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BY MARLENE LEE, HANNA CHRISTIANSON, AND KRISTIN BIETSCH





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Population Bulletin

GLOBAL EMPLOYMENT AND THE SUSTAINABLE DEVELOPMENT GOALS

BY MARLENE LEE, HANNA CHRISTIANSON, AND KRISTIN BIETSCH

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The growth of the world's working-age population has slowed.

2 MILLION Estimated additional jobs sub-Saharan Africa must generate per month to absorb labor force growth by 2030.



40%
Women's share of the world's employed.

The Chinese and Indian labor forces are each more than twice the size of third largest labor force in the world.

GLOBAL EMPLOYMENT AND THE SUSTAINABLE DEVELOPMENT GOALS

In September 2015, the 193 member states of the United Nations adopted a broad universal development agenda, the Sustainable Development Goals (SDGs). These goals will shape countries' planning and spending over the next 15 years. The SDGs apply to all countries and actors, including the private sector and civil society, with commitments to tackle poverty, inequality, and climate change.

Demography will have a bearing on whether many of these goals are achieved, particularly Goal 8: Full and productive employment and decent work for all. Factors critical to employment growth emerge throughout the goals, including creation of economic opportunities and basic preparation of a healthy and educated workforce.² This *Population Bulletin* examines the demographic challenges associated with achieving full and productive employment and decent work for all across regions and countries.

WHAT IS WORK?

The term "work" is broad and includes paid work for another person or organization in the formal or informal economy, unpaid work in the home or in a family enterprise, and self-employment. The United Nations Development Program (UNDP) 2015 Human Development Report, Work for Human Development, looks at the role of work in development, considering not just characteristics of jobs but availability of opportunities and choices. This Bulletin focuses in particular on employment as an economic activity that provides individuals with their livelihoods and as a productive activity that contributes to national economic growth. We focus limited attention on the broader personal and social consequences of work, though we touch upon the implications of women's unpaid work and the exploitation of vulnerable populations (see Box 1, page 3).

From a rudimentary perspective, work may take place in a more regulated or more unregulated environment. The extent of regulation in the formal sector depends on the country-specific contexts, including what regulations exist, and whether and where they are enforced. The government regulates the formal economy which includes employment in the public and private sectors where workers are hired on contracts, and with defined compensation and benefits, such as pension schemes and health insurance. The informal economy is more unregulated. It often includes small-scale agriculture, petty trading, home-based enterprises, small businesses employing a few workers, and other similar activities that may not be detected by government, so they go unlicensed and untaxed and sometimes unmeasured in national and international statistics. Nearly all workers in the informal sector have jobs that lack basic social or legal protections often linked to employment benefits. Even within the formal sector, some jobs do not provide these basic protections.3

In many low-income countries, informal employment remains the norm, particularly when little private employment exists outside of agriculture. Table 1 on page 3 shows countries with the highest levels of nonagricultural informal employment.

Demographic Trends Affect Employment and Growth

Population increases can drive national growth, according to dynamic explanations of economic change.⁴ The basic argument says that more employed workers produce more goods and services. So long as consumer demand for these products persists, and worker productivity does not decline drastically, economic growth follows.

Unfortunately, some resources, such as land, are fixed, leading to a decline in worker productivity as the population increases—that is, in the absence of innovation.

Some studies have examined how reducing fertility affects income per capita.⁵ They find that reducing fertility increases economic growth over the long run. The researchers argue that the resulting increases in per capita income depend on the extent to which additional labor can compensate for diminishing resources such as land and the degree to which population pressure motivates people to invent resourcesaving technologies. The effect of decreased fertility on productivity also depends on the relationship between fertility and the quality of the labor force. 6 A healthy and educated labor force would be expected to produce more per person.

GROWTH OF WORKING-AGE POPULATION SLOWS

Global demographic trends affect the size and composition of the world's working-age population. Combined with social developments and local contexts, these trends determine labor force size, influencing competition for employment opportunities, wage rates, and economic growth.

The world's population growth rate peaked in the mid-1960s at slightly more than 2 percent per year. The United Nations (UN) Population Division projects that it will fall well below 1 percent by 2030.7 Steady declines in fertility in Latin American and Asian countries have driven these declines in the world population growth rate. Sub-Saharan Africa's population growth has, however, remained above 2 percent per year and will likely remain at that level well beyond 2030.

TABLE 1 The Share of Nonagricultural Work Force in Informal Employment Is More Than 75 Percent in the Top Five Countries.

RANK (2013)	COUNTRY	PERCENT
1	Uganda	94
2	Madagascar	90
3	India	85
4	Pakistan	78
5	Nicaragua	75
6	Guatemala	74
7	Honduras	73
8	Indonesia	73
9	Bolivia	72
10	Peru	69

Notes: Estimates are most recent for each country between 2009 and 2013; Percentages

Source: International Labour Organization, ILOSTAT.

BOX 1

Key Concepts: Labor Force and Employment

Basic measures of work status are:

Individuals available for work producing goods and services in an economy constitute the labor force. The population 15 years old and older is generally considered available for work. People in the labor force are currently employed, or they are not employed but seeking work, including first-time

The labor force participation rate is the share of the population 15 years old and older that is economically active, whether employed or unemployed; it is the share who constitute the labor supply for the production of goods and services during a specific period.

The employment-to-population ratio is the share of the population 15 years old and older that works for pay or contributes to family production (not including unpaid household chores or caregiving), including those who may be discouraged from seeking work as part of the potential labor supply.

The unemployment rate is the number of unemployed people—that is, individuals not employed and available or searching for work-expressed as a percentage of the economically active population (see labor force participation rate).

Not everyone who works is counted as part of the labor force, however. Unpaid workers, family workers, and students are often excluded, and some countries do not count members of the armed forces. Over the course of a vear, labor force size tends to fluctuate with the entry and exit of seasonal workers as well as workers coming of age. retirements, temporary work cessation due to illness or other factors, and deaths.

Participation in the labor force varies with context. Cultural trends and social norms determine what is considered an economic activity. Measuring women's economic activity is particularly challenging. Women in many countries often work on farms or in other family enterprises without pay, and may also work in or near their homes, combining work and family activities during the day.

It is also worth noting that the conventional definition of working age begins at age 15, though in many parts of the world individuals below age 15 work in the household or do unpaid work for family enterprises or work for income. We adopt conventional definitions of the working-age population and rely on available data.

With the overall decline in world fertility, the number of children born each year eventually stopped rising—in fact, the number of children ages 0 to 4 has remained nearly constant since 1990.8 With declines in the number of children born each year, growth of the world's workingage population has slowed. Between 1950 and 2000, the world's working-age population more than tripled, from 1.5 billion to 4.8 billion. In the 15 years from 2000 to 2015, it added 1 billion, but only 0.7 billion will be added between 2015 and 2030 (see Figure 1).

CHINA LEADS IN LABOR FORCE SIZE

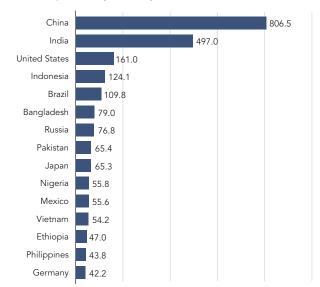
China and India have by far the largest labor forces in the world (see Figure 2). In more developed countries (notably Europe) and in China, the working-age population is shrinking. Less-developed countries (excluding China) are the reason that the working-age population will continue to grow, though this age group will be a shrinking share of the world's population.

