

Where do we stand and where are we going?

Assessments of and prospects for employment and labour markets based on the findings of the ILO Monitor 10th edition

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[ILO Monitor on the world of work. 10th edition](#)

Stalled recovery with great divergence: Overview

Multiple crises

Ukraine war

Other geopolitical threats

Inflation

Great divergence

Increasing debt burdens

Climate change

Demographic changes

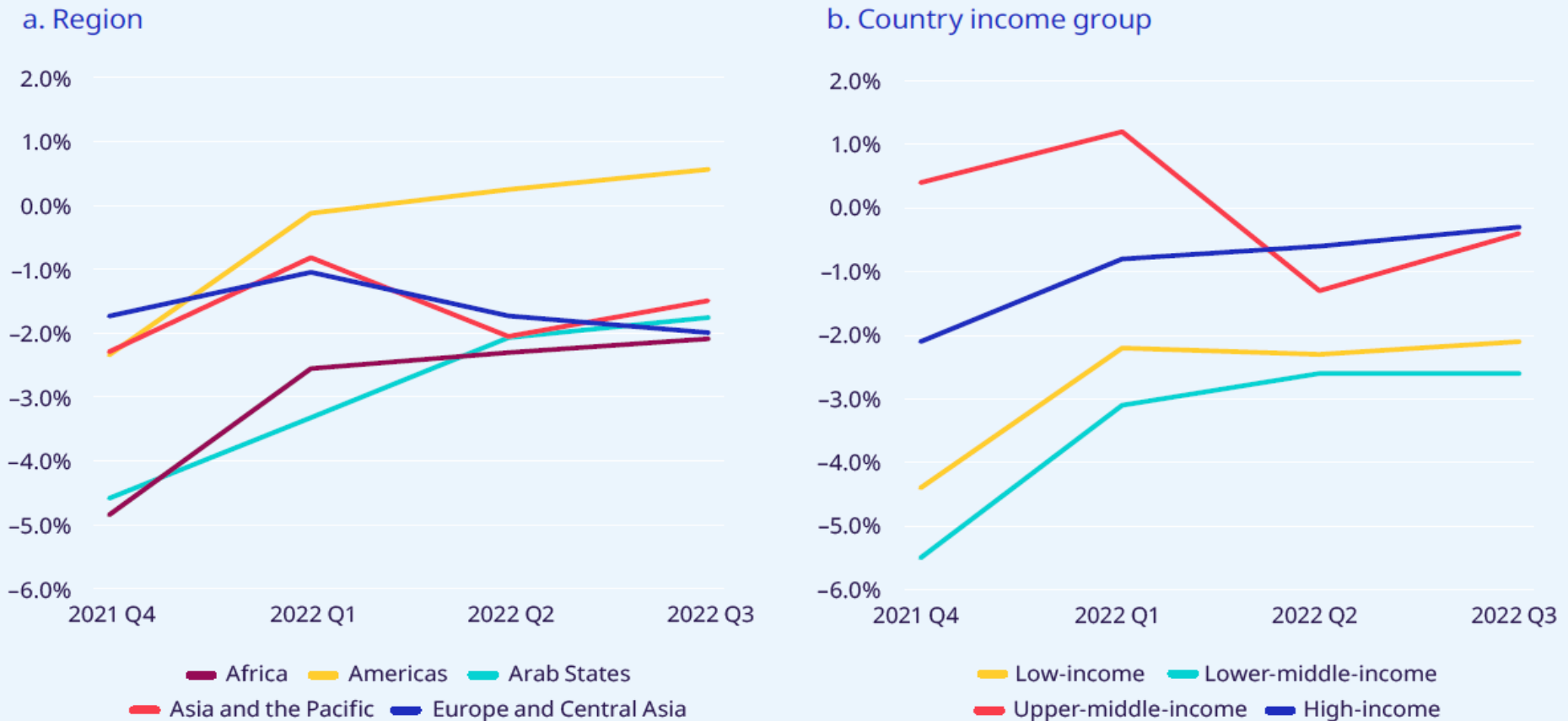
Slowdown in globalization

Technological change

Global landscape for employment (2)

