



ILO Report: World Employment and Social Outlook 2022 – Summary of Report

by Paden Dvoor

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This report by the International Labor Organization details a comprehensive assessment of the major shifts occurring in the employment market worldwide, specifically spurred on by the Covid-19 pandemic. The report examines the various ways that the world of work overall has changed at the international and regional levels, and different outcomes for economic recovery for different population groups. It will discuss the inequalities of the labor and economic recovery rate across different sectors and population groups, describing how these changes have affected the new approach to labor and income problems. It spells out the suggested approaches to tackle these issues on the regional and interregional levels. Finally, it concludes with a forecast of the 2022-2023 labor market.

Global markets continue to suffer in the midst of the pandemic, making it difficult for industries in the market to make a full recovery. Research continues to show that the economic recovery seems to be dependent on the rate of the spread of the virus; as the virus slows, the economy booms. When the virus spreads rapidly, the economy is slowed and crippled.

The International Labor Market's forecast has much lower hopes of a speedy recovery than previously predicted, and the data shows that this diminished economic trend is likely to remain on a global scale for the duration of the pandemic, and for several years to come. For example, recent studies show that the number of hours worked on average for employees in various countries has dropped significantly, at least 2 percent lower than the average number of hours worked per week in the years preceding the pandemic. In fact, it is predicted that the global unemployment rate will likely remain at its current level, which is an estimated 207 million, for the rest of the current year, a rate that is higher than the 21 million estimated unemployed people in 2019. Overall, the unemployment rate and the labor market data indicate that nations such as Africa, North and South America, Asia (and the Pacific islands), the Arab states, Central America and Europe unfortunately show no growth or return to pre-pandemic levels.

Deficiencies in structure and inequality add to the risks that new jobs will be difficult to create. Lots of new or developing countries face the difficulty of creating efficient policy tools, with more obstacles as these nations also tend to have trouble with accessing lines of credit and other relief measures. While larger businesses face their own set of challenges with labor shortages, in this market, it is the smaller businesses that face the harshest setbacks in

the pandemic, as they face not only high turnover rates and labor shortages, but consumers are noticing that many of these businesses are having to reduce their hours of operation. This decreased number in available jobs and a mass reduction in operating hours for businesses have led to major income reduction globally, especially in the smaller, developing nations.

The instability in economic and labor market recovery has led to chronic uncertainty for both job seekers and job creators, which, if not corrected in the very near future could lead to a major derailment in any possible recovery. The uncertainty of labor loss has created new ways of doing business and new ways of consumption; the rise in the work-from-home model has changed the type of work that people are doing. Businesses that were traditionally brick and mortar are now conducting their services online. Prices of essential goods and other commodities have risen since the start of the pandemic and continue to rise, which lead to problems in the supply chain across the globe. All of this reconfiguration of the traditional business model has led to drastic implications for the way that jobs will look in the near future.

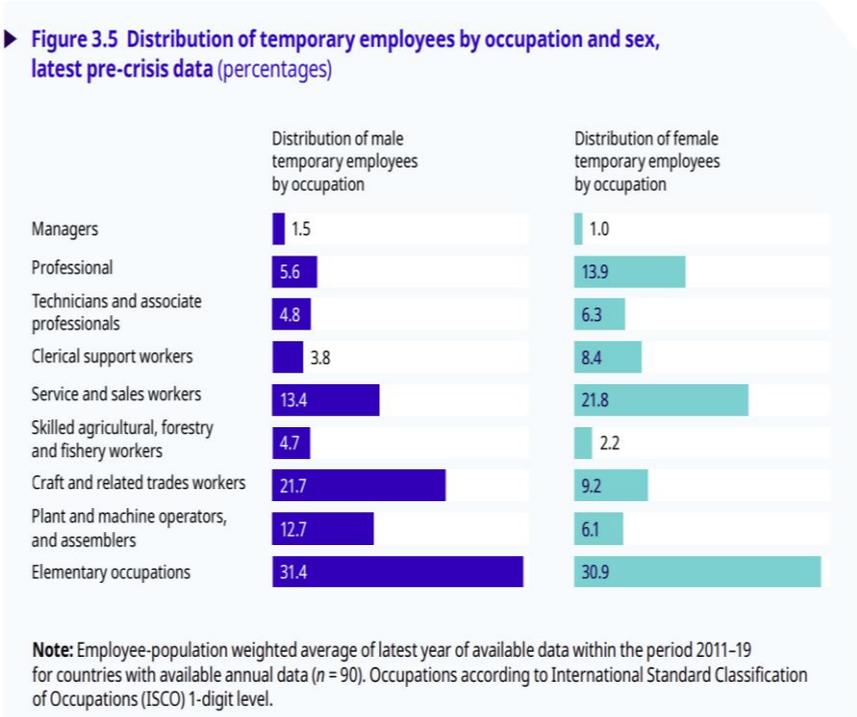
The time that it will take for the labor markets to fully recover to the levels before the pandemic is not expected to be soon, and this will have a significant impact on new employment and the return to normal hours worked per week. The critically unstable rate for income growth and sustainable income forced many households worldwide to downsize their way of living and essentially try to survive with any savings they may have had, especially in areas of the world where the labor market was already an issue before the pandemic. Stimulus packages issued throughout the pandemic provided minimal assistance as the populations increased and the financial package amounts were being reduced as the pandemic went on. This vicious cycle where the people saw they needed more government help than in times before has also created new levels of uncertainty and have made people fearful of the traditional markets and caused a demand for improved paths to sustainable growth.

