

Irreconcilable Differences?

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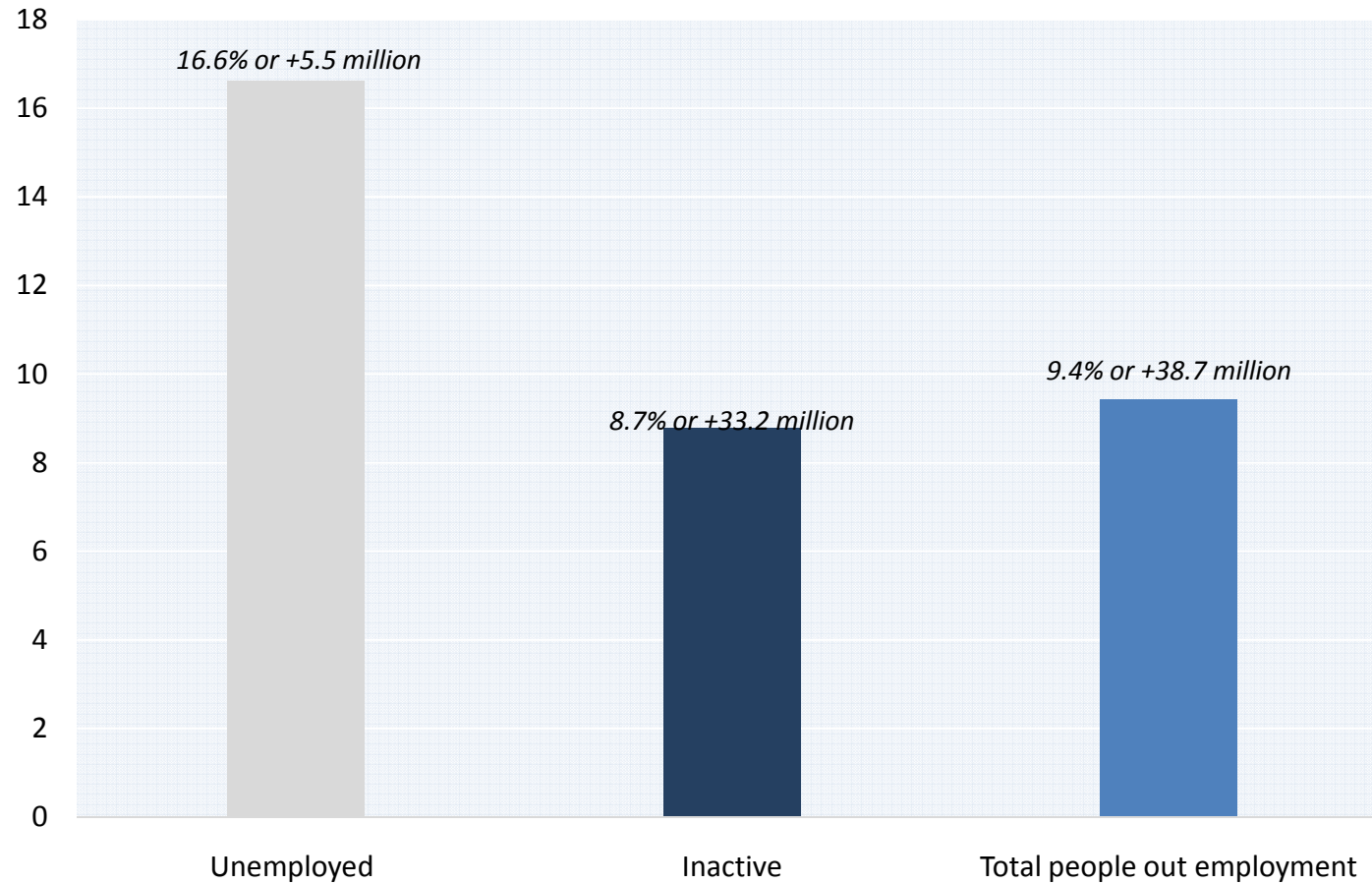
Research Department

Outline

- **Current snapshot of the world of work**
- **Emerging transformations which could exacerbate these developments**
- **Policy questions and considerations**

