	524.1	531.8	538.4	547.1	556.0	564.3	572.8	581.4
Labour force	Female	millions	130.7	135.0	139.5	144.6	149.8	154.9	153.3	151.7	149.8	149.1	148.0	145.2	142.5	144.2	145.7	148.4	150.1	153.1	154.0	156.0	158.0	159.9	161.7	163.6
Labour force	Youth	millions	128.4	131.2	134.1	136.7	139.0	140.8	138.0	134.9	131.5	128.8	125.8	122.3	119.4	117.7	115.5	114.3	112.9	112.3	110.8	110.7	110.5	110.1	109.8	109.4
Employment-to-population ratio	Total	per cent	53.7	53.7	53.7	53.9	54.1	54.2	53.6	53.0	52.3	51.6	51.0	50.4	49.7	49.3	49.1	48.8	48.5	48.5	48.2	48.1	48.0	47.9	47.8	47.7
Employment	Total	millions	502.1	514.8	527.7	542.2	557.3	571.2	577.4	583.2	587.7	591.7	597.4	601.2	604.7	612.4	620.8	629.3	637.4	647.9	655.4	665.4	675.6	685.1	694.8	704.5
Composite rate of labour underutilization	Total	per cent						11.4	11.1	10.9	10.8	11.2	11.1	11.1	11.1	11.1	10.9	10.9	11.0	10.9	10.9	10.9	10.8	10.8	10.7	10.7
Total labour underutilization	Total	millions						69.9	68.5	67.6	67.6	70.9	71.4	71.6	72.4	72.9	72.9	74.1	75.7	76.4	77.1	78.0	78.9	79.6	80.5	81.3
Unemployment rate	Total	per cent	5.3	5.3	5.4	5.4	5.3	5.3	5.1	5.0	4.9	5.3	5.2	5.2	5.3	5.4	5.3	5.4	5.5	5.4	5.3	5.4	5.4	5.4	5.4	5.4
Unemployment	Total	millions	27.9	28.9	30.3	31.1	31.4	32.2	31.0	30.5	30.5	33.0	33.0	33.1	34.1	35.2	34.5	36.1	36.9	37.0	37.0	37.7	38.4	39.0	39.8	40.5
Rate of time-related underemployment	Total	per cent						5.0	4.9	4.8	4.7	4.7	4.6	4.5	4.4	4.4	4.2	4.2	4.2	4.1	4.0	4.0	3.9	3.9	3.8	3.7
Time-related underemployment	Total	millions						28.8	28.5	28.2	27.8	27.7	27.4	27.0	26.8	26.8	26.4	26.4	26.5	26.4	26.5	26.5	26.5	26.4	26.3	26.3
Rate of potential labour force	Total	per cent						1.5	1.5	1.4	1.5	1.6	1.7	1.8	1.8	1.7	1.8	1.7	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Potential labour force	Total	millions						8.9	9.0	8.9	9.3	10.1	10.9	11.4	11.5	11.0	12.0	11.6	12.3	12.9	13.7	13.8	14.0	14.2	14.4	14.6
Rate of NEET	Youth	per cent						31.5	30.9	30.3	29.9	29.8	28.9	28.6	28.5	29.2	29.0	29.3	29.2	29.6	30.1	30.5	30.7	30.9	31.1	31.2
NEET	Youth	millions						99.7	99.0	98.2	97.6	97.9	95.8	95.5	95.9	98.7	98.8	100.2	100.5	102.7	104.9	106.9	107.9	108.9	110.0	111.0
Extreme working poverty rate	Total	per cent	36.9	36.2	35.3	34.0	32.2	30.7	29.2	27.6	26.2	25.1	23.6	20.1	17.1	15.8	14.7	13.6	12.5	11.3	10.3	9.4	8.5	7.8	7.1	6.5
Moderate working poverty rate	Total	per cent	36.3	36.5	36.6	36.8	37.0	37.1	37.4	37.6	37.7	37.8	37.8	37.2	36.2	35.4	34.6	33.7	32.7	31.7	30.6	29.5	28.3	27.2	26.1	24.9
