



Employment Outlook 2022: Global and Regional Perspectives

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▶ Outline

- **The overall thrust**
- **A preview of the statistics**
- **Global and regional perspectives**
- **A focus on Europe**
- **Projections for 2022-23**
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Overall thrust of the trends in 2022

The ILO's World Employment and Social Outlook Trends 2022 report warns of a slow and uncertain recovery, as the pandemic continues to have a significant impact on global labour markets.

The report warns of the stark differences in the impact the crisis is having across groups of workers and countries. These differences are deepening inequalities within and among countries and weakening the economic, financial and social fabric of almost every nation, regardless of development status.

There is a potential long-term consequences for labour force participation, household incomes and social and – possibly – political cohesion.

► The figures in a nutshell

Projected deficit in hours worked: 52 million full-time jobs globally (relative to Q4-2019).

The previous full-year estimate in May 2021 projected a deficit of 26 million full-time equivalent jobs.

This is an improvement on the situation in 2021, it remains 2% below the number of global hours worked pre-pandemic.

Global unemployment: 2022 level is estimated at 207 million, compared to 186 million in 2019.

Global labour force participation rate: 2022 is projected to remain 1.2 percentage points below that of 2019.

The downgrade in the 2022 forecast reflects, to some extent, the impact of [ilo.org](https://www.ilo.org) the COVID-19 and its variants (Omicron and Delta).

Global and regional perspectives

- **For the period 2022-2023 ILO predicts that key labour market indicators in all regions (Africa, the Americas, the Arab States, Asia and the Pacific, and Europe and Central Asia) will not have returned to pre-pandemic levels.**
- **The effects are being felt in labour markets in all regions of the world, although a great divergence in recovery patterns can be observed:**
 - The European and the North American regions are showing the most encouraging signs of recovery
 - South-East Asia and Latin America and the Caribbean have the most negative outlook.
 - At the national level, labour market recovery is strongest in high-income countries [.ilo.org](https://www.ilo.org) while lower-middle-income economies are faring worst.

▶ Europe

- **Europe suffered the highest numbers of registered COVID-19 cases in the world in the early stages of the pandemic, which posed a significant public health challenge and resulted in substantial losses in working hours.**
- **The statistic of net job losses of 2.7 million in 2020 understates the crisis impact, owing to the heavy reliance on intensive margins of adjustment.**
- **Governments succeeded in mitigating employment losses and unemployment hikes through heavy use of employment retention schemes (furlough schemes or temporary lay-offs) and reductions in working hours**

▶ Europe

The reduction in working hours in the Europe amounted to the equivalent of 12.8 million FTE jobs in 2020 relative to 2019. The strong rebound of Europe in the second half of 2021 is expected to carry over into 2022, driven especially by Germany, France, Italy and Spain.

The recovery is uneven across industries, however. Some industries have been hit hard by shortages of components because of supply chain disruptions and by labour shortages because of the health emergency.

▶ Europe

In Eastern Europe, where informality is relatively high, labour reallocation from wage and salaried work to own-account and contributing family work helped mitigate the decline in employment and in labour force participation.

Nevertheless, close to 2.7 million workers shifted out of employment in Eastern Europe in 2020, of whom 1.1 million became unemployed and another 1.6 million exited the labour force.

▶ Europe

Across Europe the crisis fell harder on some firms and workers than others.

It has had a severe impact on MSMEs, owing to their over-representation in hard-hit sectors, including retail and tourism, and their more limited access to support measures.

The groups of workers identified as particularly vulnerable include temporary workers and those in diverse forms of employment, workers in low-paid occupations and migrant workers.

As in most other regions, youth have been heavily affected by the pandemic and accounted for a disproportionate share (over a third) of net job losses in 2020. The youth share of job losses was particularly high in Northern Europe (77 per cent).

▶ Europe

The gender impact of the pandemic varied significantly across subregions in Europe.

Women's share of net job losses in 2020 was somewhat higher in Southern Europe and Eastern Europe. However, in Northern and Western Europe women accounted for a smaller proportion of net job losses than men and experienced a much lower decline in labour force participation.

► Europe: projections for 2022-2023

Unemployment rates in Northern, Southern and Western Europe and in Central and Western Asia are projected to fall back to or below their pre-pandemic levels by 2022, and in Eastern Europe by 2023.

The recovery in unemployment rates will be aided by the likelihood that labour force participation will remain depressed below pre-pandemic levels until 2023 in all subregions. Similarly, EPRs are expected to remain below pre-pandemic levels in all subregions.

There is a concern that, in the wake of the pandemic, inequality could widen in Europe's large economies. Higher-earning workers may have lost fewer working hours and less income, may have saved more and may see their incomes recover faster than lower-wage earners, who have had less access to remote work, lost more income and saved less; and, at the same time, governments may come under pressure to cut spending in the coming years (UNCTAD 2021; OECD 2021a). Moreover, a continued policy emphasis on supporting export sectors could widen the wage gap between workers in lead sectors and those in lagging sectors, which has been growing over the past decade, low-wage workers bearing most of the decline in the labour share of income (UNCTAD 2021).