The number of jobless people is mounting

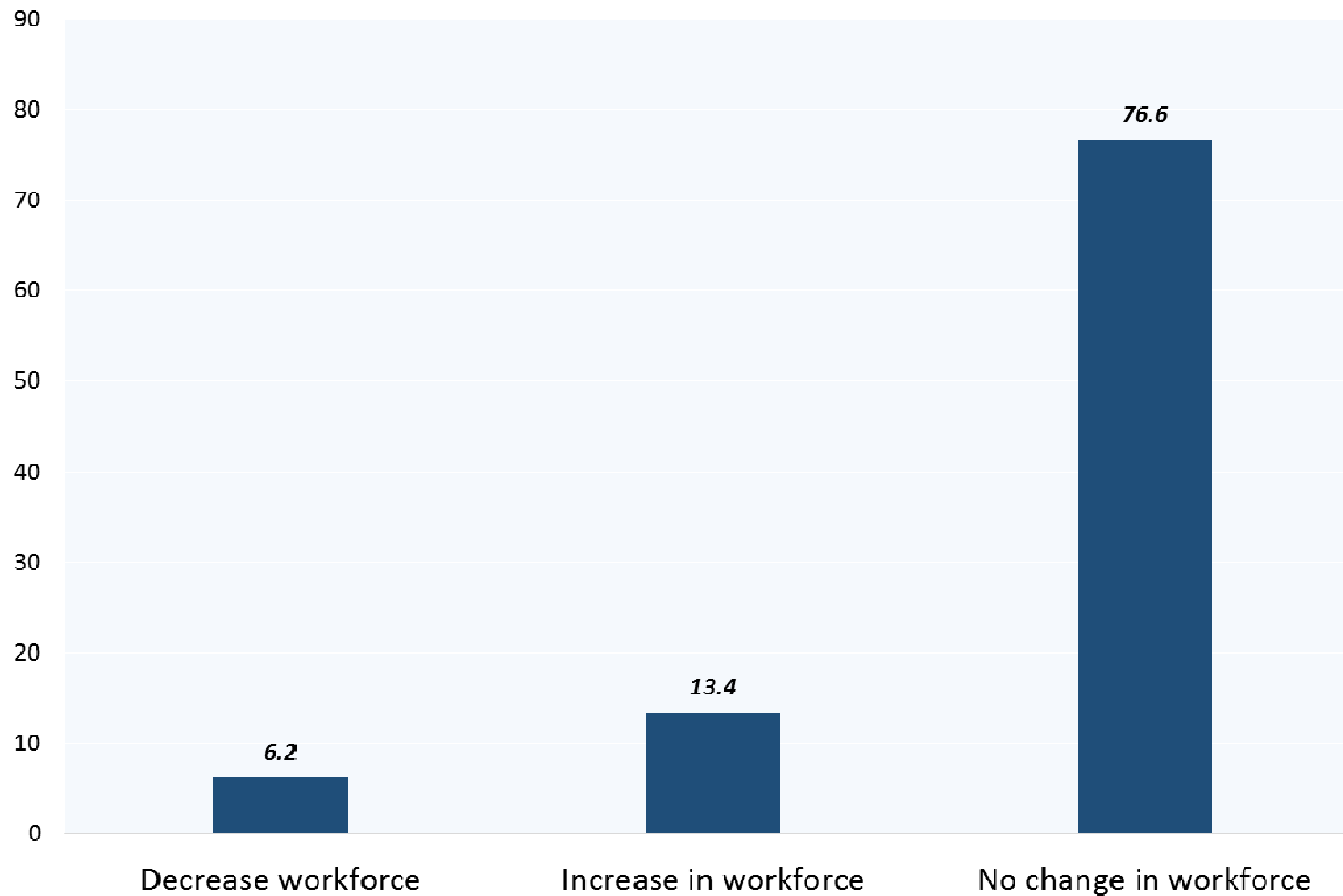
Growth of unemployed and inactive people in developed countries, (% 2007-2016)



Source: ILO's Trends Econometric Model, November 2016

Labour demand remains virtually stagnant

Employers hiring expectation, Q4 2016 (% of respondents)