Sub-Saharan Africa (SSA) is still in a period of rapidly growing youth cohorts, whereas Asian and Latin American youth cohorts no longer grow rapidly. These differences are reflected in the differential growth of their working-age populations. Sub-Saharan Africa's working-age population will continue to grow rapidly, rising to numbers similar to China's and India's working-age populations today. China, after over three decades of a one-child policy, now has a declining share of working-age people in its population. Even with the implementation in 2015 of a two-child policy, China's projected working-age population will shrink as a proportion of the total population. India's working-age population will continue to grow and is on track to outnumber China's working-age population around 2030.

FIGURE 2

China and India Have World's Largest Labor Forces.

Economically Active Population Ages 15 and Above, Millions

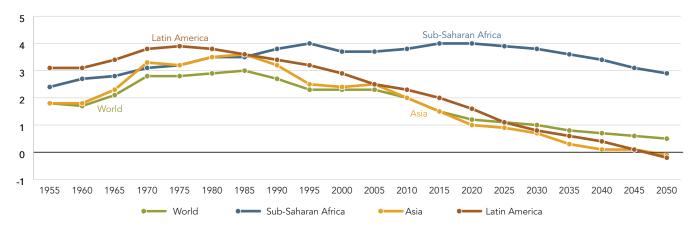


Note: Labor force is the economically active population ages 15 and above. **Source:** World Bank, World Development Indicators, 2015.

The labor forces of China and India will continue to far outnumber the labor forces in every other country. This will occur despite a projected decline in China's working-age population, relatively low female labor force participation rates in India, and increases in other regions' working-age populations (see Table 2, page 5).

FIGURE 1
Growth of World's Working-Age Population Has Slowed.

Working-Age Population Average Annual Growth Rate (percent), 1950 to 2050



Source: United Nations (UN) Population Division, World Population Prospects: The 2015 Revision (New York: UN, 2015).

TABLE 2 Growth in Working-Age Populations Has Shifted Across Regions.

GEOGRAPHIC REGION	2000 (MILLIONS)	2015 (MILLIONS)	2030 (MILLIONS)	PERCENT CHANGE (2000 TO 2015)	PROJECTED PERCENT CHANGE (2015 TO 2030)
World	3,860	4,825	5,496	25.0	13.9
Asia	2,370	2,988	3,306	26.1	10.6
Europe	452	446	405	-1.3	-9.2
Latin America	305	395	452	29.5	14.4
North America	197	217	220	10.2	1.4
Sub-Saharan Africa	338	519	803	53.6	54.7
More Developed	802	825	784	2.9	-5.0
Less Developed, excl. China	2,170	2,969	3,729	36.8	25.6
China	888	1,031	983	16.1	-4.7
India	641	860	1,034	34.2	20.2

Note: Working ages are 15 to 64.

Source: United Nations (UN) Population Division, World Population Prospects: The 2015 Revision (New York: UN, 2015).

SUB-SAHARAN AFRICA LEADS IN LABOR FORCE **GROWTH RATE**

A labor force can grow when the amount of people entering is bigger than the amount of people leaving. Net entries occur for different reasons. Individuals can remain economically active longer—reducing exits—either because of decreases in mortality at older ages or because of changes in behavior among those surviving to older ages. The labor force can also grow because young people age into the labor force when they turn 15 or when they leave school. All else equal, increases in youth cohorts will produce labor force growth. Migration usually has a relatively small effect on the size of the labor force, barring extremely large migration streams or as, in the United States, regularizing the status of large numbers of undocumented immigrants (see Box 2, page 6).

Dividing the working-age population's growth into three components-entry of new young workers, exit of older workers, and exit due to death of working-age individuals then subtracting exits from entries provides an estimate of net labor force growth.11 Net labor force growth projects the number of new jobs that need to be created in a country or region in order to keep employment rates stable.

In SSA, youth entering into the labor force is the primary source of labor force growth from year to year. Economist David Lam estimates that SSA needs to generate about 1 million new jobs per month to keep employment rates stable and will need to generate almost 2 million new jobs per month by 2030.12 This amount is more new jobs than Asia will need to generate monthly in 2030. Latin America will need to generate fewer than 250,000 new jobs per month by 2030.

The rapid growth of SSA's workforce will increase the pressure on labor markets, particularly rural labor markets where there may be few new employment opportunities and where the yields from subsistence agriculture diminish due to rural population growth and inheritance traditions that subdivide land holdings. Growth in the working-age population coupled with declining fertility rates could provide a window of opportunity for more accelerated economic growth, known as a demographic dividend, in some African countries, provided that employment opportunities emerge. However, job creation in Africa has been slow. Overall, despite increased aggregate national incomes from 1990 to 2005, labor did not shift to high-productivity sectors, as would be expected in order to realize a demographic dividend. 13 In countries such as Ghana, Ethiopia, and Malawi where there has been a positive shift in productivity, it has not been enough to fundamentally change employment opportunities.¹⁴

Youth Employment

Achieving "productive employment and decent work for all women and men, including for young people and persons with disabilities..." as stated in Goal 8, Target 8.5 of the SDGs, requires addressing the range of factors that limit both the availability of employment opportunities and access to these opportunities. The extent to which different population groups engage in work varies by age and gender. At younger ages, both before and after reaching working age, many pursue education and training in order to earn more in the future. Paid employment opportunities available to youth in a country depend on both economic policy and demographics. The size of youth cohorts has a strong influence on the

BOX 2

Migration

Although migration does not affect labor supply as much as fertility does, migration has some potential for balancing labor market supply and demand within countries, and increasingly with globalization, between countries. Variations in work opportunities in different locations can lead to significant migration flows, as migrants seek better opportunities elsewhere. When there is a shortage of decent jobs, more workers may give up looking for work. Some may even seek work in other countries.

As population grows in already densely populated areas, natural resources come under pressure. Extreme weather events associated with climate change as well as conflict also make some places uninhabitable or undesirable. People then migrate to urban areas or less densely populated areas or even to nearby countries.

Among the leading host countries for international migrants, European countries combined and the United States had the most international migrants in residence at mid-year in 2015 (see Table A).

TABLE A

Europe and the United States Are Among the Top in
Mid-Year Counts of International Migrants.

COUNTRY	NUMBER OF INTERNATIONAL MIGRANTS	COUNTRY	NUMBER OF INTERNATIONAL MIGRANTS
United States	46,627,102	Italy	5,788,875
Germany	12,005,690	India	5,240,960
Russia	11,643,276	Ukraine	4,834,898
Saudi Arabia	10,185,945	Thailand	3,913,258
United Kingdom	8,543,120	Pakistan	3,628,956
United Arab Emirates	8,095,126	Kazakhstan	3,546,778
Canada	7,835,502	South Africa	3,14,2511
France	7,784,418	Jordan	3,112,026
Australia	6,763,663	Turkey	2,964,916
Spain	5,852,953	Kuwait	2,866,136

Note: In estimating the international migrant stock, international migrants have been equated with the foreign-born population whenever this information is available, which is the case in most countries or areas. In most countries lacking data on place of birth, information on the country of citizenship of those enumerated was available, and was used as the basis for the identification of international migrants, thus effectively equating, in these cases, international migrants with foreign citizens.

Source: United Nations (UN), Department of Economic and Social Affairs, *Trends in International Migrant Stock: The 2015 Revision* (New York: UN, 2015).