Extreme working poverty	Total	millions	185.4	186.3	186.4	184.6	179.7	175.4	168.8	161.0	154.1	148.3	141.2	120.8	103.4	96.9	91.1	85.6	79.9	73.4	67.6	62.4	57.5	53.3	49.4	45.7
Moderate working poverty	Total	millions	182.3	187.8	193.2	199.5	206.1	212.2	215.9	219.2	221.8	223.4	225.7	223.8	219.1	216.9	214.7	212.0	208.7	205.2	200.5	196.3	191.5	186.6	181.2	175.6
Wage and salaried employment	Total	per cent	20.5	20.6	21.0	21.1	21.1	21.2	21.5	21.7	21.8	22.1	22.4	23.5	24.7	25.4	26.0	26.5	27.0	27.8	28.6	28.9	29.2	29.4	29.7	30.0
Employers	Total	per cent	1.0	1.1	1.2	1.2	1.3	1.4	1.4	1.3	1.3	1.3	1.2	1.4	1.5	1.6	1.6	1.8	1.9	2.2	2.3	2.3	2.3	2.3	2.3	2.3
Own-account workers	Total	per cent	59.2	58.8	58.1	57.6	57.0	56.7	57.1	57.4	57.9	58.0	58.5	57.8	56.9	56.7	56.7	56.4	56.0	55.7	55.4	55.5	55.5	55.5	55.5	55.5
Contributing family workers	Total	per cent	19.4	19.6	19.8	20.0	20.5	20.8	20.1	19.6	19.0	18.6	17.9	17.4	16.8	16.3	15.7	15.2	15.0	14.2	13.7	13.4	13.1	12.8	12.5	12.3

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Northern, Southern and Western Europe

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	56.5	56.3	56.6	56.9	57.0	57.2	57.5	57.6	57.9	57.8	57.6	57.6	57.8	57.8	57.7	57.7	57.9	57.9	58.1	58.0	57.8	57.6	57.4	57.2
Labour force participation rate	Male	per cent	66.4	66.0	66.0	66.0	65.8	65.9	65.9	65.9	65.9	65.4	65.1	64.8	64.8	64.5	64.3	64.2	64.2	64.2	64.3	64.1	63.9	63.6	63.3	62.9
Labour force participation rate	Female	per cent	47.2	47.2	47.8	48.3	48.6	49.1	49.5	49.9	50.3	50.6	50.6	50.8	51.2	51.4	51.5	51.6	51.8	52.0	52.2	52.1	52.1	52.0	51.8	51.7
Labour force participation rate	Youth	per cent	48.0	47.1	47.1	46.8	46.7	47.3	47.5	47.7	47.8	46.7	45.7	45.3	44.9	44.5	43.9	43.9	43.9	43.9	44.0	43.8	43.6	43.3	43.0	42.7
Labour force	Total	millions	197.9	198.3	200.7	203.2	205.0	207.4	209.5	211.4	213.4	214.1	214.6	215.4	217.0	217.7	218.3	219.0	220.3	221.3	222.7	222.9	222.9	222.7	222.3	221.9
Labour force	Male	millions	112.3	112.3	113.1	114.0	114.6	115.7	116.3	117.1	117.7	117.5	117.4	117.4	118.0	117.9	118.0	118.3	118.8	119.2	119.9	119.9	119.9	119.7	119.4	119.1
Labour force	Female	millions	85.6	86.0	87.6	89.1	90.4	91.8	93.2	94.3	95.7	96.6	97.2	97.9	99.0	99.8	100.3	100.7	101.5	102.1	102.8	102.9	103.0	103.0	102.9	102.8
Labour force	Youth	millions	25.4	25.0	25.0	24.9	24.8	25.1	25.3	25.3	25.3	24.6	23.9	23.5	23.1	22.7	22.2	22.1	22.0	21.8	21.8	21.6	21.4	21.3	21.1	21.0
Employment-to-population ratio	Total	per cent	51.5	51.9	52.0	52.0	52.0	52.3	52.8	53.4	53.6	52.4	51.9	51.9	51.6	51.3	51.6	51.9	52.5	53.1	53.7	53.9	53.8	53.6	53.4	53.2
