

Global Employment Trends, demographic shifts and policy responses: The role of PES in a changing environment

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Signature of a Memorandum of Understanding between ILO and WAPES



Content:



13% of the young labour force is unemployed

This number from 2023 marks the lowest rate in 15 years and a decrease from the pre-pandemic times in all but three subregions.

20% of young people were NEET in 2023

2 in 3 young NEETs (not in employment, education or training) globally are women.

Global challenges

Lack of jobs

1 in 3 economically active youth in Arab States and North Africa are unemployed.

Lack of decent work

3 in 4 youth in sub-Saharan Africa lack secure work.

Educational mismatch

2 in 3 young adult workers in developing economies hold qualifications that do not match well to their job.

Rising youth anxiety levels

2 in 3 young people worried about losing their job.

Demographic pressures

Youth labour force in Africa grows by 76 million by 2050, while all other regions face a contraction in young workers.

Inequalities of opportunities

In high-income countries, 4 in 5 young adult workers (aged 25–29) are in a regular paid job. This number falls to 1 in 5 in low-income countries.

► Youth employment by status and security of the job by country income grouping, 2023 (%)

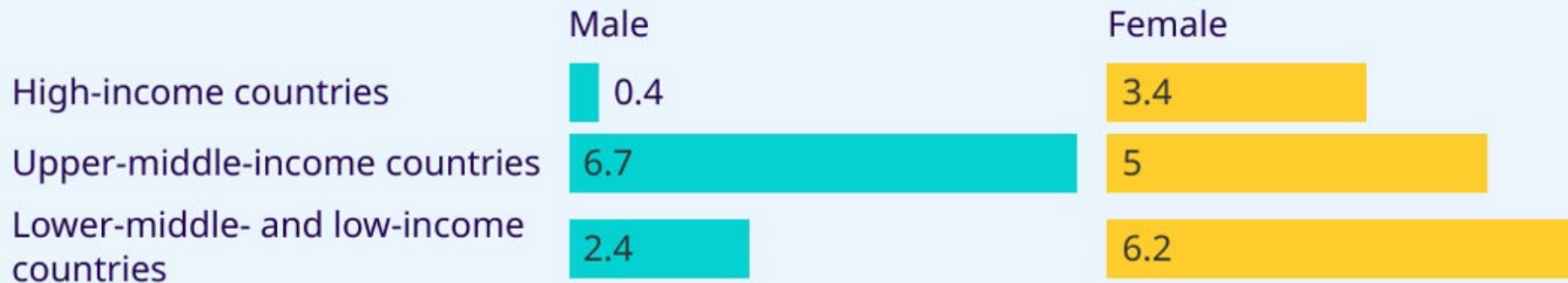
■ Own-account work
 ■ Contributing family work
 ■ Temporary paid work
■ Permanent paid work



Source: ILO

► Change in shares of overeducated young adult workers (25-29) by country income group, 2013 to 2023 (percentage point)