Europe: projections for 2022-2023

Region/subregion	Ratio of total weekly hours worked to population aged 15–64 (percentages)					Total weekly working hours in full-time equivalent jobs (FTE = 48 hours/week) (millions)				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Europe and Central Asia	25.7	23.7	24.9	25.6	25.9	326	300	315	323	325
Northern, Southern and Western Europe	25.8	23.7	25.0	25.9	26.1	157	144	152	157	158
Eastern Europe	26.7	25.3	26.3	26.8	26.9	109	102	105	106	106
Central and Western Asia	24.0	21.0	22.6	23.4	23.6	60	53	58	60	62
	Employment-to-population ratio (percentages)					Employment (millions)				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Europe and Central Asia	54.6	53.4	53.5	53.9	53.9	416	408	411	414	416
Northern, Southern and Western Europe	54.4	53.5	53.8	54.1	54.2	209	206	208	210	210
Eastern Europe	56.6	55.7	55.6	55.8	55.8	138	135	135	135	135
Central and Western Asia	51.4	48.9	49.3	49.7	50.0	69	67	68	70	71

Europe: projections for 2022-2023

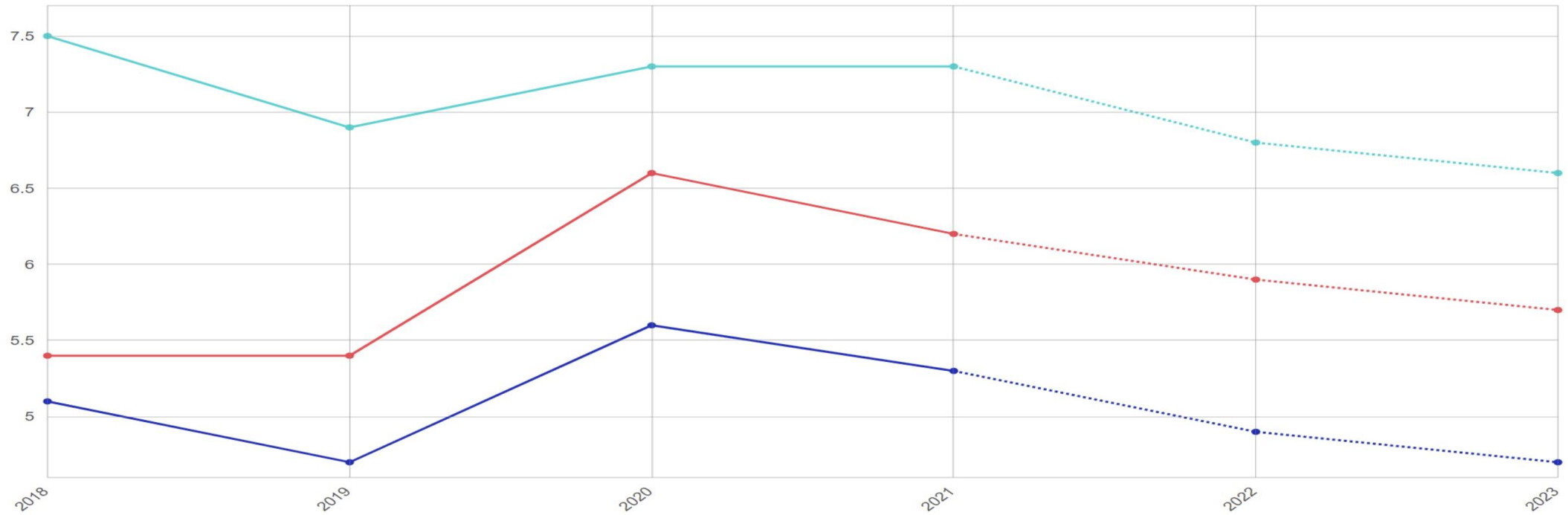
	Unemployment rate (percentages)					Unemployment (millions)				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Europe and Central Asia	6.6	7.1	7.1	6.7	6.6	29.6	31.4	31.3	29.9	29.2
Northern, Southern and Western Europe	6.9	7.3	7.3	6.8	6.6	15.6	16.3	16.5	15.2	14.9
Eastern Europe	4.7	5.6	5.3	4.9	4.7	6.8	8.0	7.5	7.0	6.7
Central and Western Asia	9.4	9.7	9.8	10.0	9.7	7.2	7.2	7.4	7.7	7.6
	Labour force participation rate (percentages)					Labour force (millions)				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Europe and Central Asia	58.5	57.5	57.6	57.7	57.7	446	440	442	444	445
Northern, Southern and Western Europe	58.4	57.8	58.0	58.1	58.1	225	223	224	225	225
Eastern Europe	59.4	59.0	58.7	58.7	58.5	145	143	142	142	141
Central and Western Asia	56.8	54.1	54.6	55.2	55.4	76	74	75	77	78

