10

THINGS TO KNOW ABOUT THE GLOBAL LABOUR FORCE

The global development agenda is rightly focused on creating more and better jobs to reflect the needs of people around the world. Nearly six million participants of the MY World survey – a global UN survey to help inform and influence the Sustainable Development Goals (SDGs) – identified 'better job opportunities' as one of the most important development priorities for them and their families.[1]

Jobs have duly found their space in SDG 8 and in several other goals.[2] Job creation also tops the list of priorities for politicians and policy-makers in both developing and developed countries.

10 things to know about the global labour force looks closely at the number of people in and outside the global labour force, illustrating who they are, where they are, and the scale of the global jobs challenge.[3]

SDG 8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

01

5.49 BILLION PEOPLE IN THE WORLD ARE OF WORKING AGE

Three-quarters of the world's population – 5.49 billion people – are of 'working age'.

The International Labour Organization includes in this category people who are 15 years old or above.[4]

02

3.45 BILLION PEOPLE ARE IN THE GLOBAL LABOUR FORCE

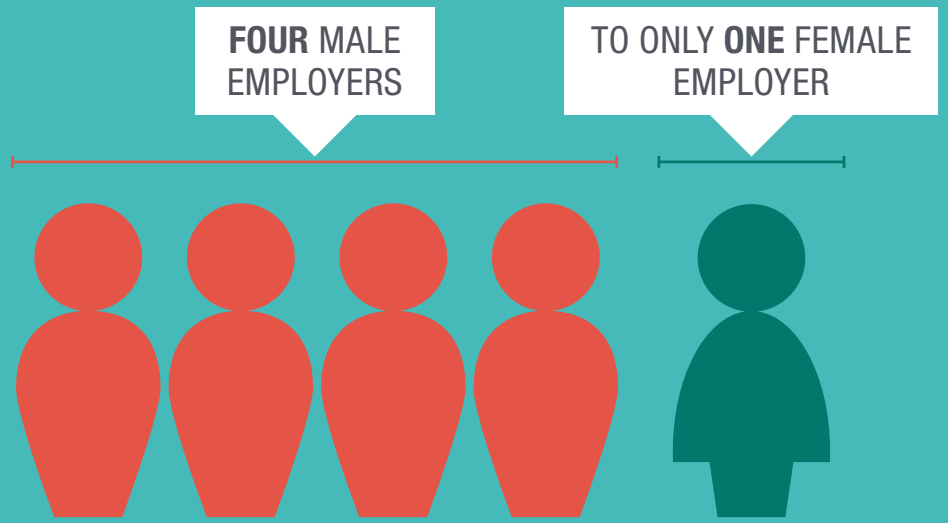
3.45 billion people – 63% of the global working-age population – are in the labour force today. This includes 3.25 billion wage/salaried workers, employers or vulnerable workers, and roughly 200 million people who are unemployed.[5]

03

MORE MEN THAN WOMEN ARE IN PAID JOBS OR SELF-EMPLOYED

The global working-age population is split evenly between men and women.

But for every three men in wage/salaried work, there are two women. For every four male employers, there is only one female employer.[6]

