



Gaps, challenges and progress made in employment creation

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Overview

- **Longer-term trends**

- GFC affected mostly AEs and some MICs – but with longer-term impacts on the labour market (e.g. higher rates of youth unemployment)
- Prior to 2019, wage employment in DCs continued to increase, reflecting some shifts in economic structures, but informality has not only persisted but emerged in new forms as well.
- We were all talking about the effects of the future of work trends, esp. technology!

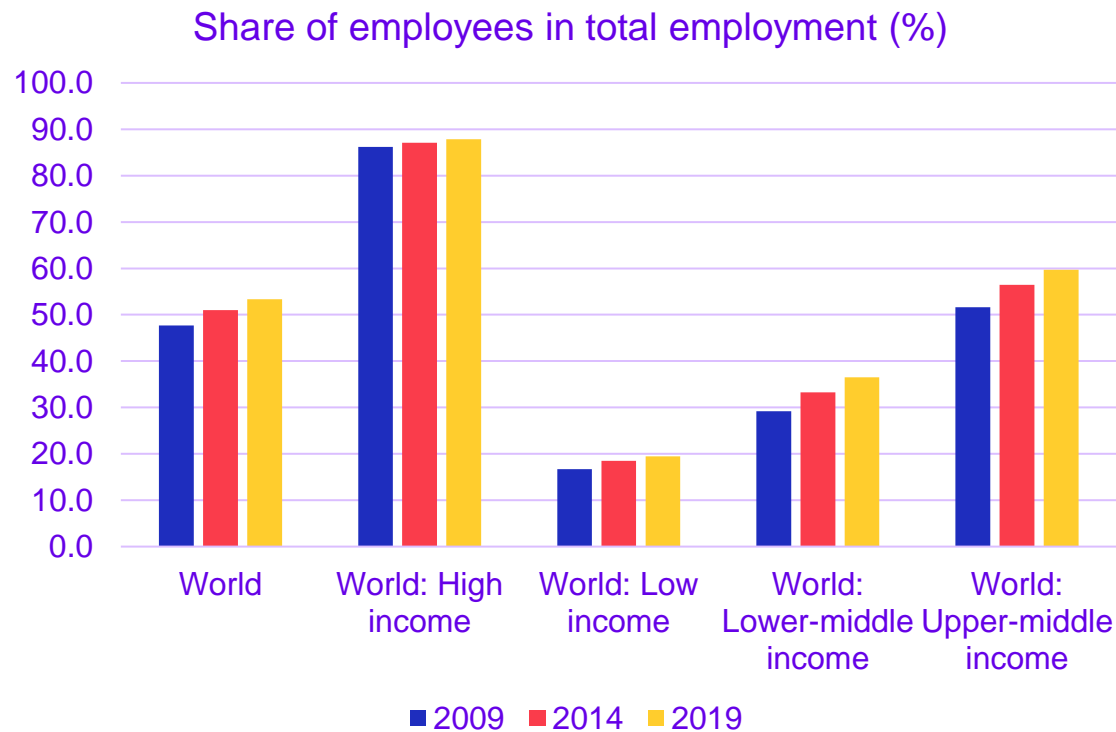
- **Then the COVID-19 pandemic hit**

- A sharp decline in economic activity and working hours/employment in 2020 -> disproportionately affected women, youth, less skilled, certain sectors and those in the informal economy
- Uneven and fragile recovery in 2021 -> “great divergence” between AE and DCs

- **The conflict in Ukraine**

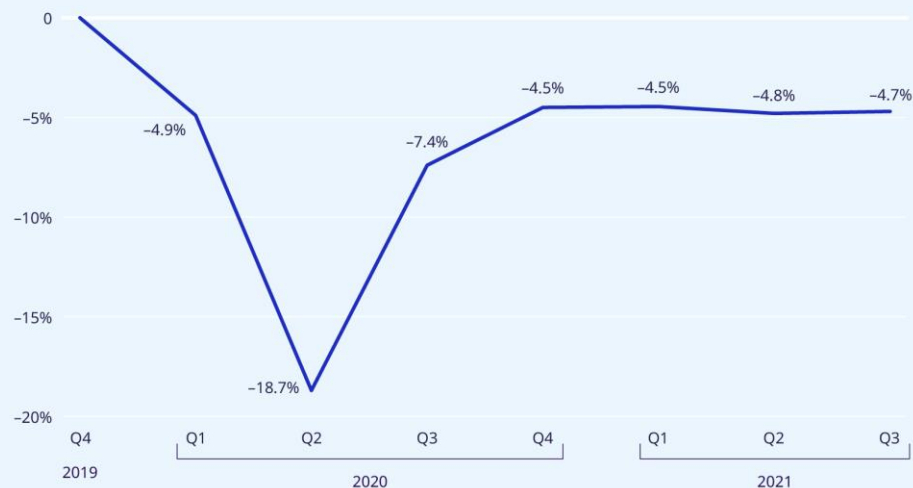
- Price and trade shocks are derailing the labour market recovery, which was uneven, while also creating a new crisis