But compared to the impact of international migrants in the Gulf States, international migrants have a relatively smaller presence in even the top-ranking receiving countries. As a proportion of the entire population, international migrants in the Gulf States comprise more than 50 percent of the population in most cases (see Table B). In the top three countries with the greatest number of international migrants—the United States, Germany, and Russia—international migrants are less than 20 percent of the population. International migrants residing in Turkey and Italy, countries that are currently receiving many international migrants, represent 4 percent and 10 percent of these populations, respectively. The share of international migrants in both these countries are at historic highs, just as they are in the United Arab Emirates, Kuwait, and Oman.

The migration streams between countries include economic migrants and refugees, as well as other types of migrants.1 The economic impact of refugees increased significantly for both sending and receiving countries in recent years. For several Arab states, which are estimated to be the source of 60 percent of current refugees worldwide, the exodus reduces the number and quality of available employees in their economies.² In receiving countries, whether Arab or European, refugees may be difficult to integrate into the workforce. However, as refugees are integrated into local labor markets, there may be benefits for all workers. An analysis from the Organisation for Economic Co-operation and Development indicates that over the long term, the influx of refugees along with workers from other migration streams will help to counter skills shortages in certain areas as well as to partially offset the risks associated with low population growth and declining labor force participation rates in several receiving countries.3

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- 2 International Labour Office (ILO), World Employment and Social Outlook-Trends 2016 (Geneva: ILO, 2016).
- 3 Organisation for Economic Co-operation and Development (OECD), "How Will the Refugee Surge Affect the European Economy?" (November 2015) Migration Policy Debates 8 (Paris: OECD, 2015).

TABLE B
International Migrants Make Up More Than 50 Percent of the Population in Majority of Gulf States.

COUNTRY	PERCENT OF POPULATION
United Arab Emirates	88.4
Qatar	75.5
Kuwait	73.6
Bahrain	51.1
Oman	41.1
Saudi Arabia	32.3
Iraq	1.0

Source: United Nations (UN), Department of Economic and Social Affairs, *Trends in International Migrant Stock: The 2015 Revision* (New York: UN, 2015).

chances of finding employment or earning a livelihood from own-account work.¹⁵ Who has access to these opportunities depends on cultural norms as well as on the health and education policies that shape workforce quality.

It is worth pausing a moment to reflect on the age boundaries used in discussions of the working-age population and youth employment. Conventional measures use age 15 as the starting age for the working-age population; we present data here on youth labor force and employment based on available conventional measures. Many individuals below age 15 engage in work within households, for their family, or for pay. There are established definitions that distinguish between youth employment and exploitation of children. This section mainly concerns employment as defined by conventional measures published by the United Nations, with youth employment being the proportion of the economically active population ages 15 to 24 that are employed in the labor market.

GLOBAL YOUTH LABOR FORCE IS SHRINKING

Globally, the youth labor force (the economically active population ages 15 to 24) is shrinking, both because fewer children are being born and because more youth are in school (see Table 3).16 In the last two decades, the number of economically active youth declined substantially (by about 30 million) even while the youth population has grown, resulting in a nearly 12-point drop in youth labor force participation rates by 2015, worldwide.

The good news is that young people's increased secondary and tertiary school enrollment contributed to these trends. The number of youth enrolled in upper secondary education worldwide in 2014 equaled 75 percent of the appropriate age group (ages 15 to 19), up from 47 percent in 2000.17 Youth enrolled in tertiary education equaled about 40 percent of those ages 20 to 24, up from 20 percent in 2000. At these ages, education is usually no longer compulsory.

Surveys analyzing the transition from school to work conducted in 21 countries from 2012 to 2013 show that young people who aspire to a stable job take an average of 19 months to transition to work. 18 Those with a university education move to a stable job in one-third of the time of youth with primary education. And the transition to stable employment takes longer for young women than for young men. In some countries, more than half of youth never transition to a stable job. In lower-income countries much of the available employment is casual and temporary or own-account work, and family formation begins before transitioning to productive employment.

Because youth enrollment in education or training reflects the needs of contemporary labor markets and represents a longterm investment in work, comparing unemployment rates over time or across countries provides limited insight. In countries with higher education levels and fewer people in absolute poverty (unable to meet basic needs), young graduates with

TABLE 3

Global Youth Labor Force Participation Has Declined.

Percent of Youth Labor Force, Ages 15-24, per Region

	1991	2000	2015 PROJECTION
World	59.0	53.2	47.3
Developed Economies and European Union	55.6	52.6	47.6
Central and Southeast Europe (non-EU) and Commonwealth of Independent States	50.2	43.3	40.6
East Asia	75.7	66.3	54.9
Southeast Asia and the Pacific	59.3	56.4	52.3
South Asia	52.2	47.8	39.5
Latin America and the Caribbean	55.5	54.6	52.5
Middle East	35.6	32.6	31.2
North Africa	37.0	36.1	33.7
Sub-Saharan Africa	54.3	54.3	54.4

Source: ILO, Global Employment Trends for Youth 2015: Scaling Up Investments in Decent Jobs for Youth (Geneva: ILO, 2015).

access to family or government support may be unwilling to take less prestigious, lower-paying jobs. In periods of recession or in countries with limited formal employment opportunities, young men and women may stop searching for jobs. Because discouraged youth or those waiting on better opportunities often indicate that they are not looking for work, youth unemployment rates tend to be underestimated. The percent of youth not in employment, education, or training (NEET) provides a better comparison of youth engagement in work across countries, but data are not available for all countries.

Most countries in the Middle East and North Africa (MENA) have low employment-to-population ratios, falling below 50 percent. Saudi Arabia and the Gulf States (Oman, United Arab Emirates, Kuwait, Bahrain, and Qatar) are exceptions, relying on a large foreign labor pool to maintain their economies. 19 According to an analysis by the International Labour Organization (ILO) in Global Employment Trends for Youth 2015. MENA also had the highest youth unemployment rate in 2014, a rate that has increased since 2012, especially for young women.²⁰ ILO statistics show that in 2013, the youth unemployment rate in the MENA region reached 27 percent, twice the average world rate. In 2012, just over one-third of young females in Jordan and Egypt were inactive nonstudents. In the Marrakesh region of Morocco, just over half of young women ages 15 to 34 who had left education

were no longer looking for employment. Though youth unemployment rates and NEET rates in Latin America and the Caribbean do not rise to the level of those in the MENA region, the size of the youth cohorts make youth employment a major concern in the region.

In higher-income regions such as Europe and North America, youth with lower education face substantial barriers to work in today's labor markets. The global Great Recession exacerbated challenges for youth and individuals with low levels of education in these economies. In the European Union for example, the NEET rate for youth declined from a peak of around 13 percent in 2012 to just over 12 percent in 2014. Figure 3 shows that Italian, Greek, and Turkish youth have the highest NEET rates among Organisation for Economic Co-operation and Development (OECD) member countries with data available for 2015.

In the United States, increased economic inactivity among youth produced a decline in the employment-to-population ratio over time. This decline began even before the Great Recession in 2007, reversing a 30-year upward trajectory in the U.S. employment-to-population ratio.²¹ An even more precipitous decline in the ratio followed during the Great Recession. Historically, the United States and Canada had similar upward trajectories and higher ratios than European countries such as France and the United Kingdom. Declines in the U.S. employment-to-population ratio represent a significant shift, with the employment inactivity in the United States inching

closer to the levels seen in European countries. Analysis of the decline from 2000 to 2007 shows that the decline in the U.S. employment-to-population ratio was disproportionately concentrated among youth and the less educated.²²

CREATING JOBS FOR YOUTH IS CRITICAL

The global economic crisis that began in 2008 slowed economic growth, creating larger gaps between growth of the labor force and available employment. In 2015 the ILO forecast that more than 200 million jobs need to be created by 2020 to absorb new labor force entrants and to keep global unemployment stable.²³ All of this adds up to the need to create jobs that employ youth.

