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Employment and Social Trends 2026

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Introduction

The *Employment and Social Trends 2026* report by the International Labour Organization examines the state of labour markets at a time of heightened economic, geopolitical, and technological uncertainty. While global labour markets have shown resilience in recent years, the report argues that stable unemployment figures alone do not capture the broader realities faced by workers across the world. Persistent informality, working poverty, unequal access to employment, and concerns around the future impact of artificial intelligence continue to shape labour market outcomes. Bringing together global trends in employment, productivity, trade, and demographics, the report highlights the growing challenge of ensuring that economic growth translates into decent and inclusive work opportunities.

Global Employment Trends

Despite widespread uncertainty arising from trade tensions, rising public debt, and geopolitical instability, global labour markets have remained relatively stable. The report projects the global unemployment rate to remain at 4.9 per cent in 2026, representing approximately 186 million unemployed people worldwide. At the same time, a broader measure of labour underutilization, referred to as the “jobs gap,” is expected to reach 408 million people, indicating that a significant number of individuals willing to work remain excluded from employment opportunities.

The report notes that demographic changes are playing an increasingly important role in shaping labour market outcomes. Ageing populations in many high-income countries have slowed labour force growth, helping to stabilize unemployment rates despite weaker employment expansion. In contrast, low-income countries continue to experience rapid labour force growth driven by large youth populations entering the workforce. While this presents the potential for a demographic dividend, the report cautions that weak productivity growth and insufficient job creation may prevent many countries from fully benefiting from their young workforce.

Employment Quality Remains a Concern

Although unemployment rates remain historically low, the report highlights that progress in improving employment quality has slowed considerably over the past decade. Globally, 284 million workers continue to live in extreme poverty, surviving on less than US\$3 per day. At the same time, informality remains one of the most persistent challenges facing labour markets, with approximately 2.1 billion workers projected to be engaged in informal employment in 2026. Informal work often lacks social protection, job security, workplace safety, and legal protections, leaving workers vulnerable to economic shocks and exploitation.

► **Figure 1.11. Decomposition of changes in the global informality rate, 2005–15 and 2015–25 (percentage)**



Note: The number in parentheses shows the total global percentage point change in the global incidence over the period. See box 1.3 for methodology.

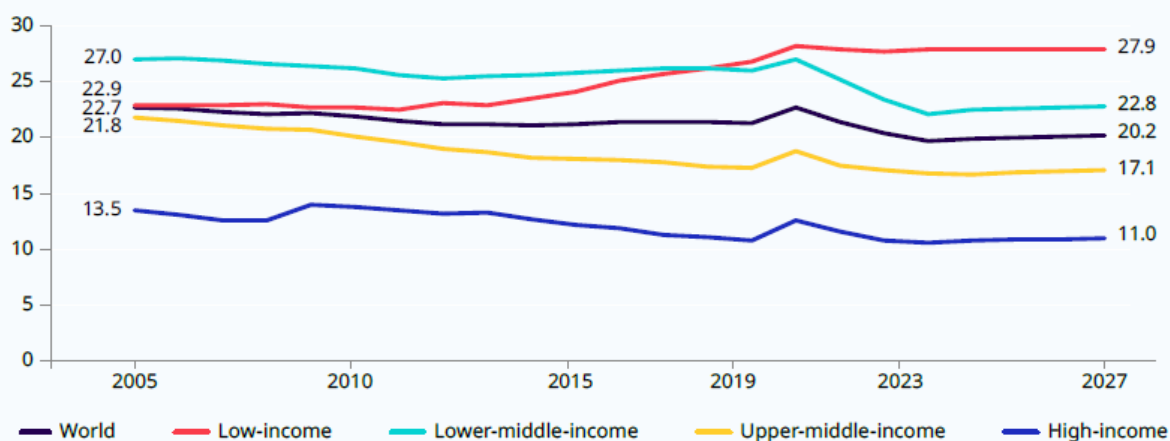
Source: Calculations based on ILO estimates.

The report argues that one of the key reasons for the slowdown in improvements in job quality is the weakening pace of structural transformation. Over the past two decades, the movement of workers into more productive sectors offering better wages and working conditions has slowed significantly. This has limited progress in reducing informality, improving productivity, and expanding access to decent work. As a result, many economies are experiencing slower gains in living standards despite continued economic growth.