Pre-COVID trends are mixed but show persistence of decent work deficits including youth unemployment which did not recover post GFC



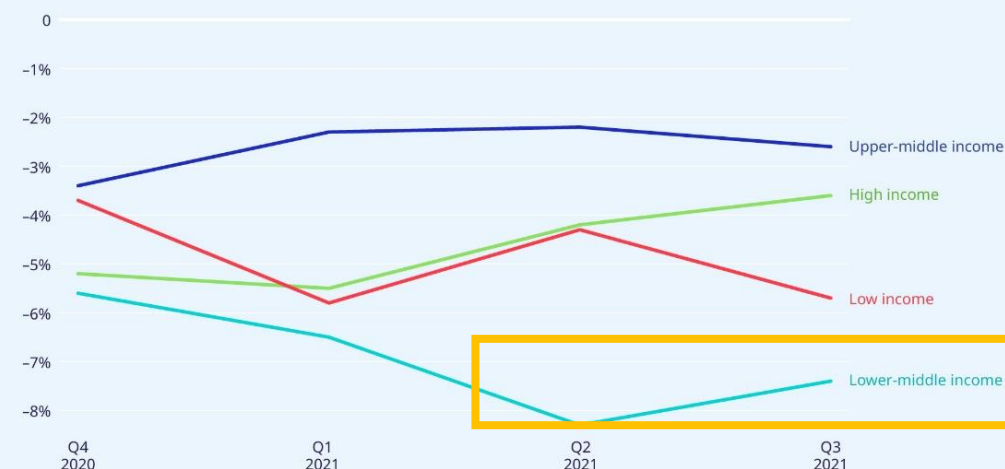
A deep impact of the COVID-19 crisis on labour markets in 2020 followed by a stalled but uneven recovery over 2021

► Figure 3. Change in global working hours (adjusted for population aged 15–64) relative to 2019 Q4 (percentage)



Source: ILOSTAT database, ILO modelled estimates.

► Figure 4. Change in working hours relative to 2019 Q4 (adjusted for 15–64 population), by country income group (percentage)



Source: ILOSTAT database, ILO modelled estimates.

Source: 8th ILO Monitor

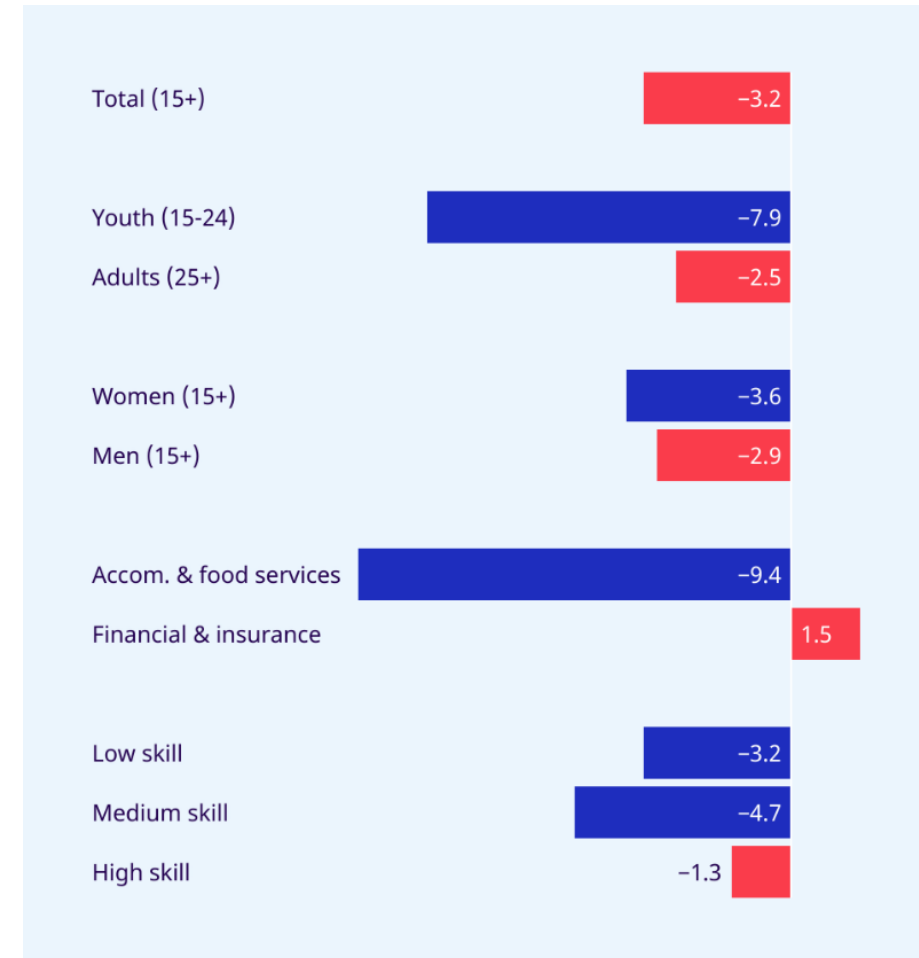
Indicator	2019	2020	2021	2022
Hours worked	27.5	25.1	26.3	27.0
Employment-population ratio	57.3	54.8	55.4	55.8
Unemployment rate	5.4	6.6	6.2	5.9