Stalled recovery with great divergence: Hours worked

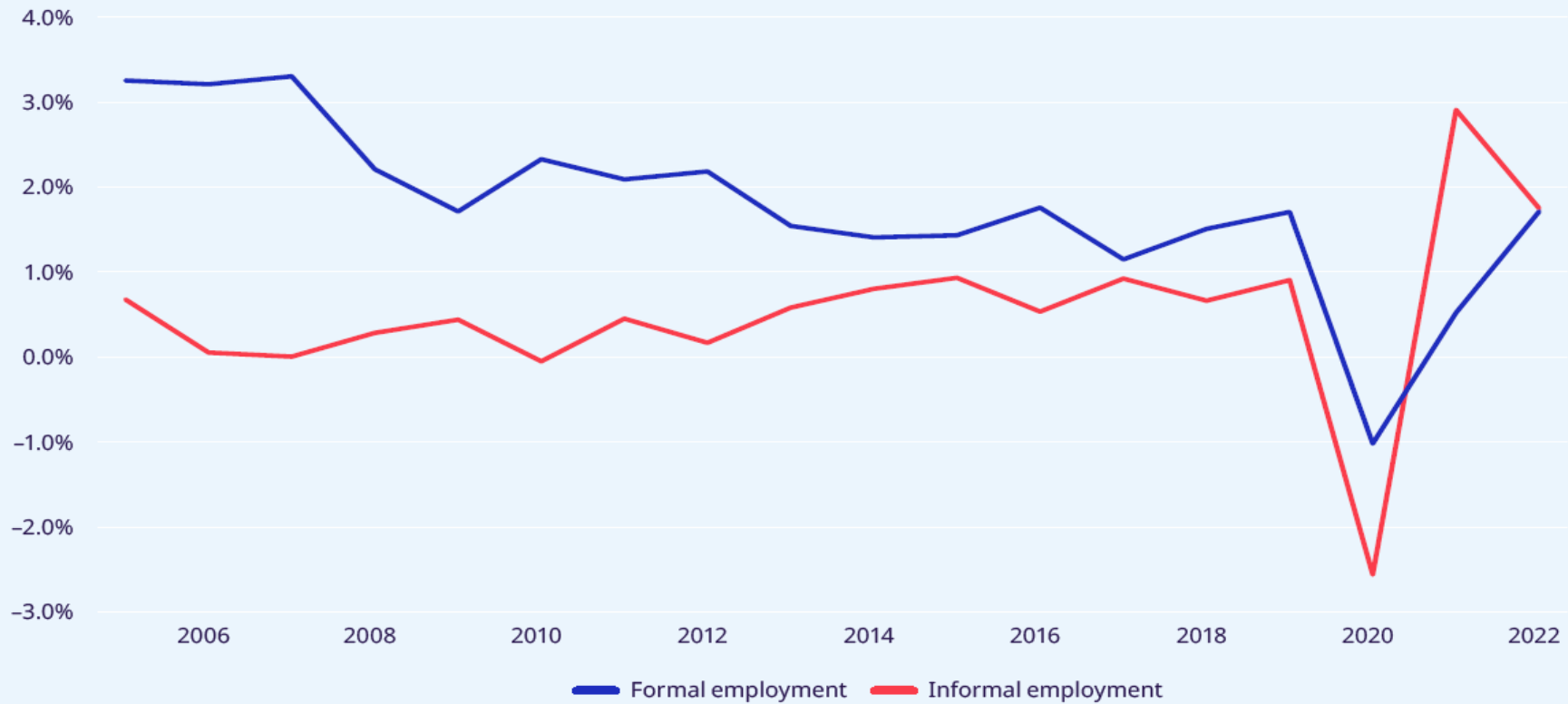
► **Figure 3. Changes in hours worked by region and country income group 2021 Q4–2022 Q3, relative to 2019 Q4 (percentage)**



Source: ILOSTAT database, ILO modelled estimates.

Stalled recovery with great divergence: Informality

► Figure 7. Annual growth rate of formal and informal employment, 2005–22 (percentage)



Source: ILO modelled estimates.

Wage inflation?