Expectations for the labor market are inconsistent and incomplete.; most of the newly unemployed had decided not to return to the labor market, especially back to the tradition of full-time employment. On a global scale, the participation rate of being at 2 percent lower than it was for both 2019 and 2020 is predicted to only rise to 59.3 percent by the end of 2022, which is only a percent lower than what it was projected to be pre-pandemic in 2019. Moreover, the projection for the global unemployment rate is 7 million lower than it was in 2019, making it difficult to gauge an accurate picture of the damage done to the global unemployment caused by the pandemic.

Unequal recovery is international and inter-regional with the largest disparity seen in countries that are considered to be upper-middle income. The projection for women to return to the labor market is also projected lower than that of men. The vast school closures, especially over long periods of time have not only harmed and threatened the careers and long term employment for workers in the field of education, but this massive disruption in learning has also caused harm for students wishing to advance their skills in preparation for the labor market. Changes have also been noted in the nature of the relationship between employer and employee, where workers no longer feel the same sense of security that they did before the

pandemic. This change in employment relationships has caused many workers to become self-reliant and become self-taught for their skills. This trend has led to an increase in laborers working remotely and creating independent streams of income with temporary or “gig” work.

Labor uncertainty has expanded the “gig” economy where temporary work is sought and serves as a buffer in between jobs. Temporary work has always been mostly structured and pushed by sectors throughout the labor market, and during a pandemic crisis, it serves as a safety net or buffer, even as employers rely less on this type of employment. While it helps the employee in the short run, temporary work can have a disastrous impact on the job market and rate of productivity over longer periods of time. Workers who have taken this route also are negatively impacted from long stints of temporary employment as it does not compare to the job security they felt from their former full-time employer, and they tend to have less access to other social protections such as employment benefits and insurance. Temporary workers deal with higher rates of job losses than that of full-time workers. It is difficult to give an accurate assessment because of limited data on the effect of temporary workers from pre-pandemic to post-pandemic.



ILO (2022), *World Employment and Social Outlook Trends 2022*, p. 83

Planning ahead will involve the development of a comprehensive human-centered policy. In June of 2021, the ILO discussed the various responses to labor policy changes as it pertains to the changes brought on by the pandemic, and thereby called for a human-centered approach to the problems observed in the labor market today and the ones forecasted for tomorrow. Economic sustainability and ways to ensure a full recovery with a return of employment levels seen before the pandemic were the basis behind the [ILO Centenary](#)

[Declaration for the Future of Work](#). In this call to action, global markets are encouraged to address systemic and structural inequalities that exist socially, as well as economically, to include the looming threat and future issues that come along with climate change. It was recognized that a failure to effectively address these issues could result in the lack of ability to create a more sustainable and economically sound future.

This human-centered approach involves the successful implementation in four key areas: equitable economic growth, added job security and social protections to all employees, a universal approach to these social protections, and increased social awareness and communication on the issues of the labor market's outlook. Policies should be constructed to analyze the policies of macroeconomics but with the intention to not just discover ways to return the economy to pre-pandemic levels, but to sustain them and to carry them into the future. If done correctly, this will give the less-developed countries a better chance to thwart the threat of future labor crises. Based on the limitations and capabilities a country has, a mixture of new fiscal policies may be required which would address the concerns brought on by increased unemployment, lower wages, and a reduction in operation and products that result from a disruption in the supply chain.

With workers having the extended social protections that are implemented in the new structured policies, they can look forward to a better chance at having improved working conditions, fundamental employment rights, and more gender equality in general. In bringing the large gaps created by a lack of social protections, people in general worldwide will have a sense of comprehensive universal social protections. This creation of global protections will require mechanisms and ideas that result in more sustainable living, not dependent on current income status or stage of development for the newer nation-states. It will require the ability to identify ways to gain more equitable solutions to mobilize resources to the areas across the globe where they are critically needed, even in the time of supply chain disruptions. Finally, social dialogue plays the last pillar in this human-centered approach. This calls for public administrators, policy makers, all applicable organizations and workers alike to participate in this global effort that will serve as a proven effort to prevent future labor crises. **This investigative report has analyzed the problems and solutions for global and regional labor challenges. Ultimately, with major disruptions brought on by the pandemic, it may take more years than projected to return the economy and labor market to the levels last seen in 2019 and 2020. Countries will need to tailor their efforts for the human-centered approach as needed. Depending on their access to vaccines and their ability to develop the necessary macroeconomics needed to provide universal social protections, some countries will see a quicker recovery than others.**

Paden Dvoor
Ohio State University