Employment	Total	millions	180.5	182.8	184.4	186.0	187.1	189.5	192.4	195.8	197.7	194.1	193.5	193.9	193.5	193.3	195.0	197.1	200.0	202.9	205.8	207.3	207.6	207.3	206.9	206.4
Composite rate of labour underutilization	Total	per cent						16.0	15.8	15.1	16.0	18.5	19.2	19.3	20.5	21.2	20.8	19.9	18.7	17.4	16.0	15.4	15.3	15.4	15.5	15.5
Total labour underutilization	Total	millions						34.7	34.7	33.4	35.7	41.5	43.1	43.6	46.7	48.5	47.8	45.8	43.3	40.3	37.3	35.9	35.6	35.8	35.9	35.9
Unemployment rate	Total	per cent	8.8	7.8	8.1	8.5	8.7	8.7	8.2	7.4	7.3	9.3	9.9	10.0	10.8	11.2	10.7	10.0	9.2	8.3	7.6	7.0	6.9	6.9	7.0	7.0
Unemployment	Total	millions	17.4	15.5	16.3	17.2	17.9	18.0	17.1	15.7	15.7	19.9	21.2	21.4	23.5	24.4	23.4	21.9	20.3	18.4	16.8	15.6	15.3	15.4	15.5	15.5
Rate of time-related underemployment	Total	per cent						3.6	4.0	4.1	5.2	6.0	6.1	6.0	6.4	6.8	6.7	6.4	6.0	5.6	5.1	5.1	5.1	5.1	5.1	5.1
Time-related underemployment	Total	millions						6.7	7.7	7.9	10.3	11.6	11.7	11.7	12.3	13.1	13.0	12.6	11.9	11.4	10.5	10.6	10.6	10.6	10.5	10.5
Rate of potential labour force	Total	per cent						4.6	4.5	4.4	4.3	4.4	4.5	4.6	4.8	4.8	5.0	4.9	4.8	4.5	4.3	4.2	4.2	4.2	4.2	4.3
Potential labour force	Total	millions						10.0	9.9	9.8	9.7	10.0	10.2	10.5	10.8	10.9	11.4	11.4	11.1	10.5	9.9	9.8	9.8	9.8	9.9	9.9
Rate of NEET	Youth	per cent						12.3	12.0	11.6	11.5	13.0	13.1	13.1	13.3	13.0	12.6	12.2	11.7	11.2	10.8	10.5	10.6	10.8	11.0	11.2
NEET	Youth	millions						6.5	6.4	6.1	6.1	6.8	6.8	6.8	6.9	6.7	6.4	6.1	5.9	5.6	5.3	5.2	5.2	5.3	5.4	5.5
Extreme working poverty rate	Total	per cent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Moderate working poverty rate	Total	per cent	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extreme working poverty	Total	millions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Moderate working poverty	Total	millions	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wage and salaried employment	Total	per cent	83.2	83.3	83.4	83.3	83.3	83.5	83.5	83.7	84.0	84.1	84.0	84.1	84.1	84.2	84.2	84.4	84.4	84.7	85.0	85.1	85.2	85.2	85.3	85.4
Employers	Total	per cent	4.9	4.8	4.7	4.8	4.8	4.7	4.8	4.8	4.8	4.7	4.6	4.5	4.5	4.5	4.4	4.4	4.3	4.3	4.2	4.1	4.1	4.1	4.1	4.1
Own-account workers	Total	per cent	9.9	9.9	9.9	10.1	10.1	10.2	10.2	10.1	9.8	9.9	10.1	10.1	10.3	10.3	10.3	10.2	10.2	10.1	9.9	9.9	9.9	9.9	9.8	9.8
Contributing family workers	Total	per cent	2.1	2.0	1.9	1.8	1.7	1.6	1.5	1.4	1.4	1.3	1.2	1.2	1.2	1.1	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.7

