How to address low employment rates at either end of the working carrier

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Structure of the presentation

1. Demography
2. Labour force
3. Youth problems
4. Old-age problems
5. Policy responses
1. Demography

1. Dependency ratio (youth vs. old-age)

**World total dependency ratios disaggregated by age, 1980–2050**

1. Demography

2. Total dependency ratio (developing vs. developed)

Total dependency ratios, 2000–50

Source: UN: World Population Prospects, op. cit.
1. Demography

3. Economic dependency ratios (12 countries)
2. Labour force

1. World labour force participation rates (different years)

Source: ILO: Laborsta.
2. Labour force participation rates by region, 2010

Source: ILO: Laborsta.
3. Youth problems

1. World youth and adult unemployment rates

3. Youth problems

2. Regional unemployment rates, 2006

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>Youth</th>
<th>Adult</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>6.3</td>
<td>13.2</td>
<td>4.5</td>
</tr>
<tr>
<td>Developed Economies &amp; European Union</td>
<td>6.4</td>
<td>12.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Central &amp; South-Eastern Europe (non-EU) &amp; CIS</td>
<td>8.8</td>
<td>18.5</td>
<td>6.9</td>
</tr>
<tr>
<td>Asia &amp; the Pacific</td>
<td>4.6</td>
<td>10.0</td>
<td>3.2</td>
</tr>
<tr>
<td>Latin America &amp; the Caribbean</td>
<td>8.6</td>
<td>17.2</td>
<td>6.3</td>
</tr>
<tr>
<td>Africa</td>
<td>10.0</td>
<td>18.8</td>
<td>6.2</td>
</tr>
<tr>
<td>North Africa</td>
<td>11.5</td>
<td>25.7</td>
<td>7.4</td>
</tr>
<tr>
<td>Middle East</td>
<td>12.1</td>
<td>24.6</td>
<td>8.0</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>9.7</td>
<td>17.8</td>
<td>6.9</td>
</tr>
</tbody>
</table>

Unemployment rate (%)
3. Youth problems

1. Age-wise unemployment rates in selected OECD countries, 2011 (%)

Note: Data for Spain refers to the 16–25 age group.
3. Youth problems

3. Net growth of youth entering into the labour market

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WORLD</td>
<td>644 632</td>
<td>653 686</td>
<td>9.1</td>
</tr>
<tr>
<td>Developed Economies &amp; European Union</td>
<td>65 947</td>
<td>62 372</td>
<td>-3.6</td>
</tr>
<tr>
<td>Central &amp; South-Eastern Europe (non-EU) &amp; CIS</td>
<td>28 639</td>
<td>23 746</td>
<td>-4.9</td>
</tr>
<tr>
<td>Asia &amp; the Pacific</td>
<td>361 748</td>
<td>357 271</td>
<td>-4.5</td>
</tr>
<tr>
<td>Latin America &amp; the Caribbean</td>
<td>56 142</td>
<td>56 022</td>
<td>-0.1</td>
</tr>
<tr>
<td>North Africa</td>
<td>14 619</td>
<td>14 057</td>
<td>-0.6</td>
</tr>
<tr>
<td>Middle East</td>
<td>17 529</td>
<td>17 976</td>
<td>0.4</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>100 009</td>
<td>122 243</td>
<td>22.2</td>
</tr>
</tbody>
</table>
3. Youth problems

4. Shares of workers in informal economy

* The adult share refers to the total population. ** The adult share refers to the population aged 30–59, while the youth share refers to the population aged 15–29.

Source: ILO database.
3. Youth problems

5. Shares of temporary young workers

Source: ILO, based on EUROSTAT data.
### 3. Youth problems

6. OECD average score board for youth aged 15-24

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate (%)</td>
<td>14.6</td>
<td>18.9</td>
</tr>
<tr>
<td>Incidence of long-term unemployment (% of the age group)</td>
<td>20.1</td>
<td>22.6</td>
</tr>
<tr>
<td>Incidence of temporary work (% of employment)</td>
<td>31.0</td>
<td>38.0</td>
</tr>
<tr>
<td>Incidence of part-time work (% of employment)</td>
<td>19.9</td>
<td>27.8</td>
</tr>
<tr>
<td>NEET rate (% of age group)</td>
<td>13.4</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Source: OECD project on Jobs for Youth (www.oecd.org/employment/youth). Unweighted average of the 34 OECD countries.
3. Youth problems

7. Youth labour force participation rates by sex

Source: ILO: Economically active population estimates and projections database.
3. Youth problems

8. Youth unemployment rates by sex

4. Old-age problems

1. Number of old-age population (developed vs. developing)

Source: UN: World Population Prospects, op. cit.
3. Old-age problems

2-1. Correlation between LF participation rates of population 65+ and GDP per capita (Female, 2008)
3. Old-age problems

2-2. Correlation between LF participation rates of population 65+ and GDP per capita (Male, 2008)

3. Correlation between LF participation rates of population 65+ and non-health social protection expenditure as percentage of GDP (2005)

Source: ILO: Laborsta, public non-health data. Authors’ own calculations.
3. Old-age problems

4. Old-age pension recipients ratio and labour force participation rate among people among people 65+ (2007 - 11)

5. Policy response

1. Demand-side policies (especially in times of crisis)
   - Public investments in infrastructure, education and health care
   - Support to small enterprises
   - Employment-friendly public procurement and taxation
   - Economic diversification and the identification of growth sectors (e.g. ICT, care sector)
5. Policy response

2. Supply-side policies
   – Skill development:
     Investing in the employability of the workforce throughout the life-cycle both for older workers and the youth
     Life-long learning (EU target is 15% participation by 2020; was 9.1% in 2010)
   – Women’s participation
     Encouraging women’s labour force participation through family-friendly work practices
5. Policy response

3. Social Protection
   Extension of social protection (automatic economic and social stabilizer, Active Labour Market policies (ALMs))
   Rationalisation of the design (e.g. replacement level, retirement ages)

4. Supporting mechanisms: labour market institutions
   - Labour market regulations (including combating discriminations)
   - Labour market intermediation (including job-matching)
   - Social dialogues