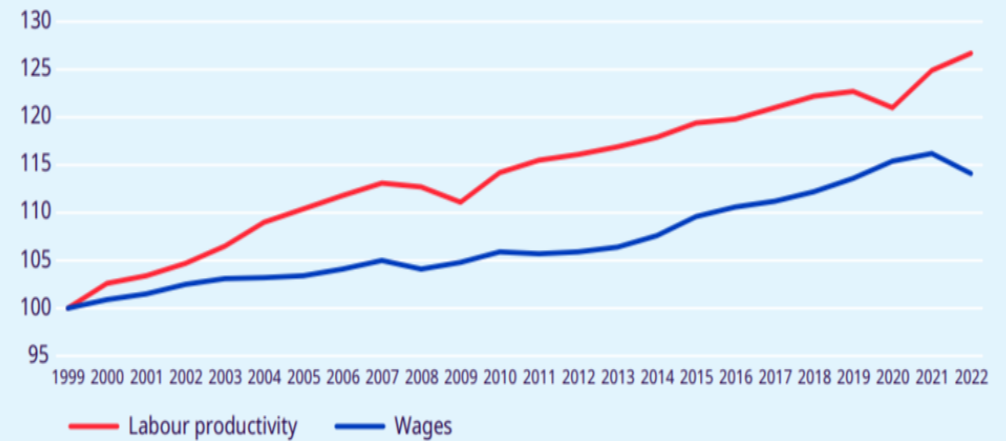
► Figure 3.1. Annual average global real monthly wage growth, 2006–22 (percentage)



Note: Wage growth for 2022 was estimated by comparing the first two quarters of 2022 with the corresponding period in 2021.

Source: ILO estimates based on official national sources as recorded in ILOSTAT and the ILO Global Wage Database.

► Figure 3.6. Trends in average real wages and labour productivity in 52 high-income countries, 1999–2022



Note: Labour productivity is measured as GDP per worker. Both the real wage and productivity indices are calculated as weighted averages using countries' populations as weights so that larger countries have a greater impact at each point estimate. The estimates were obtained using 1999 as the base year. Data for 2022 are based on the first and second quarters of the year.

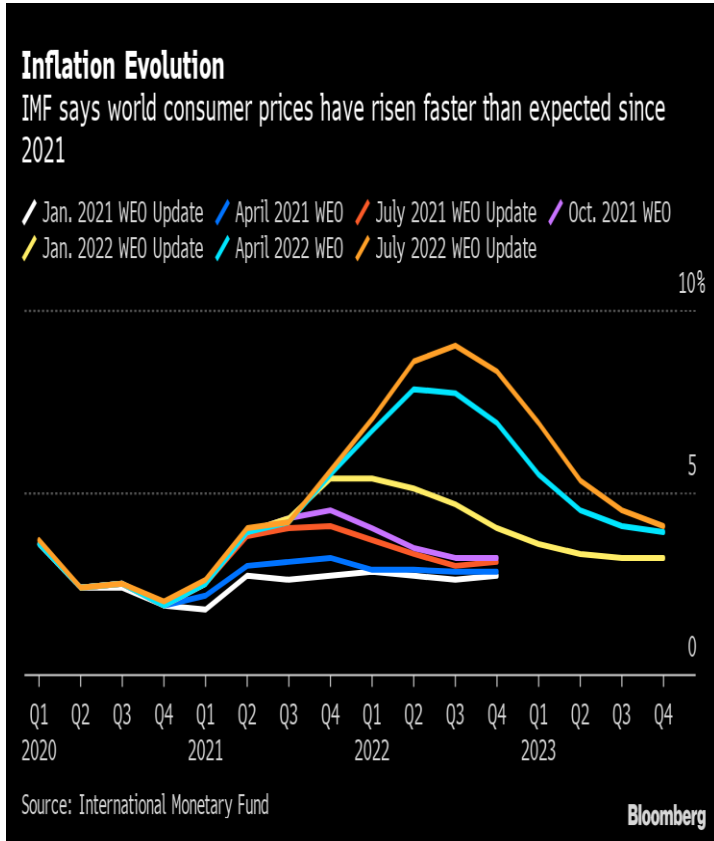
Sources: The GDP data come from IMF (2022c), whereas wage employment data are taken from the Global Employment Trends data set in ILOSTAT. Wage data are based on ILO estimates.

Outlook (1)

Gloomy for 2023, but how much worse?

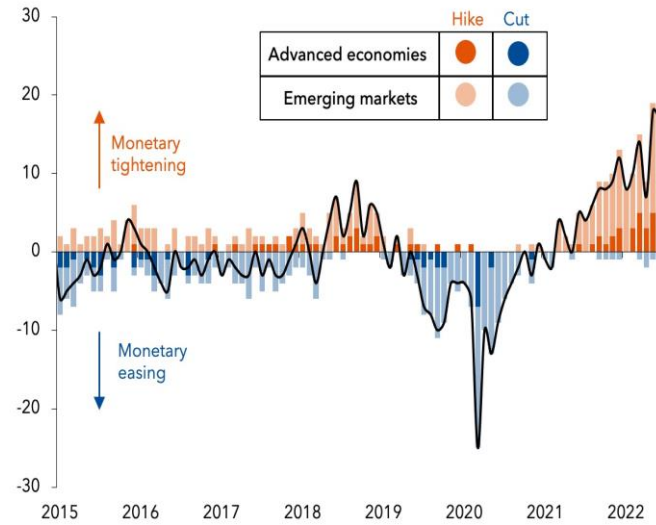
Global slowdown, or recession, or stagflation