Northern, Southern and Western Europe (cont'd)

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Eastern Europe   Eastern Europe (cont'd)

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	59.2	58.4	58.0	57.6	57.7	57.8	57.9	58.3	58.6	58.7	58.8	58.9	59.0	59.1	59.1	59.2	59.3	59.2	59.2	58.9	58.5	58.1	57.6	57.2
Labour force participation rate	Male	per cent	66.7	65.7	65.1	64.7	64.8	65.1	65.2	65.7	66.3	66.4	66.7	66.9	67.1	67.3	67.4	67.7	67.8	67.8	67.7	67.3	66.9	66.4	65.9	65.3
Labour force participation rate	Female	per cent	52.6	52.0	51.9	51.5	51.6	51.6	51.7	51.9	51.9	52.0	52.0	52.1	52.1	52.1	52.0	52.0	52.0	51.9	51.9	51.6	51.3	50.9	50.6	50.2
Labour force participation rate	Youth	per cent	41.3	40.2	39.6	38.2	38.3	37.8	37.6	37.6	38.9	39.2	38.5	38.3	37.2	37.0	36.2	35.6	35.1	34.1	33.2	32.2	31.2	30.4	29.7	29.1
Labour force	Total	millions	147.1	145.5	145.1	144.6	145.1	145.6	146.0	146.8	147.4	147.5	147.6	147.6	147.4	147.3	146.7	146.5	146.1	145.5	145.0	143.6	142.3	140.9	139.5	138.2
Labour force	Male	millions	77.0	76.1	75.6	75.3	75.6	76.0	76.1	76.6	77.3	77.2	77.5	77.4	77.5	77.5	77.3	77.3	77.2	76.9	76.5	75.9	75.2	74.4	73.6	72.9
Labour force	Female	millions	70.1	69.4	69.5	69.3	69.5	69.6	69.9	70.2	70.1	70.2	70.1	70.1	69.9	69.8	69.4	69.1	68.9	68.6	68.4	67.8	67.2	66.5	65.9	65.3
Labour force	Youth	millions	19.8	19.4	19.2	18.6	18.6	18.2	17.7	17.4	17.5	17.1	16.2	15.4	14.2	13.3	12.3	11.5	10.8	10.1	9.6	9.1	8.7	8.5	8.4	8.4
Employment-to-population ratio	Total	per cent	52.5	52.2	52.2	52.0	52.2	52.8	53.3	54.4	54.9	53.8	54.1	54.5	54.9	55.0	55.1	55.3	55.6	55.9	56.2	56.0	55.7	55.3	54.9	54.4
Employment	Total	millions	130.5	130.0	130.5	130.4	131.3	132.9	134.2	137.1	138.1	135.4	135.8	136.5	137.1	137.0	136.8	136.8	137.0	137.2	137.6	136.6	135.6	134.2	132.8	131.4
Composite rate of labour underutilization	Total	per cent						13.0	12.3	10.6	10.0	12.4	12.1	11.4	10.6	10.8	10.3	10.1	9.4	8.7	7.9	7.7	7.6	7.6	7.7	7.9
Total labour underutilization	Total	millions						19.6	18.6	16.0	15.2	18.9	18.3	17.2	16.0	16.3	15.5	15.2	14.1	13.0	11.7	11.3	11.0	11.0	11.0	11.1
Unemployment rate	Total	per cent	11.3	10.6	10.1	9.9	9.6	8.7	8.0	6.7	6.3	8.2	8.0	7.5	7.0	7.0	6.8	6.6	6.2	5.7	5.1	4.9	4.7	4.8	4.8	4.9
Unemployment	Total	millions	16.6	15.5	14.7	14.2	13.9	12.7	11.7	9.8	9.3	12.1	11.8	11.1	10.3	10.3	9.9	9.7	9.1	8.3	7.4	7.0	6.7	6.7	6.7	6.8
Rate of time-related underemployment	Total	per cent						1.7	1.7	1.5	1.5	1.7	1.6	1.4	1.4	1.5	1.4	1.4	1.3	1.2	1.1	1.1	1.1	1.1	1.1	1.1