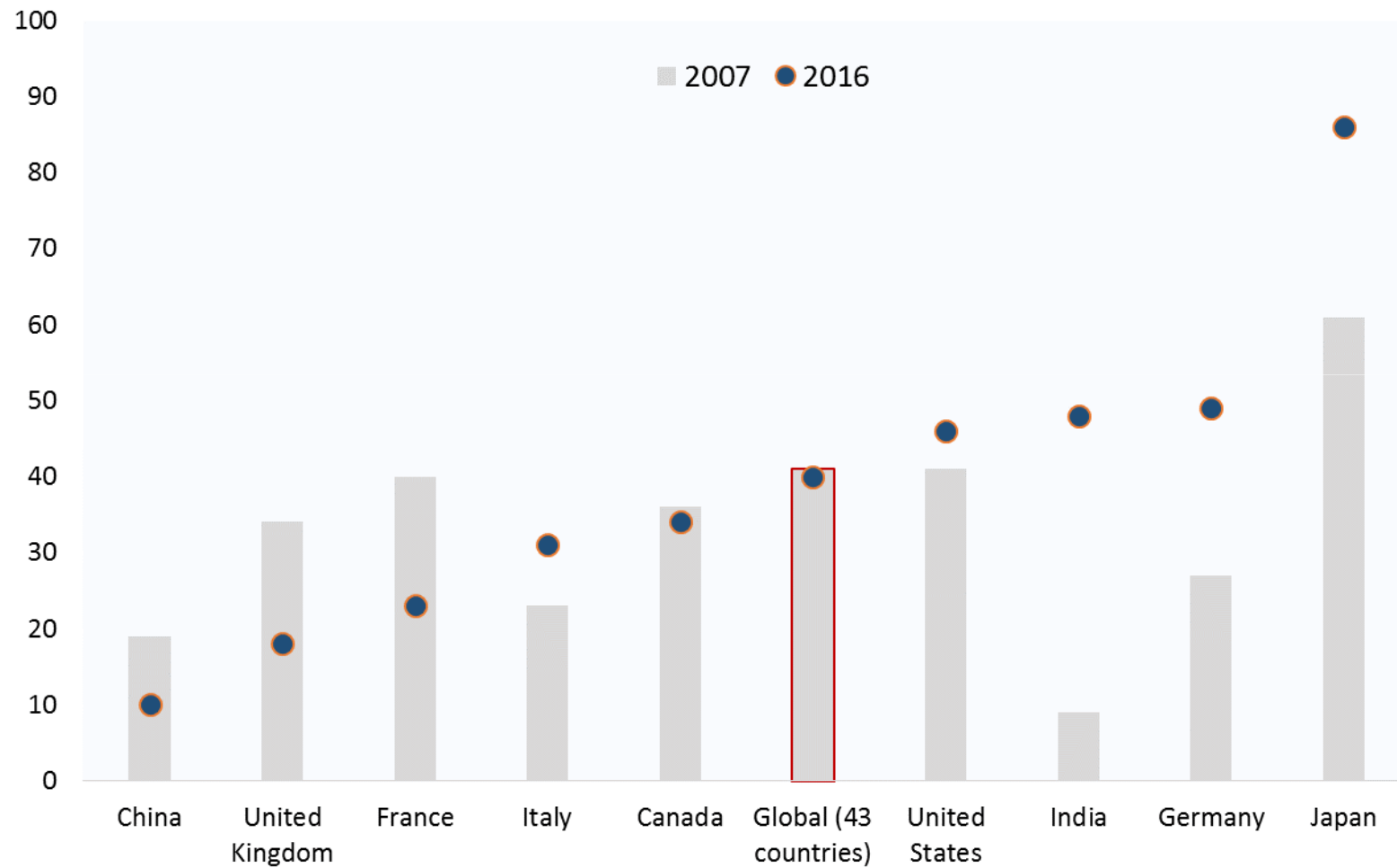


Note: Figures refer to average values across 43 developed and emerging countries

Source: Manpower group, Hiring Uncertainty Index

Yet, employers *report* shortages

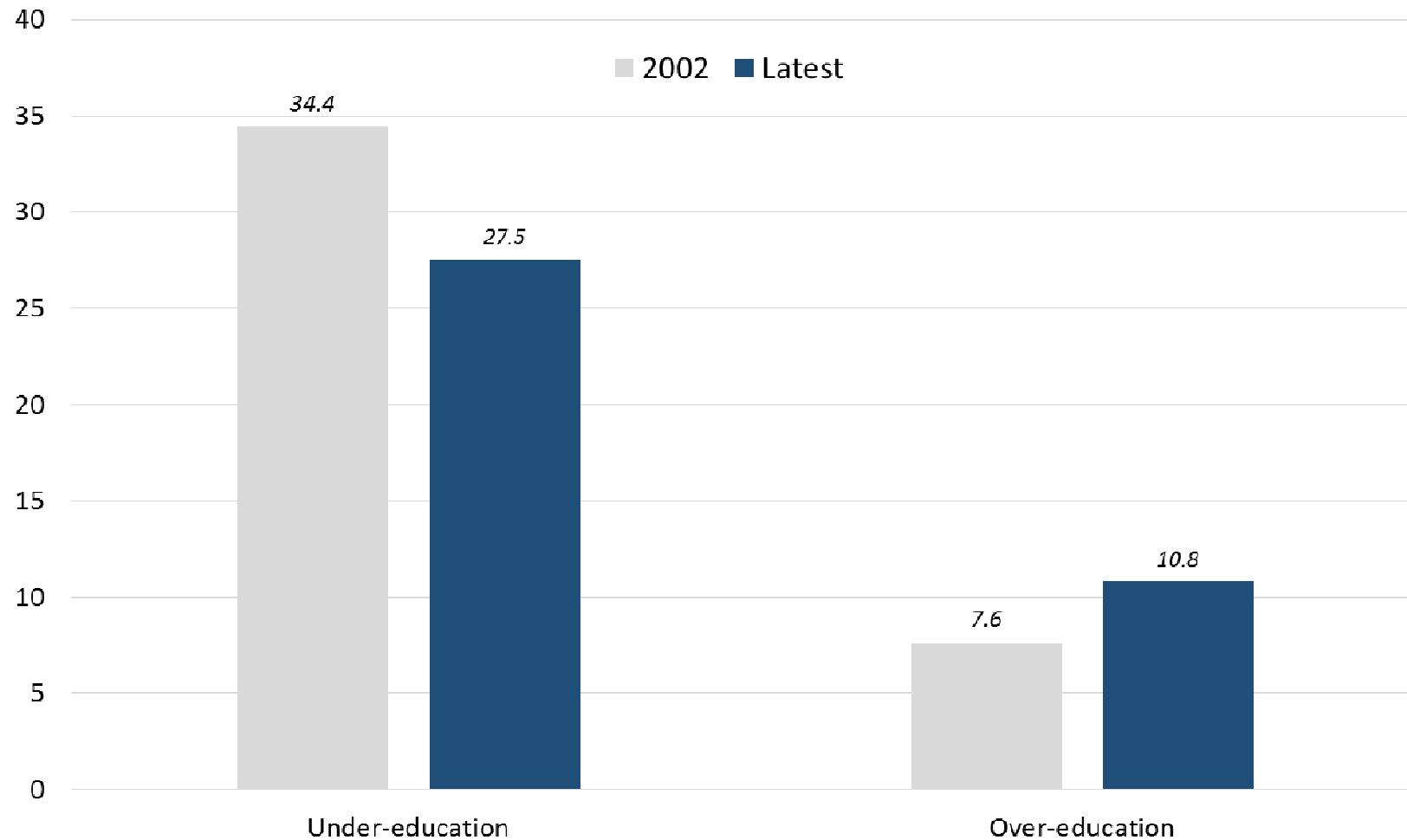