Uncertain labour markets



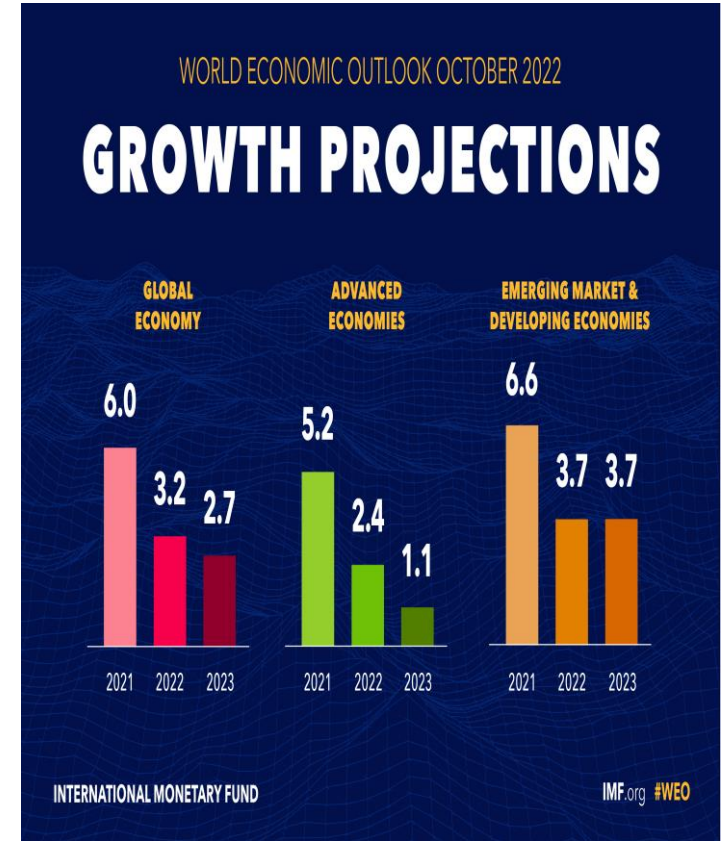
Hiking peak

The number of central banks hiking interest rates has increased dramatically in recent months as inflation rose to fresh highs.
(number of central banks, absolute value)



Sources: Bloomberg, and IMF staff calculations
 Note: The AE sample consists of Australia, Canada, Czech Republic, Japan, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, the United States, and the countries in the European Union (under ECB jurisdiction). The EM sample consists of Brazil, Chile, Colombia, Mexico, Peru, India, Indonesia, Malaysia, Philippines, Thailand, Hungary, Poland, Romania, South Africa, Turkey, Pakistan, Croatia, Russia, Ukraine, Egypt, and Ghana.

IMF



Outlook (2)

And next?

Policy front

Risk of another policy failure, uncoordinated policies

Negative employment impacts will *gradually* come out, especially in developing countries

A Keynesian moment may be gone, and replaced by a new wave of austerity?

Geopolitics may remain difficult, if not worsening

Workers may not be strong enough to maintain the purchasing power of labour income (Risk of uncoordinated and ad hoc methods)

What to do?

The multiplication of crises raises the risk of another significant global labour market downturn, requiring comprehensive, integrated and balanced policies to:

Not address inflation in isolation but also its broader implications for employment, enterprises and poverty.

The set of policy tools to combat multiple crises needs to be widened through social dialogue, which would include:

- (a) interventions in setting prices for public goods;
- (b) re-channelling windfall profits;
- (c) strengthening income security through social protection;
- (d) increasing income support to maintain the purchasing power of labour income; and
- (e) targeting support to the most vulnerable people and enterprises.

To support the labour markets in Ukraine and those affected by the ongoing conflict, a continued focus on decent jobs and social protection is needed, including in the ongoing discussion on reconstruction in Ukraine. Labour market integration measures for Ukrainian refugees also need to be strengthened.

Internal solidarity and coordination is even more critical, and policy coherence is key. (UN Global Accelerator on Jobs and Social Protection for Just Transitions.)

THANKS FOR YOUR INTEREST

ANY QUESTIONS OR COMMENTS?