Time-related underemployment	Total	millions						2.2	2.2	2.1	2.0	2.3	2.1	1.9	1.9	2.1	1.9	1.9	1.7	1.6	1.5	1.5	1.5	1.5	1.5	1.4
Rate of potential labour force	Total	per cent						3.1	3.1	2.7	2.5	2.9	2.9	2.8	2.6	2.6	2.5	2.4	2.2	2.0	1.9	1.9	1.9	1.9	2.0	2.0
Potential labour force	Total	millions						4.7	4.6	4.1	3.8	4.5	4.4	4.2	3.9	4.0	3.7	3.6	3.3	3.0	2.8	2.7	2.7	2.8	2.8	2.8
Rate of NEET	Youth	per cent						16.2	15.5	14.2	13.2	14.2	14.3	13.7	13.3	13.5	13.9	13.4	13.4	13.0	13.6	14.2	14.8	15.4	15.9	16.4
NEET	Youth	millions						7.8	7.3	6.6	5.9	6.2	6.0	5.5	5.1	4.9	4.7	4.3	4.1	3.9	3.9	4.0	4.1	4.3	4.5	4.7
Extreme working poverty rate	Total	per cent	0.9	0.5	0.3	0.2	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Moderate working poverty rate	Total	per cent	5.1	3.0	2.2	1.5	1.1	0.8	0.5	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Extreme working poverty	Total	millions	1.2	0.7	0.4	0.3	0.2	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Moderate working poverty	Total	millions	6.6	3.9	2.9	1.9	1.4	1.1	0.6	0.4	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wage and salaried employment	Total	per cent	82.6	83.5	84.5	84.9	85.2	85.2	85.7	86.0	86.1	86.0	86.7	86.7	87.0	86.8	87.4	87.5	87.7	88.1	88.1	88.2	88.3	88.4	88.4	88.5
Employers	Total	per cent	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.8	1.9	1.9	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.9
Own-account workers	Total	per cent	13.2	12.2	11.7	11.4	11.2	11.2	10.9	10.7	10.6	10.6	9.8	9.9	9.7	9.9	9.3	9.3	9.3	8.9	8.9	8.8	8.8	8.8	8.7	8.7
Contributing family workers	Total	per cent	2.6	2.6	2.0	2.0	1.8	1.7	1.6	1.5	1.5	1.6	1.7	1.5	1.5	1.5	1.4	1.3	1.2	1.2	1.1	1.1	1.0	1.0	1.0	0.9

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Central and Western Asia

			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labour force participation rate	Total	per cent	56.3	56.2	55.9	55.3	54.7	54.9	54.5	54.6	55.0	55.5	56.1	56.7	56.8	57.2	57.5	57.9	58.2	58.4	58.5	58.4	58.3	58.0	57.8	57.5
Labour force participation rate	Male	per cent	72.4	71.8	71.0	70.3	70.7	70.9	70.2	70.3	70.6	70.7	71.2	71.7	71.5	71.8	72.3	72.5	72.7	73.0	73.1	72.9	72.8	72.5	72.2	71.9
Labour force participation rate	Female	per cent	41.2	41.6	41.8	41.2	39.8	39.9	39.8	39.9	40.4	41.1	42.0	42.6	42.9	43.4	43.6	44.1	44.4	44.6	44.8	44.7	44.5	44.3	44.1	43.9
Labour force participation rate	Youth	per cent	44.1	43.5	42.5	41.3	41.0	41.0	40.3	40.4	40.7	40.9	40.9	41.2	40.5	41.2	42.2	42.9	42.9	43.0	43.2	43.0	42.8	42.5	42.1	41.8