Employers reporting difficulty in filling positions, (% of respondents)



Source: Manpower Group, Talent Shortage Survey, various editions.

Are education systems and labour markets misaligned?

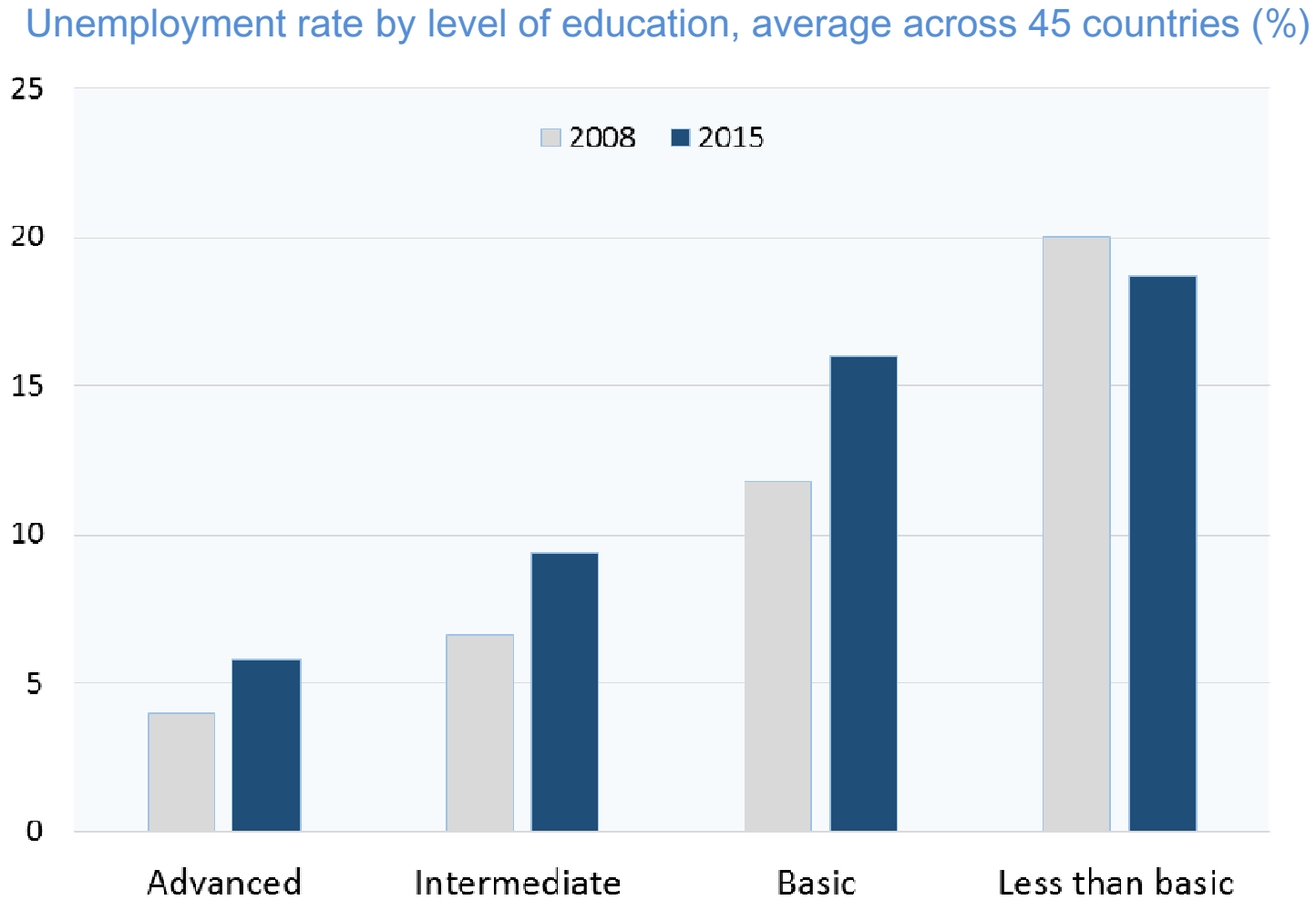
Incidence of under- over-education in Europe, (% of total workers)