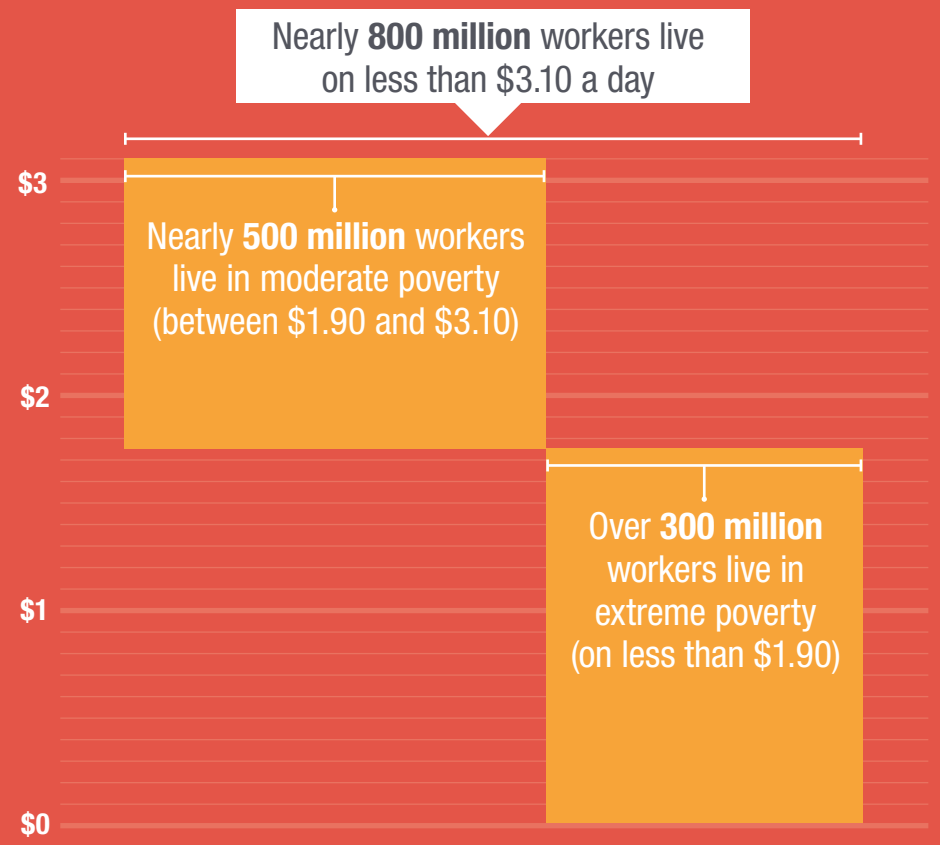


04

NEARLY 800 MILLION WORKERS ARE POOR

Out of the 3.25 billion people in the employed labour force, nearly 800 million live in poverty.[7]

Of these, over 300 million live in extreme poverty.[8]