Labour force	Total	millions	54.1	55.1	56.0	56.5	57.1	58.4	59.1	60.4	61.9	63.5	65.4	67.2	68.4	70.1	71.6	73.3	74.8	76.3	77.6	78.6	79.4	80.2	80.8	81.3
Labour force	Male	millions	33.6	34.0	34.3	34.7	35.7	36.5	36.9	37.6	38.5	39.2	40.2	41.2	41.8	42.7	43.7	44.6	45.4	46.3	47.1	47.8	48.3	48.8	49.2	49.5
Labour force	Female	millions	20.5	21.1	21.6	21.8	21.5	21.9	22.3	22.8	23.4	24.3	25.2	26.0	26.7	27.4	28.0	28.7	29.3	29.9	30.5	30.8	31.1	31.4	31.6	31.8
Labour force	Youth	millions	11.9	11.9	11.9	11.7	11.8	12.0	11.9	12.1	12.2	12.3	12.4	12.4	12.2	12.3	12.5	12.6	12.5	12.4	12.4	12.2	12.1	12.0	11.9	11.9
Employment-to-population ratio	Total	per cent	50.8	50.7	50.0	49.7	49.4	49.8	50.1	50.4	50.6	50.2	51.2	52.3	52.6	52.8	52.9	53.2	53.3	53.6	53.7	52.9	52.9	52.6	52.3	52.0
Employment	Total	millions	48.9	49.7	50.1	50.8	51.5	53.0	54.3	55.6	56.9	57.5	59.7	62.0	63.4	64.8	65.9	67.4	68.6	69.9	71.2	71.2	72.1	72.7	73.2	73.6
Composite rate of labour underutilization	Total	per cent						17.6	16.4	16.1	16.5	18.6	17.7	16.3	16.1	16.3	16.7	16.4	16.6	16.2	15.9	17.0	16.9	17.0	17.2	17.3
Total labour underutilization	Total	millions						10.8	10.2	10.2	10.7	12.4	12.2	11.5	11.5	12.0	12.5	12.6	13.0	12.9	12.9	14.0	14.0	14.3	14.5	14.7
Unemployment rate	Total	per cent	9.7	9.8	10.5	10.1	9.8	9.3	8.2	7.8	8.1	9.5	8.7	7.8	7.4	7.6	8.0	8.1	8.3	8.3	8.2	9.4	9.2	9.3	9.5	9.6
Unemployment	Total	millions	5.2	5.4	5.9	5.7	5.6	5.4	4.8	4.7	5.0	6.0	5.7	5.2	5.1	5.3	5.7	5.9	6.2	6.3	6.4	7.4	7.3	7.5	7.6	7.8
Rate of time-related underemployment	Total	per cent						4.4	4.3	4.6	4.7	5.1	5.2	5.0	5.0	5.0	5.0	4.7	4.6	4.4	4.4	4.4	4.3	4.3	4.3	4.3
Time-related underemployment	Total	millions						2.3	2.4	2.6	2.7	2.9	3.1	3.1	3.2	3.3	3.3	3.2	3.2	3.1	3.1	3.1	3.1	3.2	3.2	3.2
Rate of potential labour force	Total	per cent						5.0	4.8	4.6	4.7	5.2	4.9	4.5	4.5	4.6	4.6	4.6	4.6	4.4	4.2	4.3	4.3	4.3	4.4	4.5
Potential labour force	Total	millions						3.1	3.0	2.9	3.0	3.5	3.4	3.2	3.3	3.4	3.5	3.5	3.6	3.5	3.4	3.5	3.6	3.6	3.7	3.8
Rate of NEET	Youth	per cent						29.0	27.8	27.5	26.5	25.8	24.5	23.4	23.0	21.6	21.2	20.7	20.7	21.0	21.2	22.2	22.0	22.1	22.2	22.3
NEET	Youth	millions						8.5	8.2	8.2	7.9	7.8	7.4	7.1	6.9	6.4	6.3	6.1	6.0	6.0	6.1	6.3	6.2	6.3	6.3	6.3
Extreme working poverty rate	Total	per cent	15.8	15.8	14.8	15.6	13.5	13.2	12.3	11.7	10.4	9.7	8.9	8.0	7.4	6.9	6.3	5.8	5.4	5.0	4.7	4.5	4.2	3.9	3.6	3.3
Moderate working poverty rate	Total	per cent	15.3	16.0	15.9	15.3	12.8	11.6	10.5	9.5	8.8	8.3	8.0	7.6	7.1	6.7	6.3	6.1	5.7	5.4	5.2	5.1	4.9	4.6	4.4	4.2
