



## ILO Monitor on the world of work. Ninth edition

Various new reforms in the labour market have been introduced. New shocks that are mostly related to the situation in Ukraine are creating trouble on the world's labour markets. The general political and economic climate is far less assured. The expected rate of global growth in 2022 is merely 3.6%, which is 0.8 percentage points less than the predictions made in January 2022. In this report, various solutions are mentioned for handling many crises toward a recovery that is focused on people.

### Key highlights

#### 1. Latest labour market developments

- In most nations, strict, economy-wide employment closures have been phased away. Restrictive regulations linked to COVID-19 are being eliminated globally when fresh and many global crises develop. Only recently has the number of workers subject to severe restrictions increased in East Asia.
- The upward trends in hours worked have stagnated and might reverse. The first quarter of 2022 saw a decline in the number of hours worked globally, and it is still 3.8% below the fourth quarter of 2019 (the pre-crisis baseline), which translates to a shortfall of 112 million full-time jobs and signals a substantial setback in the recovery process. These expectations for the first quarter of 2022 show a significant decline from the ILO's prior projections for January 2022. In addition to its local effects, the crisis in Ukraine has hurt the global economy by raising inflation, particularly in the price of food and energy, and upsetting supply networks throughout the world.
- Despite progress in high-income nations, the gender wage gap is still significant. The gender wage gap, which was already significant before the crisis and got worse, is not getting smaller as the economy recovers. While there has been some improvement in closing the gap in high-income nations, globally, women currently work 18.9 hours per week, or 57% of what men do on average (33.4 hours).
- There are still significant differences in employment and wages. By the end of 2021, most high-income nations' employment levels had reached or even surpassed pre-crisis levels, while most middle-income economies still had deficits. Global labour income increased overall by 0.9% in 2021, with high-income nations and China being the main drivers of this increase.
- More harm has been done to informal female employees than to formal male workers. At the peak of the crisis in the second quarter of 2020, there were 20% fewer jobs available, which was double the impact seen among employees in informal employment. Women also suffered more than males from informal work. In comparison to the pre-crisis environment, the number of women working informally fell by 24% in the second quarter of 2020, while it fell by just 18% for males. Overall, women's employment recovery has progressed more slowly than men's, which has widened the gender employment gap worldwide.

#### 2. Inflation, wages and employment

- Some advanced countries' labour markets are tightening, but there are few signs of universal heating. The tightening of labour markets caused by the rapid increase in job vacancies in advanced countries between the end of 2021 and the start of 2022 has resulted in an increase in the number of jobs available compared to job searchers, with the latter staying mostly unchanged. Since there is still a significant pool of unemployed and underutilised labour in the majority of the nations under research, there isn't convincing evidence that labour markets are usually overheated.
- Maintaining the purchasing power of labour pay is significantly challenged by high inflation. Further threats to the recovery and a decline in real earnings for workers and their families are added by global inflation, which is

primarily caused by rises in food and energy costs and supply disruptions. Based on the countries for which data are available, the median country's real wages increased by 1.6% in 2020–21, which is 0.7 percentage points less than the median growth in 2019.

### **3. Navigating multiple crises towards a human-centred recovery**

More than ever, attempts to make labour markets more inclusive and durable are hampered by the number of crises in addition to growing inequities between and within nations, endangering recent recovery achievements. The following must be followed:

- Policymakers must carefully negotiate the ongoing COVID-19 crises' impacts as well as the current and future shocks of the Ukraine conflict, especially how inflation may affect real wages and employment, in this complex and unpredictable environment.
- Provide prompt and efficient assistance to sustain the purchasing power of labour income and the general level of life for employees and their families.
- Assure the protection of hard-hit groups and industries through social protection for employees and support for businesses, particularly MSMEs and those engaged in the informal economy.
- Track and evaluate the effects of various crises on the labour market, with an emphasis on inequality, livelihoods, and sustainability.

Together, these factors necessitate a comprehensive strategy and global cooperation, as demonstrated by the UN Secretary-General's Accelerator for Jobs and Social Protection for Just Transitions initiative and the ILO's Call to Action for a Human-Centred Recovery, both of which were adopted in June 2021.

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