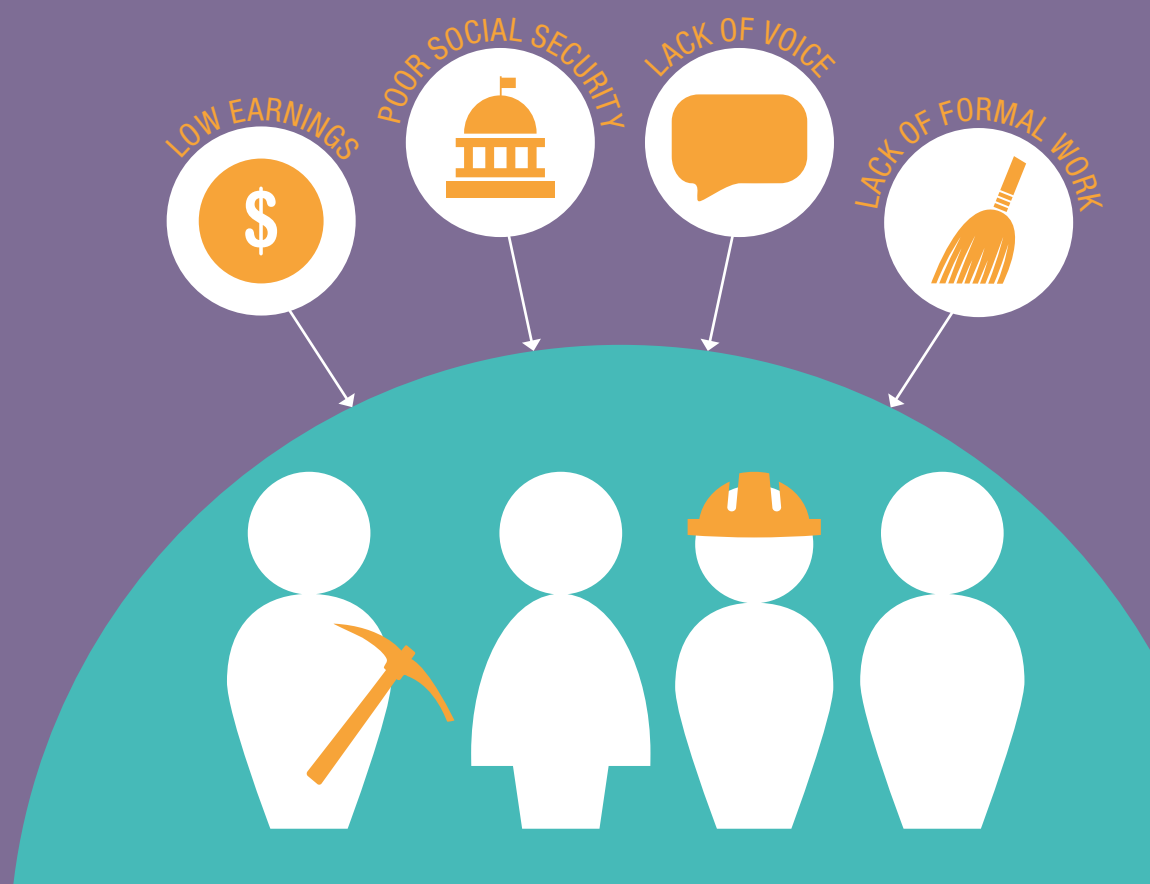


05

GLOBALLY, 1.4 BILLION PEOPLE WORK IN VULNERABLE JOBS

1.4 billion people – 43% of the employed labour force – are in vulnerable jobs.[9] This group includes day labourers, farmers, and those running or working in small household-owned enterprises.

Many lack formal work arrangements (such as reasonable working hours and decent wages), adequate social security or legal rights. Their earnings are low and highly volatile.[10]

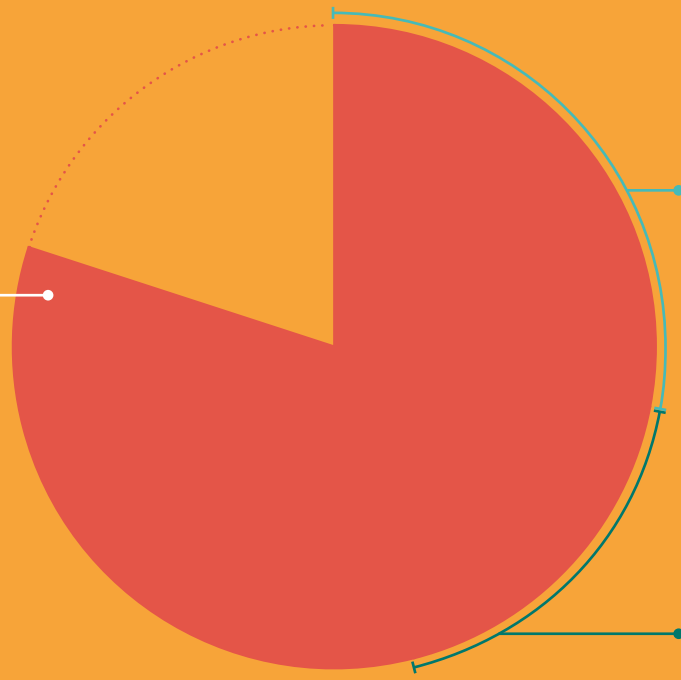


06

80% OF THE WORLD'S VULNERABLE WORKERS ARE IN MIDDLE-INCOME COUNTRIES

Middle-income countries host an overwhelming majority of the world's vulnerable workers.[11]

Two middle-income countries, India and China, have 390 and 254 million vulnerable workers respectively. Together this represents 46% of the global total.[12]