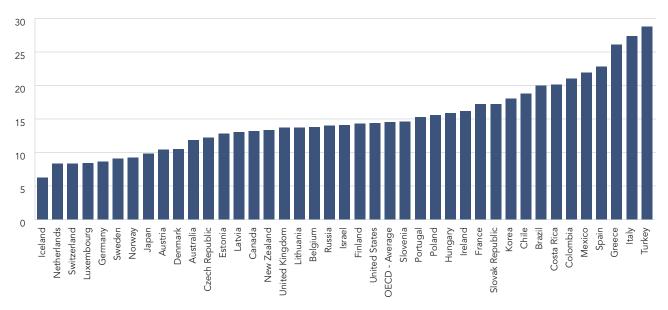
Higher youth unemployment than adult unemployment occurs across all world regions and despite increasing educational attainment. Within countries, youth unemployment may be the result of multiple factors, ranging from an inadequate supply of jobs, skills mismatch (youth possess skills that are not compatible with available jobs), and high rates of labor force growth. Whether urban youth are more likely to be classified as unemployed than rural youth depends on the structure of the country's economy. Similarly, within a country, the effect of education on the likelihood of unemployment depends on the opportunities within the economy.

Based on countries for which data are available, the outlook for youth employment growth is grim across the globe, with the exception of SSA (see Table 4, page 9). Forecasts for East

FIGURE 3

In 2015, Italy, Greece, and Turkey Had the Highest NEET Rates Among OECD Countries.

Young People Neither in Education, Training, nor Employment (NEET), as a Percent of All Young People Ages 15-29, 2015



Source: OECD, "Youth Not in Employment, Education or Training (NEET) for Ages 15 to 29," accessed at https://data.oecd.org/youthinac/youth-not-in-employment-education-or-training-neet.htm, on Nov. 22, 2016.

Asia and European countries outside the European Union show shrinking employment. Other regions will have little to no employment growth.

Note that the relatively better outlook for youth employment in SSA must be put into context. The SSA countries are still largely rural economies reliant on agricultural products or other commodities. In such economies, rural residents seldom self-identify as unemployed because they are often engaged in some form of agricultural production either for family or themselves, even if they are highly trained and cannot find employment in their field. Consequently, SSA labor force participation rates are the highest among all the regions, but this rate is partly boosted by employment in unpaid family work in agriculture and own-account work—vulnerable employment.

Gender Gaps Slow Development

Gender gaps in labor force participation and employment status continue to disadvantage women around the world, despite some recent gains in most regions.²⁴ A disproportionate number of women remain employed as contributing family workers or in other informal work arrangements, with little access to social protection such as pensions, unemployment benefits, or maternity leave that come with formal employment. Women who work in the formal sector are more likely than men to be underemployed, take part-time jobs, and have temporary contracts. In

TABLE 4

Youth Employment Prospects Are Grim.

Rate of Growth in Youth Employment, Annual Percent of Labor Force Ages 15-24

	2009	2014 (ESTIMATE)	2019 (PROJECTION)
Latin America and the Caribean	-3.5	-0.2	0.4
East Asia	-2.3	-5.7	-3.5
Southeast Asia & Pacific	-0.2	0.3	-0.1
South Asia	-2.1	0.4	0.1
Middle East and North Africa	-0.2	-1.6	0
Sub-Saharan Africa	2.2	2.7	2.6
Europe (non-EU)/ Commonwealth of Independent States	-5.0	-3.2	-1.9
Developed Economies	-7.5	0.9	-0.1

Source: ILO, Global Employment Trends for Youth 2015: Scaling Up Investments in Decent Jobs for Youth (Geneva: ILO, 2015).

short, women lag behind in both number and quality of jobs relative to their share of the population and their educational attainment. Table 5 shows the top and bottom 10 countries based on the female labor force participation rate.

Female labor-force-participation-rate comparisons across countries, despite efforts at standardization, reflect differences in both actual variations in women's participation

TABLE 5

African Countries at Top in Female Labor Force Participation.

Top 10 Ranked Highest Female Labor Force Participation Rates, 2015 (ILO Modeled Estimates)

	FEMALE LABOR FORCE PARTICIPATION		MALE LABOR FORCE PARTICIPATION
COUNTRY	RATE (%)	RANK	RATE (%)
Rwanda	86	1	83
Burundi	85	2	83
Madagascar	84	3	89
Mozambique	82	4	75
Uganda	82	4	88
Malawi	81	6	81
Togo	81	6	81
Nepal	80	8	87
Guinea	79	9	85
Eritrea	78	10	90
Zimbabwe	78	10	87
Laos	78	10	77

Bottom 10 Ranked Female Labor Force Participation Rates, 2015 (ILO Modeled Estimates)

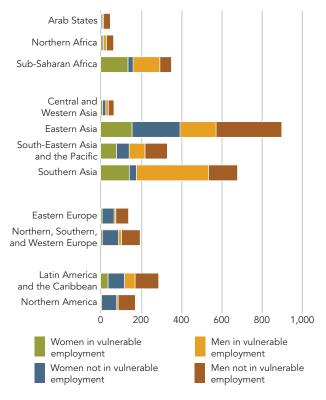
Syria	12	193	71
Jordan	14	192	64
Iraq	15	191	70
Iran	16	190	73
Algeria	17	189	71
West Bank & Gaza Strip	18	188	69
Afghanistan	19	187	84
Saudi Arabia	20	186	79
Egypt	23	185	76
Lebanon	23	185	70
Samoa	23	185	58
Pakistan	24	182	82
Sudan	24	182	72

Source: International Labor Organization (ILO), *Key Indicators of the Labour Market, 9th Edition* (Geneva: ILO, 2015).

FIGURE 4 Millions of Employed Women and Men Are in

Vulnerable Employment.

Number of Employed Across Regions, in Millions, 2015



Source: International Labor Organization (ILO), Key Indicators of the Labour Market, 9th Edition (Geneva: ILO, 2015).

in the market economy and differences in measurement practices and cultural interpretations of what is market work.

Observed gender gaps in wages, working hours, industrial sectors, and occupations stem partly from gender inequalities in family responsibilities, with childbearing and unpaid care as well as other household work using more of women's time than men's. ²⁵ Countries will need to address the impact of women's reproductive role and gender norms in order to deliver on several of the new SDGs—to end poverty (Goal 1) and inequalities (Goal 10); to achieve gender equality (Goal 5); and to promote inclusive and sustainable economic growth, full and productive employment, and decent work for all (Goal 8).

In 2015, women represented approximately 50 percent of the world's population age 15 or older but 40 percent of the world's employed. They constituted 23 percent of employers; 33 percent of own-account workers (self-employed without employees); and 63 percent of unpaid family workers.²⁶ In regions of rapid population growth, increased employment

for women is likely to come from self-employment (see Box 3, page 11).

Conditions for work vary widely across regions and countries, particularly in terms of vulnerable employment defined by the ILO as own-account work and unpaid work for family. Such work usually pays an inadequate amount and requires long hours under difficult working conditions and without any recourse to legal or social protections of workers' rights. Work arrangements in these jobs tend to be informal, leaving workers without paid sick days, holidays, or retirement benefits, and often without effective representation by trade unions and similar organizations. Figure 4 shows regional variation in vulnerable employment. In Southern Asia and sub-Saharan Africa, most employment is vulnerable, with unpaid family work, own-account work, and other informal activity making up more than half of measured employment. In Southern Asia, formal work with social protections is much less common for women than men, while in sub-Saharan Africa these jobs seem scarce for both men and women.