COVID-19 hit some groups and sectors harder

Employment losses translated into a **greater increase in exits from the labour force** than entry into unemployment -> Long-lasting impact on labour force participation rate

Crisis has hit harder certain groups – **women, youth, informal workers and the less skilled** – **especially in MICs**

Annual employment growth rate in 2020 (%), by group and sector



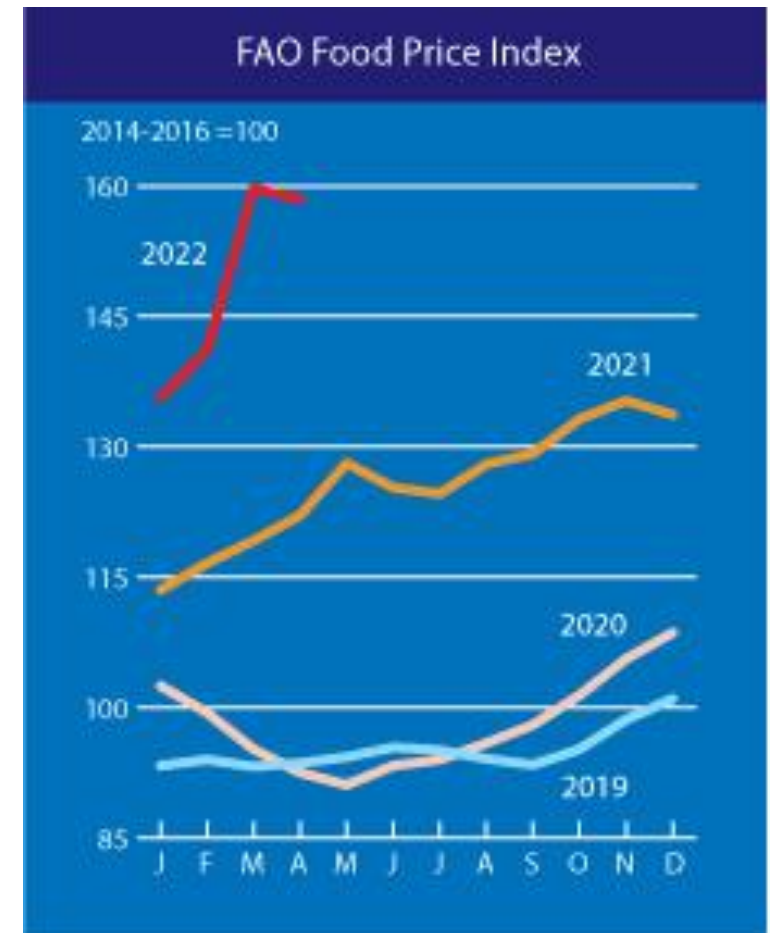
► Labour market impact of the conflict in Ukraine – the crisis evolves

Ukraine conflict has created a new shock to the global economy through several transmission channels – rising commodity prices, supply chain disruptions, debt distress, impact of uncertainty

GDP growth slowdown -> estimates indicate that emerging market and developing economies will grow at just 3.8% in 2022, down from 6.8% in 2021

Global inflation in 2022 is expected to reach 5.7% in advanced economies and 8.7% in emerging market and developing economies

ILO expects significant labour market impact this year and further delay to the recovery, especially among DCs



Moving to a human-centred employment recovery

Countries, especially LICs and MICs, are facing a complex set of challenges – need to address the short-run implications of the COVID-19 jobs deficit plus longer-term trends, incl. between and within country inequalities

In line with the **Global Call to Action for a human-centred recovery**, key issues include:

- Mitigating the impact of inflation on the purchasing power of workers' incomes
- Carefully adjusting the macroeconomic policy stance while recognizing the need to facilitate a job-rich and inclusive recovery, including to the green, digital and care economies
- Supporting hard-hit groups and sectors, incl. through social protection and support to enterprises, especially MSMEs and those in the informal economy
- Addressing multi-dimensional gender disparities and needs for young people (overcoming jobs and education/training deficits, etc.)
- Monitoring and assessing the impacts of multiple crises on the world of work

-> importance of an integrated policy response addressing employment and social protection needs – see SG's **Global Jobs and Social Protection Accelerator for Just Transitions**

Thank you!

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