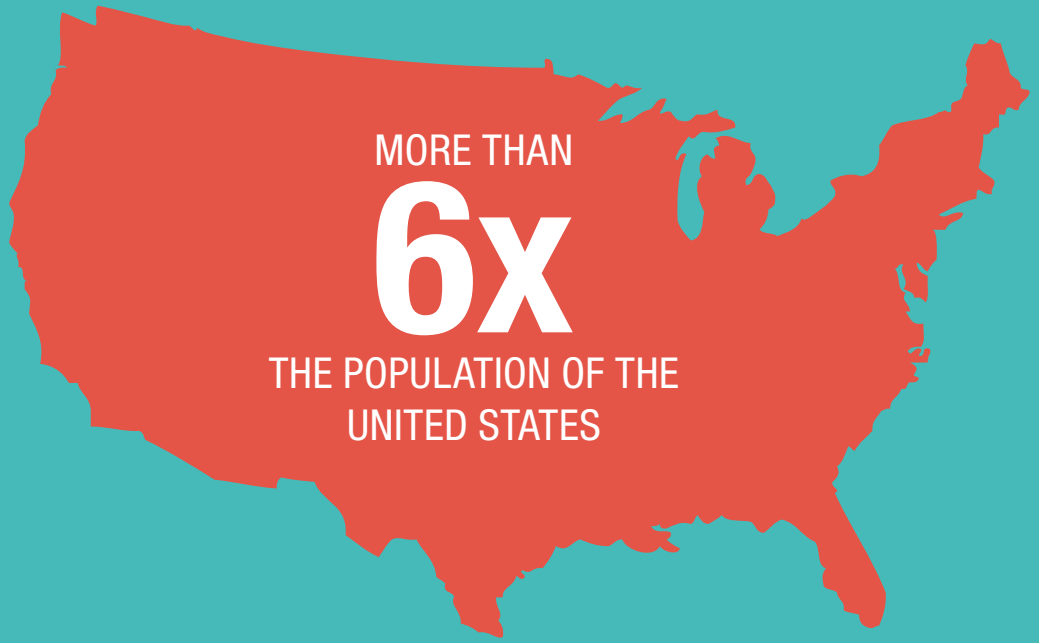


07

2 BILLION PEOPLE OF WORKING AGE ARE OUTSIDE THE GLOBAL LABOUR FORCE

Around the world, 2 billion people of working age are classified as 'outside the labour force' by the International Labour Organization. This includes people who want to work but for whom existing conditions either limit active job search or availability to take on a job.[13]

Knowing who and where these 2 billion people are, identifying how many of them want jobs, and understanding the barriers to employment they face are important parts of the global jobs challenge.[14]

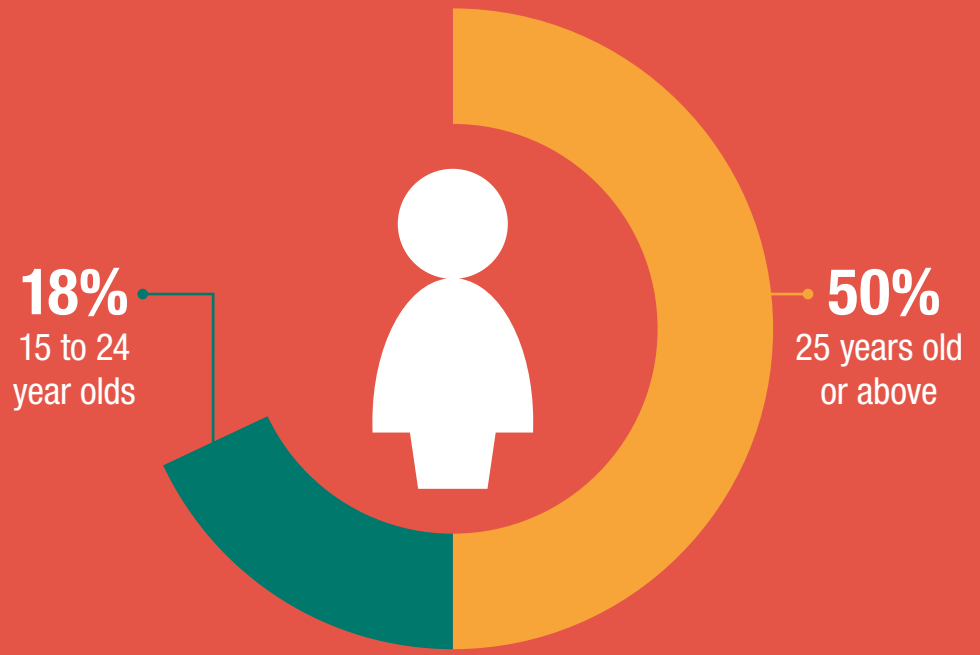


08

OVER TWO-THIRDS OF THE 2 BILLION ARE WOMEN

Over two-thirds of the 2 billion people 'outside the labour force' are women. Half are adult women (aged 25 or above) and 18% are young women of working age (15 to 24 year olds).[15]

This is not surprising. Gender-based barriers to employment are well-documented.[16] Having children, caring for them and the elderly, and stereotyped gender roles within the family or in wider society are just some of the reasons why these women are not in the labour force.