Note: Figure shows the average incidence of under- over-qualification across 25 European countries

Source: ILO Skill Mismatch in Europe, Statistics Brief, 2014

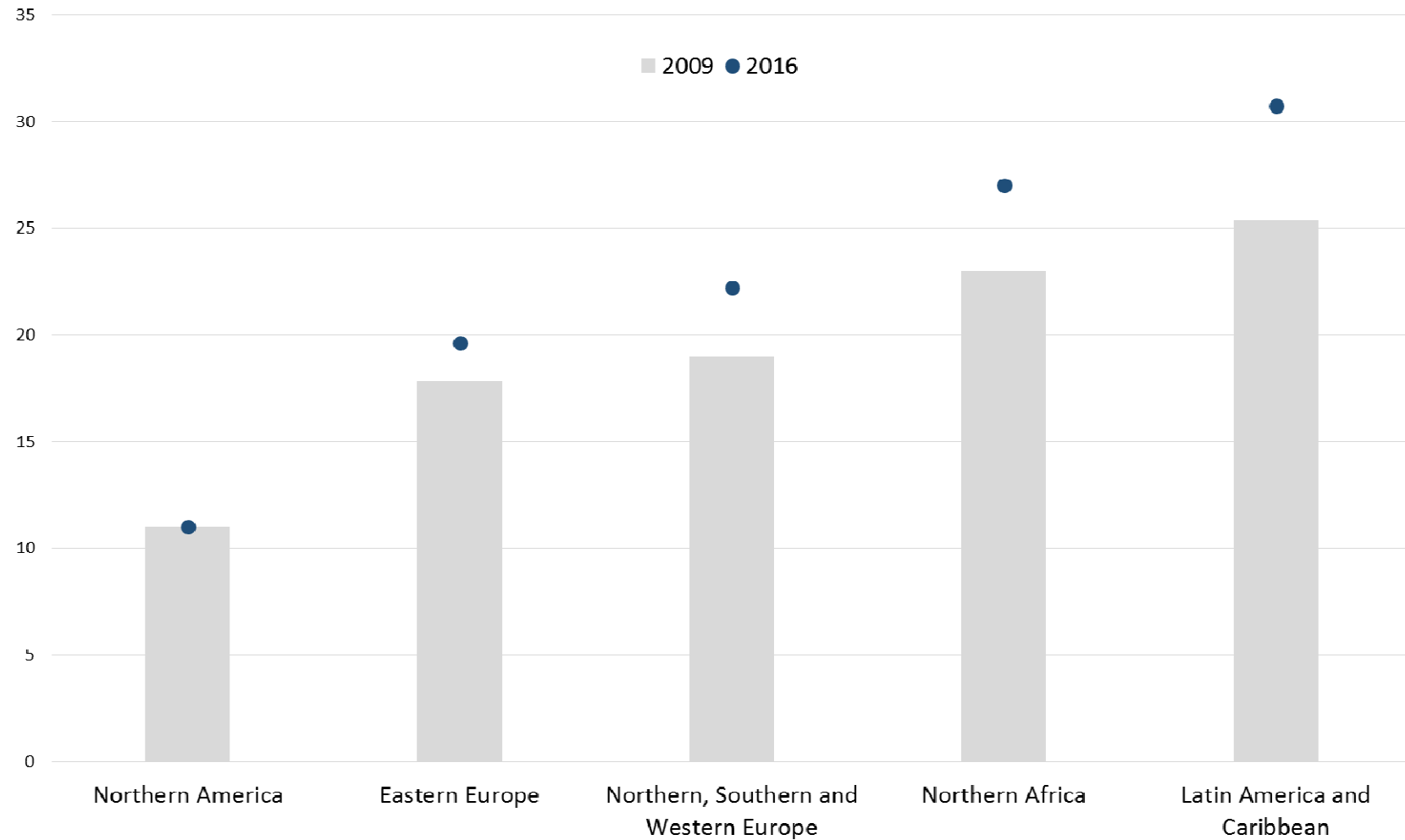
Unemployment persists across levels of education