INDIA'S FEMALE LABOR FORCE PARTICIPATION HAS DECLINED

The global economic crisis shifted global and regional employment trends, resulting in an employment gap—the difference between the estimates of the number of individuals employed if precrisis employment trends had continued and the actual number of individuals employed after the crisis. Sharp declines in India's female labor force participation and employment in recent years had a substantial impact on the overall employment gap in the Asia and Pacific region as a whole (see Table 6, page 12).²⁷

All else equal, including population growth, estimated changes in male and female labor force participation and unemployment rates between 2007 and 2015 resulted in approximately 74 million fewer people being employed than would have been without changes in these rates. The employment gap would have been only 36 million if global female labor force participation rates had not declined. In India, the decline in the Indian female labor force participation rate resulted in 29 million fewer employed. If only male labor force participation rates had declined, the employment gap would have been 12 million instead of 41 million.

FERTILITY AFFECTS LABOR FORCE PARTICIPATION

Cross-national research estimates that from ages 15 to 49, each additional birth keeps a woman out of the labor force for an average of two years, results largely driven by patterns in high-income countries. ²⁸ As fertility rates have fallen in most regions of the world, many women devote less time to caring for their own children, allowing the possibility for greater participation of women in the paid labor force, provided that employment opportunities exist and other social constraints are removed. The 2015 Human Development Report estimates that at least 91 million additional women will join the labor force between 2010 and 2030, due to effects of fertility decline. ²⁹

BOX 3

Women's Access to Financial Services

In a communique from the G20 leaders' summit in Brisbane in 2014, developing-country leaders emphasized the critical importance of bringing more women into the productive labor force in order to "significantly increase global growth and reduce poverty and inequality." Leaders set a target of reducing the gap in labor force participation rates between men and women in their countries by 25 percent by 2025, which would effectively add more than 100 million women to the global labor force.

Financial inclusion—making appropriate, affordable, and convenient financial services available to all people—can be a key facilitator in this process. For women, access to savings, credit, and other services can help them gain more financial independence, better manage and leverage their resources, and build capital to support income-generating activities.

In many developing countries, a significant share of new employment is likely to be generated through small-scale entrepreneurial activity, which typically requires some form of capital accumulation or access to credit. This need is reflected in SDG Goal 5 which targets (among other things) equal access for women to economic resources, ownership rights, and financial services. Many women in developing countries also have fewer opportunities to travel to jobs that may be available

at companies or other locations. They need to find employment opportunities located at home or in their communities.

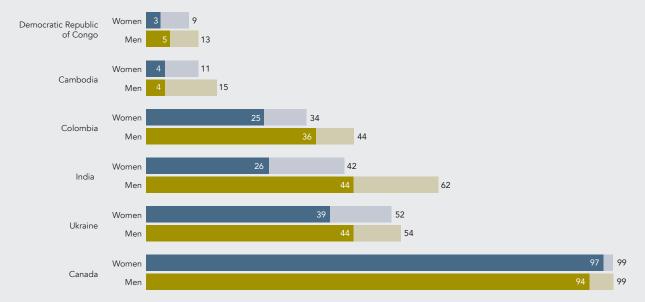
An essential gateway for financial inclusion and accessing credit and other financial services is whether an individual uses an account at a bank or other formal financial institution. In most countries, even many least developed ones, the share of women with such accounts has increased over the past few years (see figure). Gaps remain between men and women, but these have narrowed in many cases, and most developed countries show effective gender parity at high levels of usage for both men and women.

Rapid expansion of mobile money and other financial services available via mobile devices, particularly in Africa, provide a convenient way for both men and women to access such services. Women are currently using mobile more than other formal accounts in several African countries.2

References

- 1 G20, "G20 Leaders' Communique, Brisbane Summit, 15-16 November 2014," Brisbane, Australia, accessed at: www.g20australia.org/sites/default/ files/g20_resources/library/brisbane_g20_leaders_summit_communique. pdf#page=2&zoom=auto,-202,528, on Dec. 30, 2016.
- 2 World Bank, "Global Findex (Global Financial Inclusion Database)," accessed at http://databank.worldbank.org/data/reports.aspx?source=1228, on Dec. 30, 2016.

Percent of Women and Men Who Have Used an Account at a Formal Financial Institution in the Past 12 Months.



Numbers in white show percent in 2011. Numbers in black show percent in 2014.

Source: World Bank, Global Findex Database.

TABLE 6

Declines in Female Labor Force Participation (LFP) Rates Underpin Employment Gap.

	FEMALE LFP RATE 2007 %	FEMALE LFP RATE 2015 %	GENDER GAP IN LFP RATE 2015 %	EMPLOYMENT GAP 2007-2015 (MILLIONS)	EMPLOYMENT GAP 2007-2015 WITHOUT CHANGE IN FEMALE LFP RATE (MILLIONS)
World	51.1	49.6	26.5	74	36
Asia and Pacific	50.8	47.7	31.0	71	25
Southern Asia (includes India not China)	33.1	28.3	51.1	44	16
China	65.5	62.6	15.3	28	12
India	33.3	26.8	48.7	41	12

Source: PRB analysis of International Labor Organization (ILO), Key Indicators of the Labour Market, 9th Edition, (Geneva: ILO, 2015).

Some studies suggest that using contraception increases women's engagement in the labor force, at least in the shortterm, but few studies have been able to show a strong causal relationship between access to contraception and either women's labor force participation or wages.30 In fact most studies look at the effect of economic status on contraceptive use. One recent study on contraception in the United States assessed the causal effect of access to the pill on women's labor force behavior. Legal access to the contraceptive pill contributed significantly to changes in U.S. women's labor force behavior in the 1960s and 1970s.31 In this period, real wages for women were rising, discrimination was falling, and demand for both clerical workers (an occupation that is predominantly female) and high-skilled workers was on the rise. Against this backdrop, the pill allowed young women to delay childbearing, helped more women enter the labor force, and raised the number of hours of paid work that women performed.

WAGE INEQUALITY REMAINS

Inequality between women and men is declining globally in domains that are important for economic development: mortality, education, political representation, and economic activity.³² When the share of the world population represented by men and women is taken into account, the largest gaps in equality remain in political power and economic activity.

Inequality is aggravated by the rising share of employment not covered by formal work agreements as well as growing unemployment and economic inactivity. Indeed, permanent and/or formal workers earn significantly more than their nonpermanent and/or informal counterparts. Globally, women are more likely to be economically inactive than men and to work in the informal labor market. Table 7 on page 13 provides an overview, based on 90 countries, of employment shares by work arrangements in low- and middle-income countries: permanent, temporary, self-employed/own-account workers with no employees, and unpaid family workers. The shares of workers not represented are employers and those working

without any contract (casual day laborers). The majority of work in low- and middle-income countries is own-account work or unpaid family work. Employers represent less than 5 percent of the employed across all countries, and noncontract employees represent about 10 percent across all countries.

A lack of reported data on self-employment and on parttime wage-and-salary work makes analysis of gender gaps in earnings difficult for many countries. Most analyses of the gender-earnings gap must be confined to the gender-wage gap. The ILO estimated the global gender-wage gap for 2008 to 2009 at 23 percent, with women earning 77 percent of what men earn.³³

Working arrangements affect workers' earnings and social benefits—both access to and level of benefits for which workers are eligible.³⁴ Temporary workers and the unemployed constitute a disproportionate number of those in poverty. Social transfers that recipients pay for through insurance premiums or taxes are effective means of alleviating poverty but, in many developing and emerging economies, only a small proportion of workers have access to these transfers.³⁵ If workers under nonstandard arrangements, such as temporary casual employment, are eligible for benefits, they usually accrue lower benefit levels because of their lower earnings or inability to document earnings. Moreover, temporary and part-time workers as well as those who work without contracts face additional disadvantages in transitions between jobs, access to training, and collective bargaining for improved working conditions.