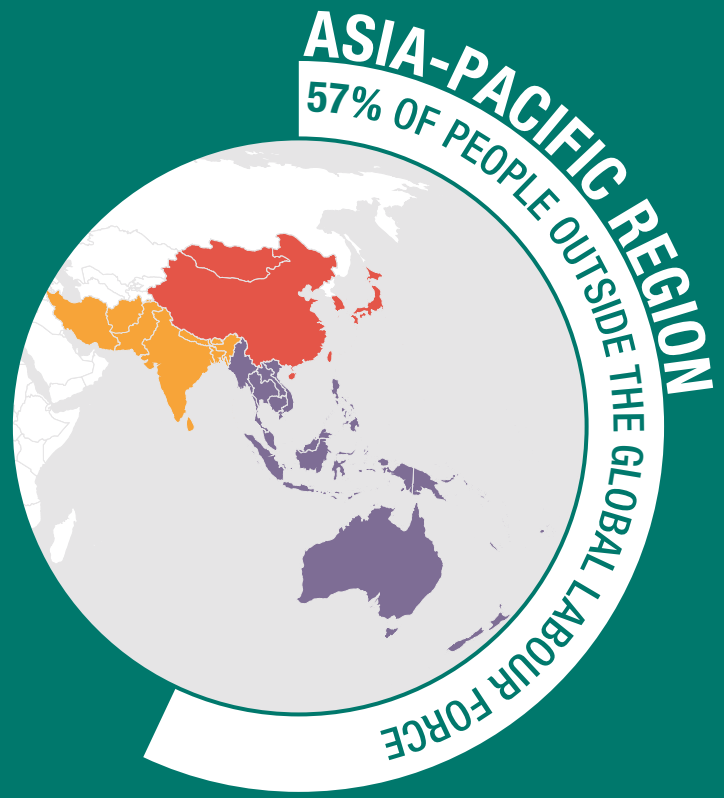
09

OVER HALF OF THOSE 'OUTSIDE THE LABOUR FORCE' ARE IN THE ASIA-PACIFIC REGION

Over half of those classified as 'outside the labour force' – 1.16 billion people – are based in the Asia-Pacific region.[17]

India and China together host 774 million, 38% of the global total.[18]

Even excluding India and China, at 19% the Asia-Pacific region's share remains the highest of any region.[19]

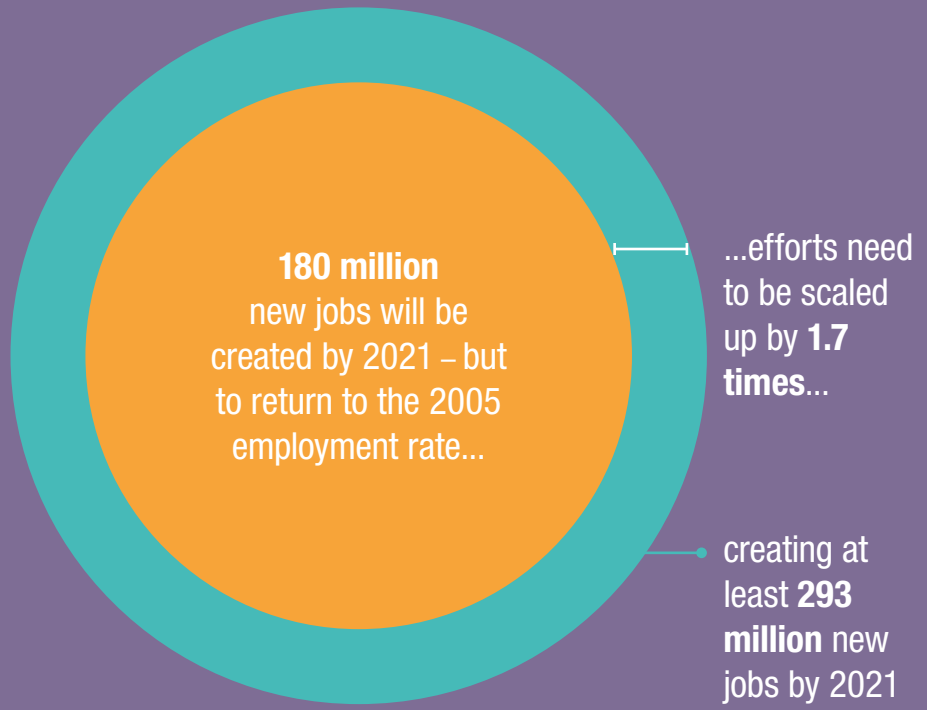


- Eastern Asia
- Southern Asia
- South-Eastern Asia and the Pacific

10

BY 2021, ONLY 180 MILLION NEW JOBS ARE PROJECTED TO BE CREATED

The world employment rate has been falling steadily for a number of years. To return to the 2005 employment rate of 60.7%, 293 million new jobs need to be created over the next five years. However, by 2021, the International Labour Organization projects only 180 million new jobs will be created. Unless job creation efforts scale up by 1.7 times, the world will fall short of this target by 40%.[20] It will also lose the momentum needed to deliver the Sustainable Development Goals by 2030.