Note: Figures report the average unemployment rate by educational level across 45 developed and emerging countries
Source: ILO Statistics

Adding pressure on people's intention to migrate

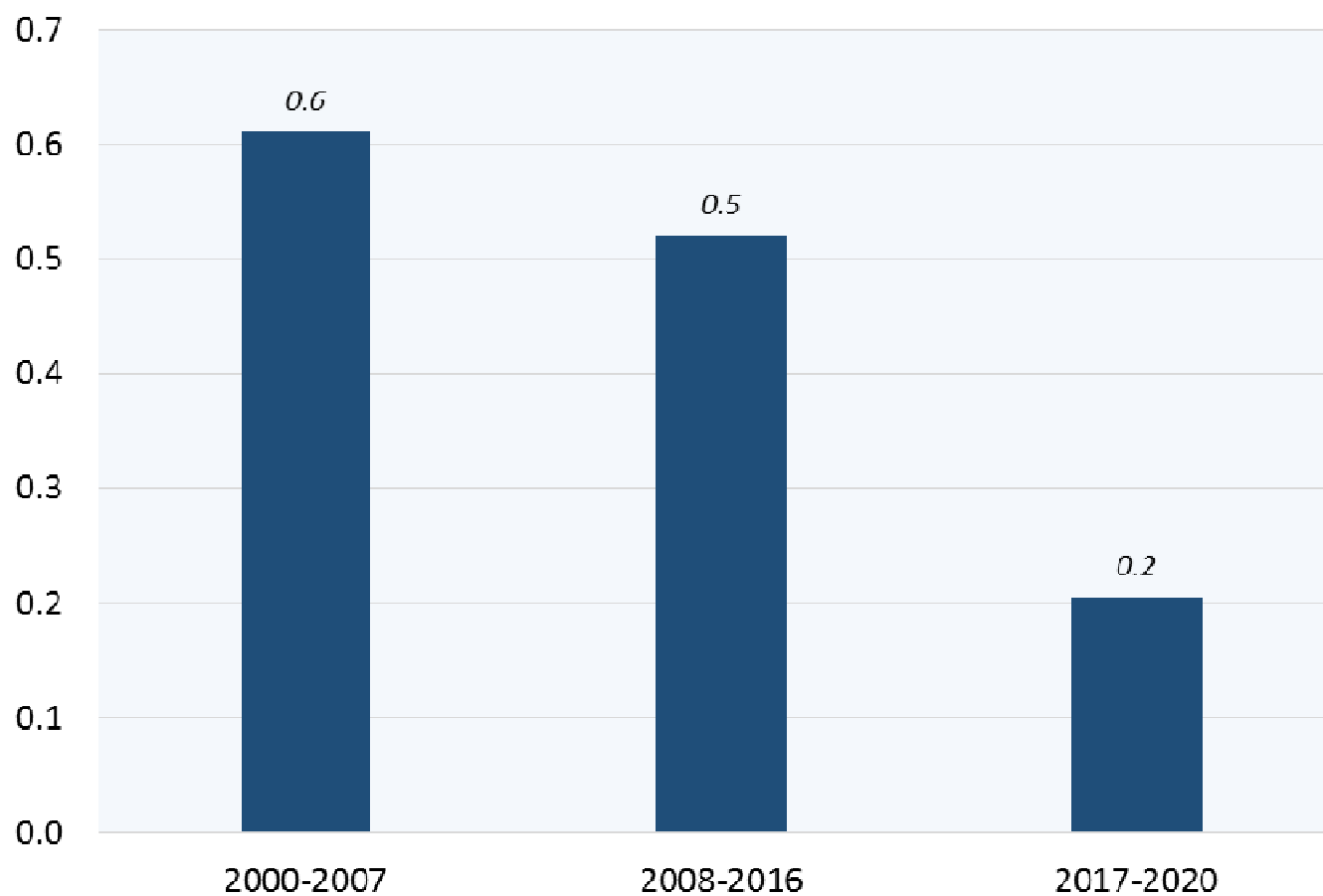
Average willingness to migrate abroad permanently (per cent population aged 15+)



Source: ILO's calculations based on Gallup Analytics, 2016

Is the employment content of growth slowing?