MORE WOMEN IN UNPAID WORK THAN MEN

According to the International Conference of Labour Statisticians, unpaid work, including unpaid caregiving, comes under "own-use production work." Unpaid work produces goods and services for household consumption, and is most frequently performed by women. Some examples of unpaid work are gathering firewood and fuel; fetching

water; cooking; cleaning; and caring for children, the elderly, and other dependents.

Globally, men have a greater share of paid work (employment) than women—60 percent compared to women's 40 percent.36 Men generally also work more hours in paid employment than women do, with one-third of women but only about one-quarter of men in paid jobs working fewer than 35 hours per week. Regional gender variations in parttime employment are consistent with the distribution of wageand-salary employment versus vulnerable employment (ownaccount and contributing family work). Individuals engaged in vulnerable employment are more likely to work part-time.

When only paid work is considered, men are more at risk for working excessive hours (more than 48 hours per week).37 Based on available data, about one-third of men work excessive hours as compared to one-quarter of women. In Eastern, Western, and Central Asia, half of employed men and women work more than 48 hours per week.

However, when time spent in unpaid work is added to time spent in paid work, women generally work more hours per week than men. In both developed and developing countries, women spend more than twice as much time on unpaid household and caregiving work than men do, though the gender difference has narrowed over time.³⁸ According to the UN, in developing countries women spend on average just over 7 hours per day in a combination of paid and unpaid work, while men spend just over 6 hours per day.³⁹ Employed men and employed women spend more total time working (paid and unpaid), on average, than unemployed men and women.

Male and female differences in unpaid work provide an important indicator for looking at how social norms affect opportunities. 40 The additional time that women and girls spend in unpaid labor means that there is less time to engage in other activities such as learning. For the self-employed or wage-and-salaried, women's additional time in unpaid labor (over and above that of men) leaves women with less time for business networking or skills development. In countries with less developed physical and social infrastructure, such as water distribution systems or child care, women and girls spend even more time on unpaid activities.

Discrepancies in total time spent working (paid and unpaid) point to differences in discretionary time that men and women have. Discretionary time may be spent on personal wellbeing, including health, wellness visits, and sleep. This time may also be spent on social activities and leisure.

A monetary value may be put on unpaid work in order to get a fuller picture of national production.⁴¹ This, however, may ultimately not be as important as using these descriptors of women's time deficits to identify where social spending could contribute to freeing women's time to spend on education and health. Ultimately, women's better health and education contributes to national development.

TABLE 7

Share of Female Employment in Unpaid Work Is Three to Four Times the Male Share.

Percent of Labor Force Participation by Income Level, Employment Status, and Sex

LOW-INCOME	MALE	FEMALE	TOTAL
Permanent Employee	6.7	5.0	5.7
Temporary Employee	9.5	5.5	7.5
Self-Employed/ Own-Account Worker	68.2	49.2	60.5
Unpaid Family Worker	8.7	36.6	20.7
	93.1	96.3	94.4
MIDDLE-INCOME	MALE	FEMALE	TOTAL
Permanent Employee	13.9	13.5	13.7
Temporary Employee	14.7	13.5	14.4
Self-Employed/ Own-Account Worker	43.1	33.7	40.1
Unpaid Family Worker	7.6	23.8	13.1
	79.3	84.5	81.3
ALL COUNTRIES	MALE	FEMALE	TOTAL
Permanent Employee	26.3	26.6	26.4
Temporary Employee	13.0	12.3	12.9
Self-Employed/ Own-Account Worker	38.0	29.2	34.9
Unpaid Family Worker	6.2	20.0	11.1
	00.5	00.4	05.0

Source: PRB analysis of International Labor Organization (ILO), Key Indicators of the Labour Market, 9th Edition, (Geneva: ILO, 2015).

Vulnerable Populations

Economic vulnerability occurs when a group or individual has disadvantages that put them at higher social and economic risk making them unable to buffer against times of hardship or unable to recover from the economic impact of events (often outside their control). Vulnerable populations are those groups of people that are typically excluded or disadvantaged based on their economic, environmental, social, or cultural characteristics. This section considers only some of the groups that fit these criteria:

- Children, who as individuals often have little voice in regulation, have little or no knowledge of the protections afforded them legally, and are at a physical disadvantage.
- People with disabilities.
- Older workers.

Rural populations may have structural disadvantages in employment and may also be exposed to greater environmental risks that affect their economic well-being. We do not discuss this group due to space limitations. Women and youth are often considered vulnerable populations in the labor market, given their limited access to education and employment opportunities and cultural restrictions in some countries. This group has already been discussed elsewhere in this *Bulletin*. Refugees are another vulnerable group that has been touched upon elsewhere in the report.

Economic inclusiveness is a hallmark of the SDGs. To eradicate extreme poverty and to continue poverty reduction, the specific challenges facing the most vulnerable groups must be addressed.

CHILDREN

Child labor, as defined by the UN, prevents children from attending school, forces them to leave school early, or requires them to work long hours while also attending school. This pattern creates an education deficit that affects future employment opportunities. The worst forms of child labor include slavery or practices similar to slavery such as child prostitution or pornography or using children for illicit activities (see Box 4, page 15). Children may also be called upon to do hazardous work—any task that could harm the child's safety, health, or moral development. The vast majority of child laborers are in hazardous work.

Nearly 11 percent of children ages 5 to 17 globally (168 million) are engaged in child labor, that is, working in

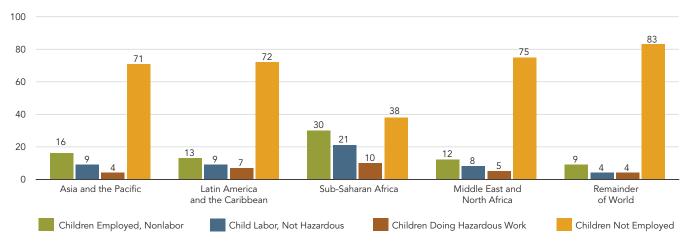
hazardous conditions (ages 5 to 17), working in any capacity at young ages (ages 5 to 11), or working many hours per week (ages 14 to 15).⁴² While rates of child labor have shrunk by about one-third since 2000, with a reduction of 40 percent for girls and 25 percent for boys, much work remains to be done.⁴³ Currently, almost 100 million boys and more than 68 million girls are employed in child labor. Although official counts show that girls are engaged at a lower rate, it is nearly impossible to also count household chores or domestic work in private households—tasks that are typically assigned to girls. In all sectors of child labor, boys substantially outnumber girls except for domestic work, which is often less regulated than other sectors and prone to abuses.

Child labor is heavily concentrated in the 5-to-11 age group, accounting for 44 percent of all child laborers, with 28 percent in the 12-to-14 age group and 28 percent in the 15-to-17 age group. Child laborers work in many different sectors: 98 million in agriculture, 54 million in services (with 11.5 million in domestic work), and 12 million in industry. Agricultural work is particularly problematic because the child laborers are consistently exposed to pesticides, which can have long-lasting physical and psychological effects.