Youth Employment and the Future of Work

Young people continue to face some of the greatest challenges in the global labour market. The report estimates that the global youth unemployment rate reached 12.4 per cent in 2025, while nearly one in five young people worldwide were classified as NEET—not in employment, education, or training. This translates into approximately 257 million young people missing

► **Figure 1.4. Share of youth not in employment, education or training by country income group, 2005–27 (percentage)**



Source: ILOSTAT, ILO modelled estimates, November 2025.

opportunities to gain skills, education, and work experience that are critical for long-term economic participation.

The report also raises concerns about the potential impact of artificial intelligence on young workers, particularly those seeking entry-level employment. While AI has not yet fundamentally transformed labour markets, early evidence suggests that young people with advanced educational qualifications may face increasing competition and uncertainty as firms rethink hiring decisions and workplace structures. The report emphasizes that the long-term effects of AI remain uncertain, but highlights the need for close monitoring and investment in skills that complement technological change rather than compete with it.

Persistent Gender Gaps in Employment

The report finds that significant gender inequalities continue to characterize labour markets across the world. Women account for only two-fifths of total global employment and remain substantially less likely than men to participate in the labour force. Women are also more likely to experience employment interruptions due to caregiving responsibilities and are often concentrated in lower-paid and more vulnerable forms of work.

► **Figure 1.6. Gender gaps in selected labour market indicators by subregion, 2026**
(percentage point difference in rates)

	Unemployment	NEET	Out of labour force	Jobs gap
World	0.2	14.3	24.2	4.3
Northern Africa	9.4	24.5	49.9	21.2
Sub-Saharan Africa	1.0	9.8	10.4	5.3
Latin America and the Caribbean	1.8	12.4	23.2	9.5
Northern America	-0.1	0.5	10.4	0.2
Arab States	8.0	24.8	55.7	25.2
Eastern Asia	-1.0	1.6	11.2	1.6
Pacific	-0.1	2.1	7.5	0.9
South-Eastern Asia	-0.3	7.1	22.2	2.5
Southern Asia	0.2	29.6	46.4	4.9
Central and Western Asia	2.4	11.6	26.7	7.1
Eastern Europe	0.5	4.4	14.5	2.5
Northern, Southern and Western Europe	0.4	-1.2	10.5	2.5

Note: Gender gaps refer to the women's rate minus the men's rate.

Source: Calculations based on ILOSTAT, ILO modelled estimates, November 2025.

Among young people, gender disparities remain particularly pronounced. Young women are significantly more likely than young men to be classified as NEET, reflecting barriers related to education, social norms, unpaid care responsibilities, and labour market access. While progress has been made in some areas, the report notes that improvements have been slow and uneven

across regions, underscoring the need for targeted policies that support women's participation and advancement in the workforce.

Trade, Technology and Labour Market Transformation

The report also highlights how shifts in global trade patterns and technological change are reshaping labour markets. Rising trade uncertainty and slowing growth in global supply chains have reduced opportunities for employment generation in trade-linked sectors. At the same time, trade-related employment continues to play an important role in supporting better-quality jobs, particularly in low- and middle-income countries where export-oriented sectors tend to offer higher wages and greater formality.

Technology presents both opportunities and risks. While advances in artificial intelligence and digital technologies have the potential to increase productivity and create new forms of work, their benefits have yet to be fully realized at scale. The report cautions that without effective governance and investment in workforce development; technological change may deepen existing inequalities and create new forms of labour market disruption.

Key Learnings and Recommendations

The report concludes that stable unemployment figures should not obscure the deeper challenges facing workers around the world. Persistent informality, working poverty, youth unemployment, and gender inequalities continue to limit progress towards decent work. At the same time, rapid technological change, demographic shifts, and uncertainty in global trade and investment are creating new pressures on labour markets.

To address these challenges, the report emphasizes the importance of strengthening social protection systems, investing in skills development and lifelong learning, promoting productive employment opportunities, and ensuring that technological transitions are inclusive and equitable. It argues that economic growth alone will not be sufficient to improve labour market outcomes and that governments, employers, and workers must work together to create pathways toward decent work, social justice, and sustainable economic transformation.

Read More: [Employment and Social Trends 2026](#)

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