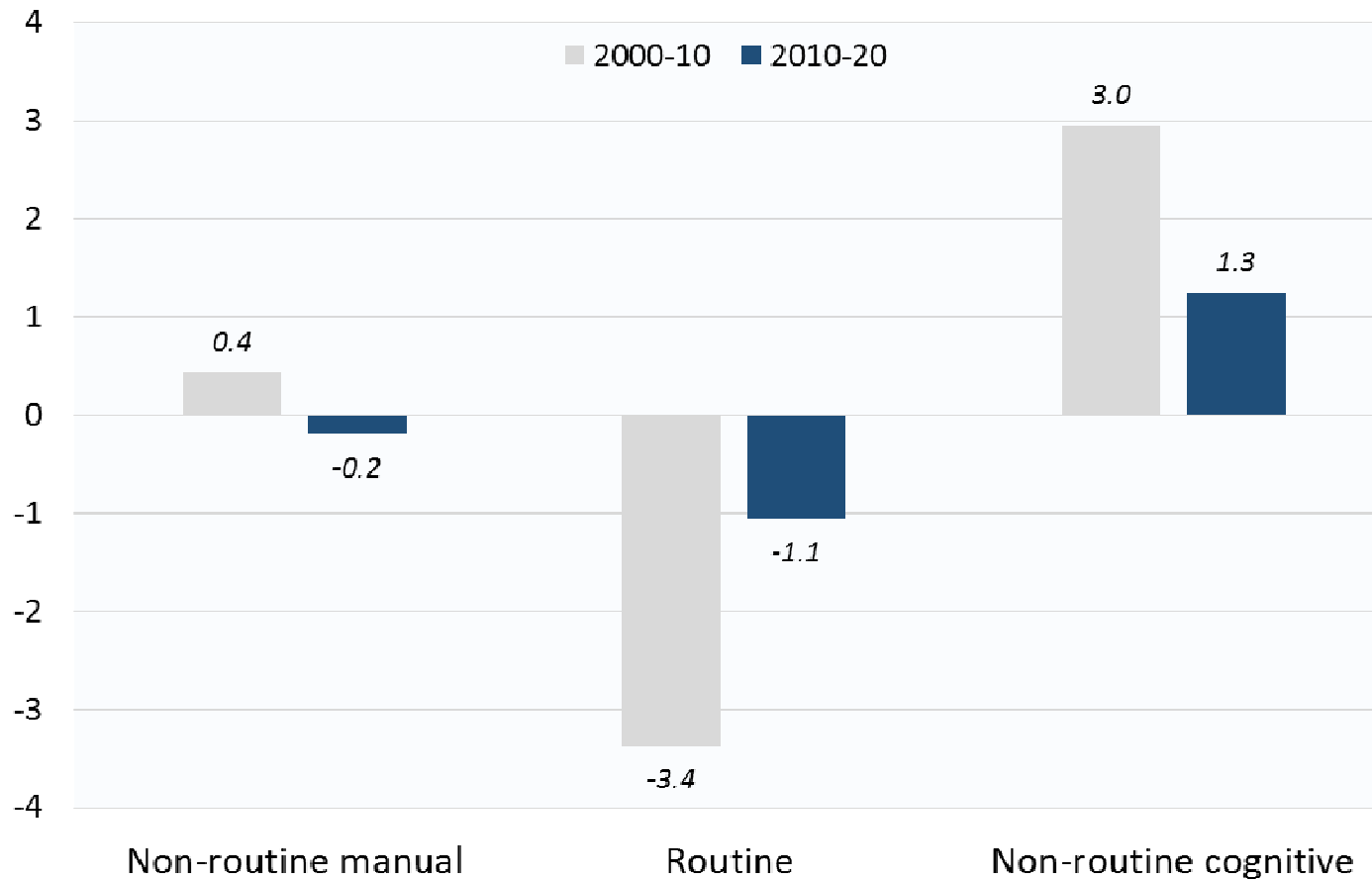
Employment elasticity to GDP growth in high-income countries



Source: ILO's Trends Econometric Model, November 2016

Is skill content polarizing?