Hazardous work, which can harm a child's safety, health, or moral development, comprises approximately 51 percent of child labor for 5-to-17-year-olds. Child labor exists in all countries and regions across the world, with the greatest risk of child labor in SSA where one in five children between ages 5 and 17 are child laborers (see Figure 5).

FIGURE 5
Child Labor Prevalence Highest in Sub-Saharan Africa.

Percent Child Employment by Region, by Category, 2012



Notes: Child labor categories used by the ILO are determined by the age of the child, the level of economic activity, and the working conditions. Children Employed, Nonlabor includes children ages 12 to 14 that work less than 14 hours in nonhazardous conditions and employed children ages 15 to 17 that are engaged in nonhazardous work. Child Labor, Not Hazardous includes employed children ages 5 to 11, and employed children ages 12 to 14 that work 14 hours or more hours in work classified as nonhazardous. Children Doing Hazardous Work includes employed children ages 5 to 17 that work in designated hazardous industries or in hazardous occupations in nonhazardous industries or in occupations considered hazardous when hours of work pass a specific threshold or in other hazardous conditions. Children Not Employed includes children ages 5 to 17 engaged in less than one hour of economic activity and not working in hazardous conditions.

Source: International Labour Organization (ILO), Marking Progress Against Child Labor: Global Trends and Estimates 2010-2012 (Geneva: ILO, 2013).

BOX 4

Human Trafficking

Human trafficking occurs when individuals are moved from one geographic location to another for exploitative forced labor. Because of the criminal nature of human trafficking, the number of people trafficked is difficult to estimate. Their characteristics may, however, be inferred from those victims identified. While men, women, and children are all trafficked, women and children make up the vast majority of trafficked persons, 49 percent and 33 percent respectively.1 Women and children are often targeted because they lack access to resources and have low social standing within their culture. Human trafficking impacts almost every country in the world. The UN Office on Drug and Crime estimates human trafficking generates US\$32 billion in illegal profits per year around the globe, second only to drug trafficking.2

Only 27 percent of trafficking victims between 2010 and 2012 were transported from one region to another. With the exception of the Middle East and North Africa, most victims of human trafficking stay within the same region where they were taken (see figure).

With widespread income inequality throughout the world and greater access to information about earnings opportunities in individual countries, more people are trying to find greater job stability and educational opportunities outside of their home

countries. Often promised secure paid employment from traffickers, these individuals arrive in another country to find themselves in a situation of forced labor. Traffickers often hide victims' passports, threaten deportation or arrest, and physically and/or psychologically abuse victims.

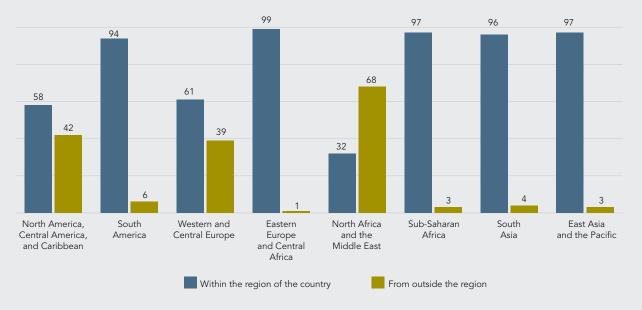
While human trafficking is prohibited under multiple international treaties and more than 90 percent of countries have legislation to combat trafficking, much remains to be done. Traffickers are rarely convicted and victims rarely identified or assisted. Countries need better policies and training for professionals, so that they treat trafficked individuals as victims, rather than as criminals. Governments around the world can demonstrate commitment to ending human trafficking through ramped up legislation and conviction efforts. Globally, better access to education and employment, particularly among women, will reduce individuals' vulnerability to human trafficking.

References

- 1 Estimates based on detected victims of trafficking from Global Report on Trafficking in Persons (Vienna: United Nations Office on Drugs and Crime, 2014).
- 2 United States Department of Homeland Security, "The Blue Campaign," accessed at www.dhs.gov/sites/default/files/publications/blue-campaign/BC%20 inserts%20intro.pdf, on June 2, 2016.

Most Victims of Human Trafficking Stay Within Their Region of Origin.

Share of Detected Victims Who Were Trafficked Within or From Outside the Region, 2010-2012 (%)



Source: United Nations Office on Drugs and Crime (UNODC), Global Report on Trafficking in Persons (Vienna: UNODC, 2014).

Child labor prevents some children from advancing educationally at the same rate as their peers. Long-term physical and psychological effects of child labor, particularly hazardous work, may prevent a child from receiving an adequate education. A lack of education makes professional attainment much more difficult, which in turn makes that individual a less productive member of society.

SDGs around universal education, skills development, and job training could provide incentives to keep children in school. Legislation that requires educational attainment through a certain age or grade level, as well as outlawing child labor prior to a specific age, would be more successful if aligned with programs for youth employment, so that at ages 15 and older, skilled, educated youth can access decent work opportunities.

PEOPLE WITH DISABILITIES

The SDGs explicitly include people with disabilities in Goal 8, calling for full and productive employment and decent work for all.⁴⁴ This push for equality of opportunity stems partially from the recognition that progress under the Millennium Development Goals did not benefit everyone equally within countries. To achieve an end to poverty, the link between disability and poverty needs to be broken. Moreover, increasing the access of persons with disabilities to employment or livelihoods has become more critical to national economic growth as the prevalence of disabilities increases among the working-age population.

One in seven people have some kind of disability. ⁴⁵ People with disabilities face barriers, not just to employment but also to the workplace. Whether living in advanced economies or less wealthy rural economies, individuals with disabilities face difficulties accessing employment and remaining employed, and as a result employment rates for these individuals remain well below employment rates in the population (see Table 8). In both low- and high-income countries, the proportion employed is typically lower among working-age individuals with disabilities than those without disabilities. Also, in many

countries, people with disabilities are found predominantly in nonwage or nonsalary forms of work. These kinds of employment situations often provide flexibility in scheduling and can accommodate the extra time required for preparing and traveling to work as well as for dealing with additional health concerns. Unfortunately, they also come with fewer social protections, such as paid sick leave and old age pensions.

Some countries, however, have had more success than others in including persons with disabilities in their workforce. In Canada, though the proportion employed among the working-age population without disabilities is similar to the proportion in the United States, Australia, and the United Kingdom (75 percent vs. 73 percent, 72 percent, and 68 percent, respectively), the Canadian proportion employed among the working-age population with disabilities is comparatively higher than in those countries (56 percent vs. 38 percent, 41 percent, and 40 percent, respectively). Canada has achieved this level despite lack of an explicit national disability policy, such as is found in the United States, Australia, and the United Kingdom.⁴⁶

A study in the United States underscores the employment vulnerability of persons with disabilities in economic downturns. ⁴⁷ Using 21 months of data on employment from October 2008 through June 2009, one researcher finds that persons with disabilities were indeed among the first to lose their jobs during the Great Recession from 2007 to 2009 (see Figure 6, page 17). Disabled persons with difficulties performing activities of daily living (dressing, bathing, or doing routine errands) and those with mobility difficulties experienced the greatest declines in employment (19 and 18 percent respectively). The recession was more likely to affect employment of men with disabilities than women with disabilities. It was also more likely to affect people without college degrees than those with college degrees.

Internationally, lack of access to education is an early barrier to employment for people with disabilities. Depending on

TABLE 8
In 2002-2004, People With Disabilities Were Less Likely To Be Employed.