■ Male ■ Female

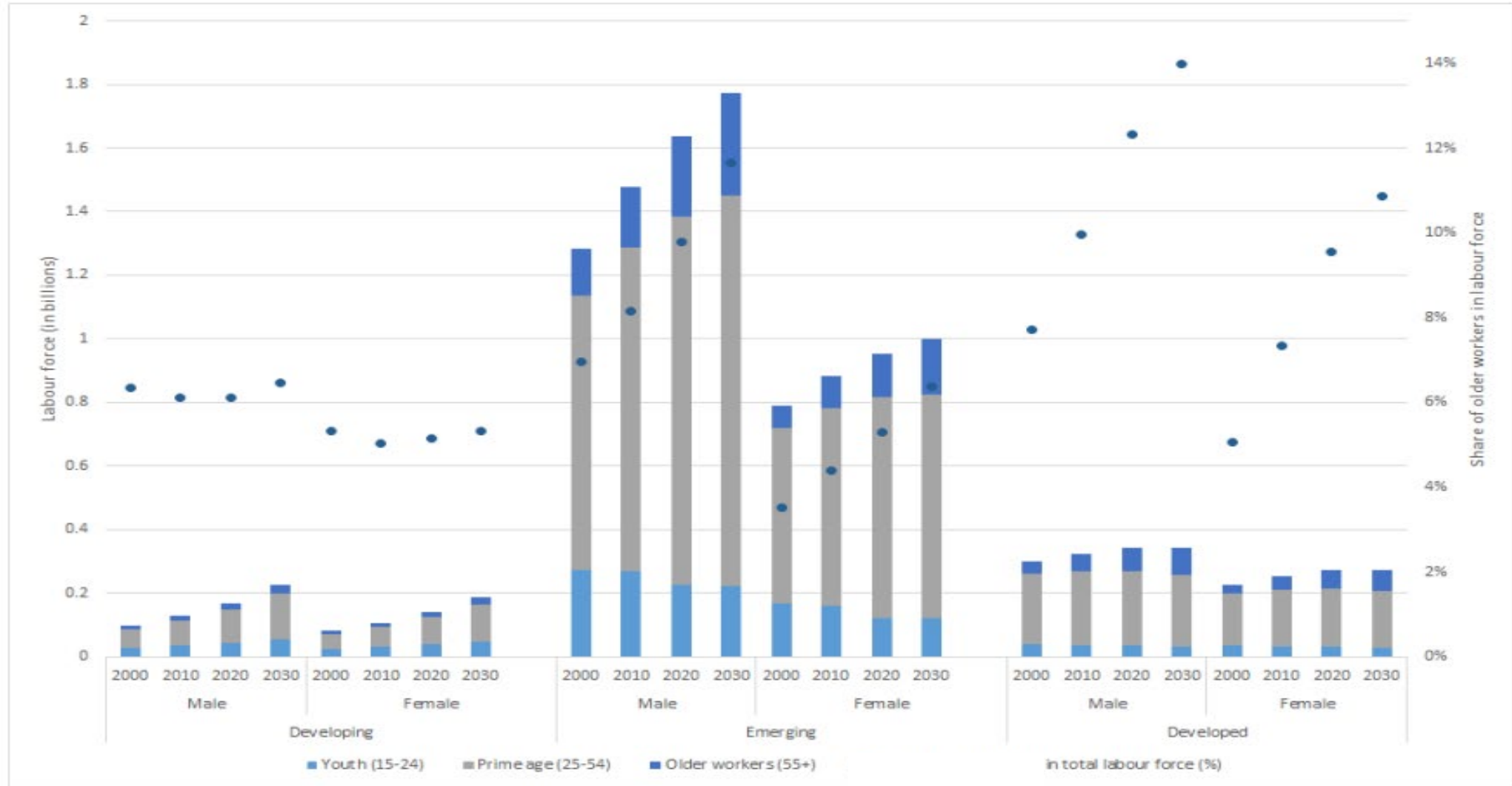


Source: ILO

Global labour market trends part 2: older people

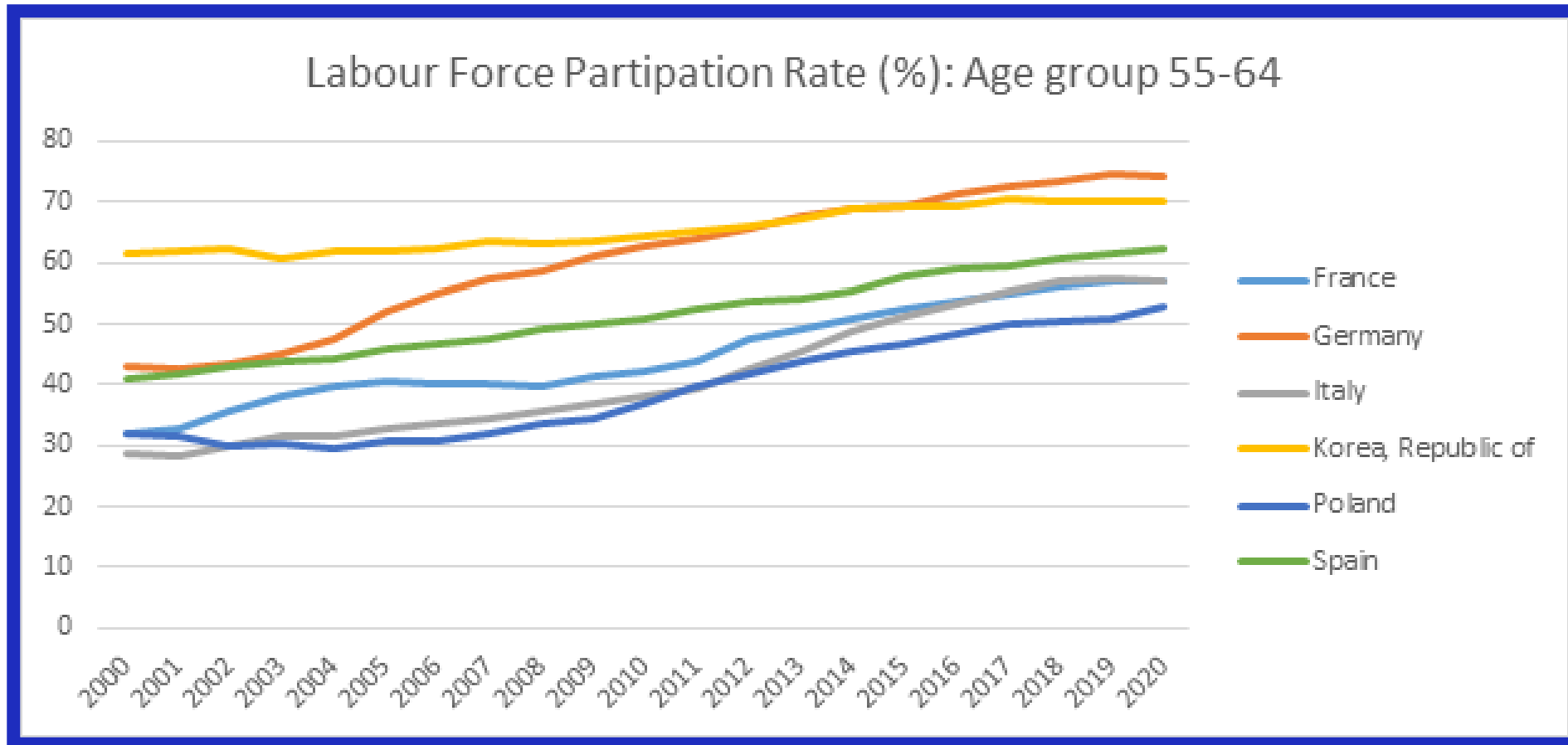


Composition of labour force (in billions) and share of older workers, by sex and income group, 2000-2030



Source: calculations based on ILO LFEP database, July 2019 update.

Changes in labour supply is happening



Source: Schmidt-Klau, D., Delautre, G. & Weiss, J. (2022). Older workers' transitions and active ageing. A global perspective and policy implications

Some policy entry points

Increase labour supply to tackle skills shortages



Active (work) ageing/smooth school-to-work transitions



Better understanding & better data

Fight against ageism



Life course approaches



Shift towards a holistic approach to service design and delivery with integrated LMP packages

- ▶ PES to invest in **appropriate profiling and segmentation systems** to address multiple barriers and tailor services to needs
- ▶ Strengthen capacity for **real-time and granular LMI and forecasting** and enhance dissemination systems and outreach to relevant groups in the labour market.
- ▶ In emerging and developing countries – governments to strengthen PES to **implement integrated ALMPs and income support.**
- ▶ PES to entrench the role of a **LLL partner for jobseekers and employers**, especially in adapting to rapid changes in the labour market
- ▶ Pay more attention to addressing **discrimination in the labour market for groups vulnerable** in the LM – older workers, youth, women, pple with disabilities, migrants, long term unemployed, etc.
- ▶ **Promote resilience in filling vacancies** – support employers in improving working conditions, implementing job redesign and in addressing negative perceptions and encouraging applications in low skilled jobs.
- ▶ **Build partnership to work** with all key stakeholders – employers, training institutions, other providers of employment services (public, private and NGOs is indispensable

Supporting geographical and occupational mobility

- ▶ PES role in facilitating international mobility, particularly **labour migration from third countries** is more critical than ever