Change in the occupational employment share in developed countries, (pp)

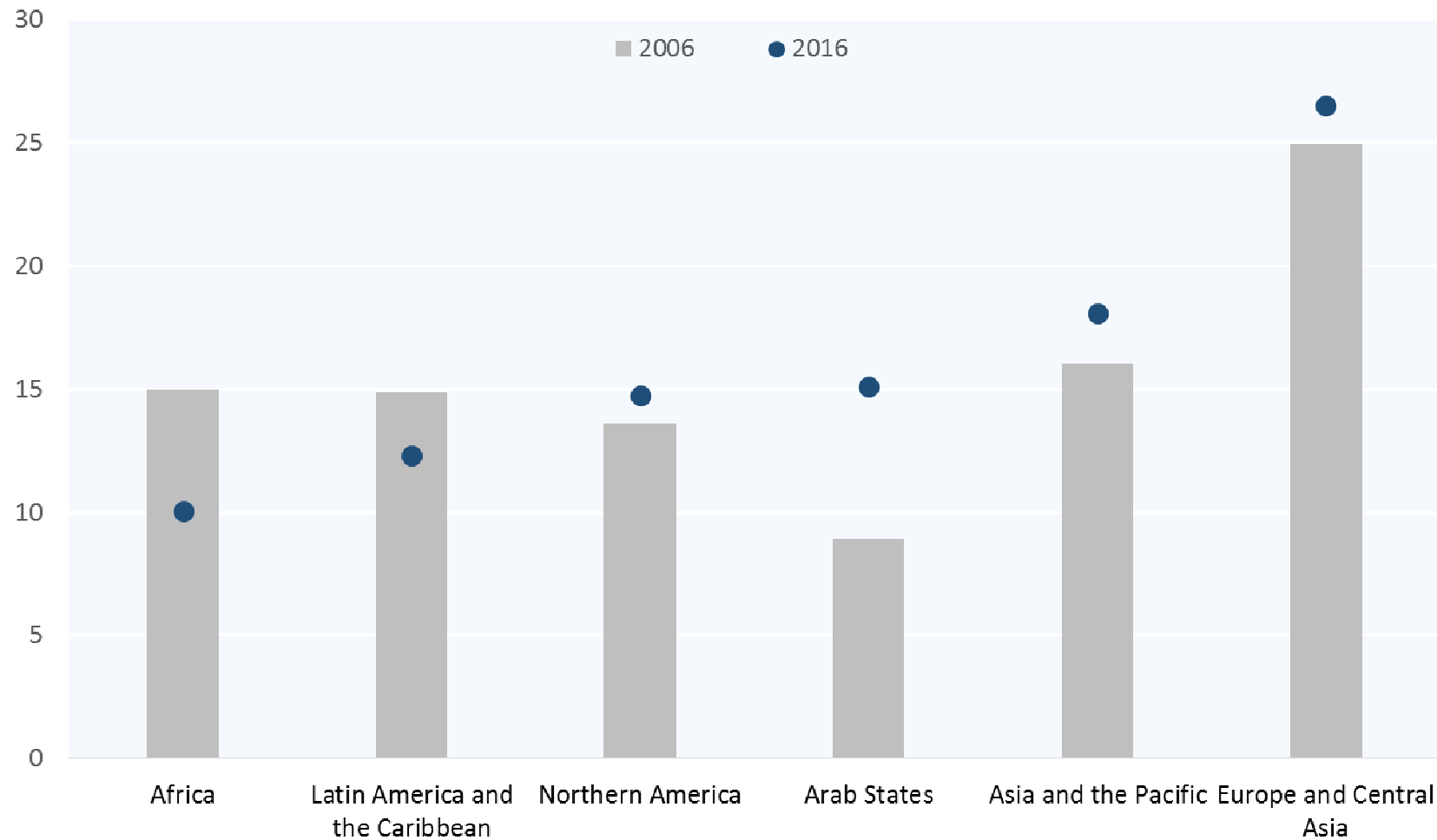


Erosion of classical employee-employer relationship?

- **Rise of telework and ICT-mobile work:** greater work autonomy but higher levels of intensity and stress (ILO-Eurofound, 2017)
- **Growth of on-line labour/ gig-economy:** especially in jobs related to software development and multimedia (Online Labour Index, 2017)
- **Lower barriers to entrepreneurship:** e-firms, e-commerce
- **Role of GVC** – labor-intensive tasks allocated in emerging economies while cognitive tasks remain in or are reshored to advanced countries.

Job dissatisfaction is widespread

Share of respondents who think people cannot get ahead by working hard, (percentages)



Note: Survey respondents were asked: “Can people get ahead in this country by working hard or not?”. The chart displays the percentage of respondents who said “no”.

Source: ILO calculations based on Gallup World Poll.

Key questions

- Will there be enough jobs for everyone?
- How to address skill levels vs skill content?
- Mismatch of expectations?
- What complementary industrial policies are needed?
- Who should be paid for training?
- Role of education system?
- How to support individuals?

Policy considerations

- Strengthen labour market information
- Effective public employment services
- What we train and how train
- Facilitating school to work transitions

Policy considerations (con't)

- Boost support to ALMPs :
 - Ensuring the continuous upgrade of workers' skills
 - Improving the quality of the matching between workers and employers
 - Promoting productive employment creation
- Engage social partners and others in the design and monitoring of training schemes
- Social protection systems must evolve beyond the standard employment model

Thank you!

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