NOTES AND REFERENCES

The International Labour Organization's (ILO) definitions of key terms:

Employed: Those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit.

Wage/salaried workers: Those who hold the type of jobs with explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent on the revenue of the unit for which they work.

Employers: Those workers who, working on their own account or with one or a few partners, hold the type of jobs where the remuneration is directly dependent on the profits derived from the goods and services produced, and have engaged, on a continuous basis, one or more employee(s).

Vulnerable workers: Own-account workers (defined as those who, working on their own account or with one or more partners, have not engaged on a continuous basis any employees to work for them) and contributing family workers (defined as those who are own-account workers in a market-oriented establishment operated by a related person living in the same household).

Unemployed: Those of working age who were not in employment, but carried out activities to seek it during a specified recent period and were currently available to take it up given a job opportunity.

1 Nicolai, S., Bhatkal, T., Hoy, C., and Aedy, T. (2016) 'Projecting progress: the SDGs in Asia and the Pacific'. Regional scorecard. Development Progress. London: Overseas Development Institute.

2 Other goals that mention jobs include SDGs 2, 3, 4, 5, 9, 10 and 12. The Declaration itself mentions jobs in paragraphs 3, 9, 14, 20, 27 and 34. See UN (2015) 'Transforming our world: The 2030 Agenda for Sustainable Development'. New York: United Nations.

3 The author uses estimates and projections from the 'ILO database of labour statistics' in her calculations. These are based on the ILO Research Department's 'Trends Econometric Models' (TEM), November 2016.

4 ILOSTAT (2016) `ILO database of labour statistics'. Geneva: International Labour Organization. See `Global and regional indicators' summary table (based on TEM, November 2016); UNDESA (2015) `World Population Prospects: the 2015 Revision'. New York: United Nations Department of Economic and Social Affairs.

5 ILOSTAT (2016) 'ILO database of labour statistics'. Geneva: International Labour Organization. See 'Global and regional Indicators', 'Labour market projections', and 'Status in employment' summary tables (based on TEM, November 2016).

6 Author's calculations based on 'Status in employment' summary table in ILOSTAT (2016).

7 ILOSTAT (2016) 'ILO database of labour statistics'. Geneva: International Labour Organization. See 'Employment by economic class' summary table (based on TEM, November 2016). Note: values for moderate and extreme poverty are in 2011 purchasing power parity (PPP) terms. The PPP conversion factor is the number of units of a country's currency required to buy the same amounts of goods and services in the domestic market as one dollar would buy in the United States.

8 Ibid.

9 ILOSTAT (2016) 'ILO database of labour statistics'. Geneva: International Labour Organization. See 'Status in employment' summary table (based on TEM, November 2016).

10 ILO (2016) 'World Employment Social Outlook: Trends 2016'. Geneva: International Labour Organization.

11 Author's calculations based on 'Status in employment' summary table in ILOSTAT (2016).

12 Ibid.

13 ILO (2013) 'Resolution I: concerning statistics of work, employment and labour underutilisation'. Adopted at the 19th International Conference of Labour Statisticians (ICLS). Geneva: International Labour Organization.

14 Gelb, S and Khan, A. (2016) 'Towards a complete jobs picture: A new lens on labour data gaps and on automation'. London: Overseas Development Institute.

15 Author's calculations based on 'Global and regional indicators' and 'Labour market projections' summary tables in ILOSTAT (2016).

16 Hunt, A. and Samman, E. (2016) 'Women's economic empowerment: navigating enablers and constraints'. London: Overseas Development Institute.

17 Author's calculations based on 'Global and regional indicators' and 'Labour market projections' summary tables in ILOSTAT (2016).

18 Ibid.

19 Ibid.

20 Author's calculations based on 'Labour market projections' summary table in ILOSTAT (2016).

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