Extreme working poverty	Total	millions	7.8	7.9	7.4	7.9	7.0	7.0	6.7	6.5	5.9	5.6	5.3	5.0	4.7	4.4	4.1	3.9	3.7	3.5	3.4	3.2	3.0	2.8	2.6	2.4
Moderate working poverty	Total	millions	7.5	7.9	8.0	7.8	6.6	6.2	5.7	5.3	5.0	4.7	4.7	4.7	4.5	4.4	4.1	4.1	3.9	3.8	3.7	3.6	3.5	3.4	3.2	3.1
Wage and salaried employment	Total	per cent	53.6	53.6	54.4	54.8	55.7	56.5	57.2	58.3	59.0	58.8	59.4	59.9	60.8	61.2	62.3	63.2	63.7	63.9	64.4	64.7	65.1	65.4	65.8	66.1
Employers	Total	per cent	4.0	4.0	4.0	3.9	3.9	3.9	3.9	3.9	4.0	4.0	3.8	3.7	3.6	3.4	3.4	3.5	3.6	3.7	3.6	3.6	3.6	3.6	3.6	3.6
Own-account workers	Total	per cent	26.5	26.8	26.8	26.8	26.4	26.1	26.0	25.3	24.8	24.8	24.5	24.1	23.7	23.7	23.0	22.5	22.1	22.1	22.0	22.1	22.0	22.0	22.0	22.0
Contributing family workers	Total	per cent	15.8	15.6	14.9	14.5	14.0	13.5	13.0	12.6	12.2	12.4	12.3	12.3	11.9	11.7	11.3	10.8	10.5	10.3	10.0	9.7	9.3	9.0	8.6	8.3

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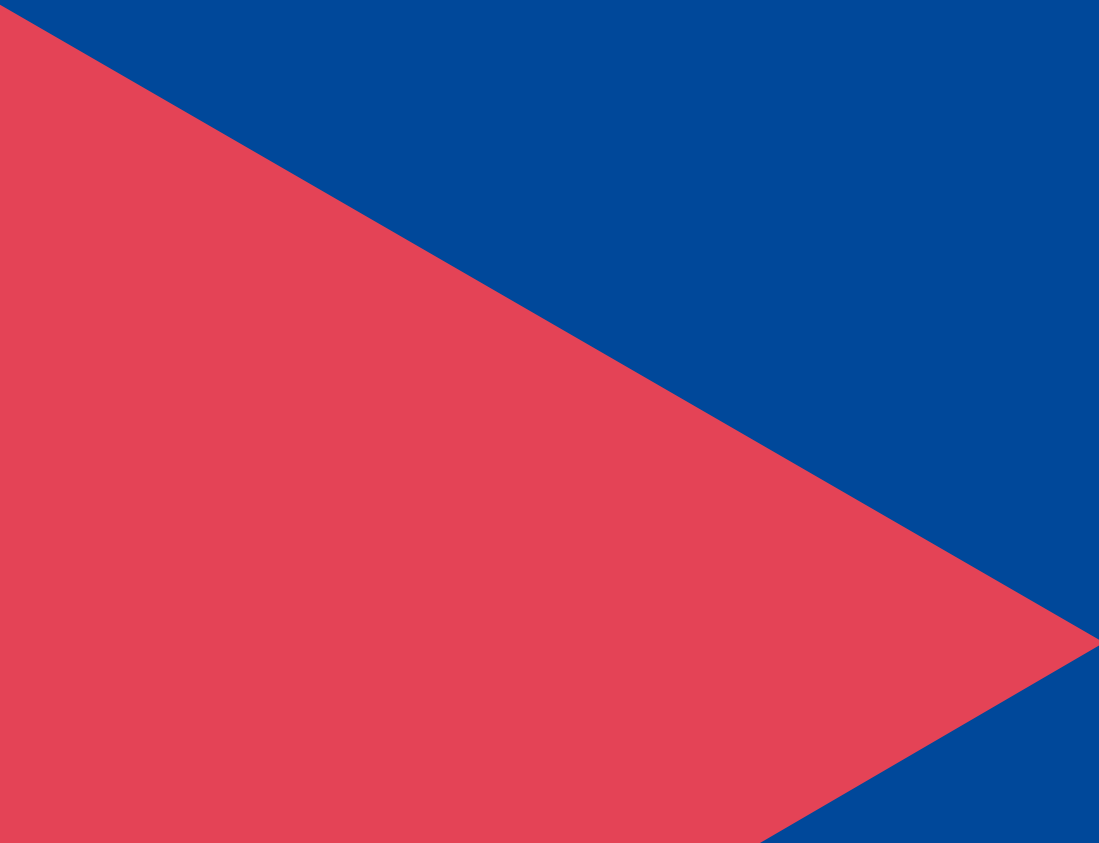
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World Employment and Social Outlook: Trends 2020 provides
a global overview of recent trends in labour force participation,
employment, unemployment and other forms of labour
underutilization, productivity, as well as different dimensions
of job quality such as employment status, informal employment
and working poverty. This analysis is based on data from
189 countries in the world. The report also examines rural
versus urban disparities and provides an indicator for social
unrest. Furthermore, the report presents projections for key
labour market indicators for the period 2020–24.

The first chapter of the report analyses trends by countries' level
of income, while the second chapter focuses on trends by region.
Based on novel ILO data, the third chapter is dedicated to the
analysis of trends in the share and distribution of labour income.

The report demonstrates that there are major gaps in access to
work, since the estimate of combined labour underutilization
is pronounced and extends well beyond unemployment.
Moreover, the report shows that the quality of employment
relationships is insufficient for many of those who are in paid
work. Finally, focusing on spatial disparities and inequalities by
gender and age, the report finds that labour market experiences
are highly unequal. Overall, disparities in the access to decent
work translate into high and persistent income inequality, with
inequality in labour incomes being more pronounced than
previously thought.