▶ Europe: projections for 2022-2023

Million | Rate %

Rate %, Unemployment, Multiple locations

Chart | Table



Now showing:

● Unemployment Eastern Europe

● Unemployment Northern, Southern and Western Europe

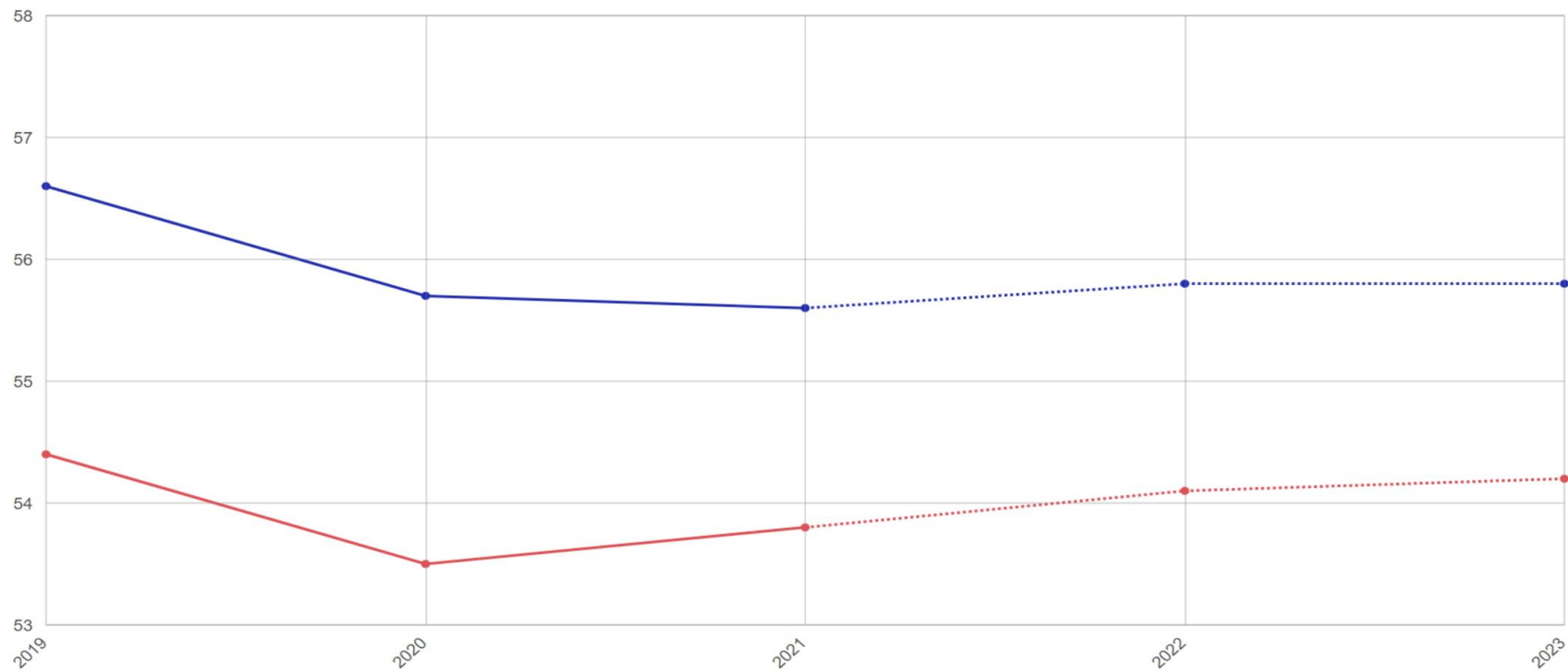
● Unemployment World

Europe: projections for 2022-2023

Million | Rate %

Rate %, Employment, Eastern Europe and Northern, Southern and Western Europe

Chart | Table



▶ Conclusions

“We are already seeing potentially lasting damage to labour markets, along with concerning increases in poverty and inequality. Many workers are being required to shift to new types of work – for example in response to the prolonged slump in international travel and tourism.”

ILO Director-General, Guy Ryder.

▶ Conclusions

Key policy recommendations aimed at creating a fully inclusive, human-centred recovery from the crisis at both national and international levels:

Reference to the *Global Call to Action for a Human-Centred Recovery from the COVID-19 Crisis that Is Inclusive, Sustainable and Resilient*

Adopted by the ILO's 187 Member States in June 2021.

▶ Conclusions

The Call to Action:

Commits countries to work for an economic and social recovery from the crisis that is fully inclusive, sustainable and resilient.

Calls for policies that prioritize the creation of decent work for all and address inequalities.

Outlines a comprehensive agenda, with specific measures to promote quality employment and economic development, worker protections, universal social protection and social dialogue.