- ▶ Ensuring a **win-win situation** between sending (developing countries) and receiving countries, **promoting ethical recruitment** and dealing with **discrimination** in the labour market
- ▶ ILO's **general principles and operational guidelines for fair recruitment, the Private Employment Agencies Convention (C181) as well as the Employment Services Convention (88) and associated Recommendations** provide guidance in this respect.
- ▶ **Building capacity of PES** and skills developing systems in source countries and supporting structural transformation in general should be integral part of skills partnership agreements with third countries
- ▶ Support **internal geographical mobility** by partnering to address root barriers such as housing, transport and settling costs, etc.
- ▶ Promote **occupational mobility through targeted skills development**– and improving attractiveness of those occupations.

Pursue customized digitalization of PES to increase their capacity, service quality and strengthen their agility in service delivery

- ▶ Digitalization can allow PES to **enhance their service provision, increase their efficiency through the automation of processes, and become better at collecting and using labour market data.**
- ▶ However, to minimize **the risk of rising inequalities due to a “digital divide”**, digitalization must be part of a broader strategy towards a customized combination of service delivery models
- ▶ Digitalization, esp. AI based, can enhance adoption and implementation of **competency-based matching** which is critical to address labour market imbalances
- ▶ PES digitalization **has increased steadily**, boosted by the Covid-19 pandemic. However, ILO studies (2020-global) and 2022 (AP) show that AI use in PES was still limited.
- ▶ A more recent study by OECD (2024) found that half the OECD PES use some form of AI for various purposes – matching (20%) profiling (17%) and labour market forecasting (10%).
- ▶ Dealing with **AI biases and ensuing discrimination**, especially for groups vulnerable in the labour market such as migrants and women is critical.

▶ **Thank you**