Percent of Working-Age Population in Employment, With and Without Disabilities, 2002-2004

	LOW-INCOME COUNTRIES		HIGH-INCOME COUNTRIES			ALL COUNTRIES
	WITH DISABILITY	WITHOUT DISABILITY	WITH DISABILITY	WITHOUT DISABILITY	WITH DISABILITY	WITHOUT DISABILITY
Male	59	71	36	54	53	65
Female	20	31	20	28	20	30
Ages 18-49	43	59	35	55	41	58
Ages 50-59	43	63	32	57	40	61

Source: World Health Organization (WHO), World Report on Disability, 2011 (Geneva: WHO, 2011).

the type of impairment, assistance getting to school or participating in a classroom may or may not be available. Lack of accommodations contribute to lower levels of education and training among those with disabilities, making it less likely that disabled individuals work. Compounding educational disadvantages are barriers that impairments bring—barriers to entering buildings, using a computer, or any number of other limitations in accessing places of work. Social programs and infrastructure may mitigate some of these barriers, but are less likely to be in place in low-income countries.

In addition to environmental barriers to education and employment, job opportunities for persons with disabilities are subject to limitations stemming from ignorance and discrimination. Misconceptions exist about the kinds of work that individuals with disabilities can perform and about the adjustments to work arrangements that are needed. Employers may not wish to include such individuals in their workforce because of these misconceptions. Discrimination against persons with mental health conditions are particularly strong. On the other hand, social protection programs that mandate more sick leave and fewer hours for persons with disabilities may also make their work seem more costly or less productive to employers.

The World Health Organization's World Report on Disability in 2011 recommended that government legislation provide incentives both for persons with disabilities to engage in productive employment and for employers to hire them. Antidiscrimination programs and public awareness campaigns can change attitudes about employing those with disabilities. Training programs run by government, private employers, and nongovernmental organizations may improve readiness to work. As with efforts to improve access to economic opportunities for other vulnerable groups, better data to track progress in achieving goals with respect to this population group is vital. In evaluating employment policies for disabled persons, it is critical to measure employment and disability status, and to decide which subpopulations of the disabled should be included.

OLDER WORKERS

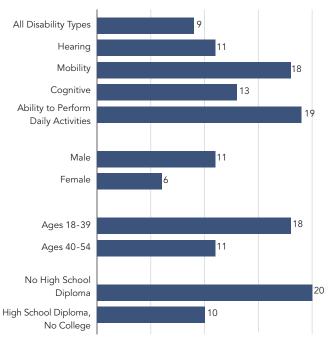
SDG Goal 10 calls for reduction of inequality through social, economic, and political inclusion for persons of all ages. In order to achieve full and productive employment for all, countries must grapple with population aging. With the growth of older age groups in national populations, many countries must consider both extending the working lives of their population and how to adapt their labor markets to the needs and concerns of older workers.

For individuals in low- and high-income countries, demographic trends, improvements in adult health, and evolving systems of social protections at older ages have changed the landscape for work and retirement. As mentioned in the earlier discussions of demographic trends and youth, fertility rates and life expectancy have changed

FIGURE 6

The Proportion of Disabled Persons Employed in the United States Declined Between October 2008 and June 2010.

Percent Job Loss, by Disability Category, Sex, Age, and Education



Source: H. Stephen Kaye, "The Impact of the 2007-09 Recession on Workers With Disabilities," Monthly Labor Review 133, no. 10 (2010):19-30.

at different times and at a different pace in the various geographic regions of the world. Total fertility rates above 2.0 and improved child mortality produce youth bulges and increasing numbers of people reaching ages 15 and beyond, thus aging into the labor force. Declining adult mortality and improved health at older ages (ages 50 and above) open the possibility for longer working lives and higher labor force participation rates after age 50.

Social security systems, including old age pension schemes and labor market flexibility, contribute to incentives for discontinuing work beyond age 50. Where there is no old-age pension or where most work is informal and few are eligible for old-age pensions, labor force participation at older ages is likely to be comparatively higher than in countries with mostly formal work and a low age of eligibility for old-age benefits.

Table 9, page 18, examines labor force participation rates by age and sex in 2012 for select countries. Labor force participation rates are dramatically lower for those ages 65 and older when compared to those ages 55 to 59. In

TABLE 9

Gender Gaps in Labor Force Participation Rates Persist Into Older Ages.

Percent by Sex and Age, Selected Countries, 2012

		MALE			FEMAL	E
	55-59	60-64	65+	55-59	60-64	65+
Africa						
Morocco	80	51	29	28	19	9
South Africa	66	32	n/a	43	19	n/a
Tunisia	70	34	15	12	5	2
Zambia	89	90	71	78	74	52
Asia						
Japan	92	75	29	65	46	13
Malaysia	77	57	n/a	35	21	n/a
Singapore	89	75	32	56	42	14
South Korea	85	72	42	55	44	23
Europe						
Germany	86	59	7	73	41	3
Italy	74	33	6	48	16	1
Russia	78	39	14	53	25	9
Ukraine	67	32	21	35	26	17
Latin Ameri	ca					
Brazil	78	62	30	46	30	12
Chile	90	80	36	55	37	12
Dominican Republic	88	76	39	43	32	8
Guatemala	93	90	66	45	36	15
Mexico	85	72	43	42	33	16
North Amer	ica					
Canada	79	58	17	69	46	9
United States	78	61	24	67	50	14
Oceania						
Australia	80	63	17	66	45	8
New Zealand	88	78	26	77	64	15

Source: ILOSTAT, 2016.

Germany and Italy, labor force participation rates for the 55-to-59 age group is more than 10 times the participation rate for the 65-and-older group. Compared to these countries, Canada, the United States, Australia, and New Zealand have more comparable labor force participation rates at ages 55 to 59 and ages 65 and over. For all countries except Ukraine, the gender gap in labor force participation rates persists, increasing with age. In the Ukraine, the gender gap actually improves somewhat in the oldest age groups.

When aggregated by world regions, labor force participation rates in 2010 for those ages 65 and older were highest among African men and women, over 50 percent and 30 percent respectively, and are projected to remain so at least until 2020.48 Despite some countries with relatively lower labor force participation rates for men ages 65 and over in Latin America and the Caribbean and in Asia, aggregate labor force participation in these regions is just under 40 percent in 2010 and projected to remain about the same in 2020. However, aggregate female labor force participation rates in these regions are closer to those seen in Europe, Oceania, and North America. For these regions, female labor force participation at ages 65 and older is under 20 percent in 2010 and projected to remain so through 2020, with both male and female labor force participation at these ages under 20 percent in Europe. The high rate of labor force participation among women surviving to ages 65 and older in sub-Saharan Africa is exceptional in the world.

These patterns are generally consistent with incentives for labor force withdrawal in countries with higher per capita incomes and more extensive government social security systems. In lower-income countries, retirement tends to make sense for fewer people. Older individuals may need to continue to work until they are physically or mentally unable to do so. In part, older adults' need to work in lower-income countries is tied to employment opportunities for youth. Both a lack of youth employment opportunities and the perception of greater opportunities for those people with more education result in older adults supporting younger adults over longer transition periods from school to work. In low-income countries, employed older adults support not only themselves, but also younger family members. The National Transfer Accounts (NTA) study of India highlights this counterintuitive direction of transfers among family members (both within and between households), showing that in the aggregate most familial transfers go to individuals under age 20 and that familial transfers account for very little of older persons' income deficits, even in the absence of a welldeveloped old age pension system.49

Growing numbers and proportions of older people in many countries fuel concerns about the financial stability of oldage pension systems and health systems. In addition, governments with limited resources may find that meeting all the needs of the oldest affects their abilities to address needs of other individuals adequately. In particular, pressures on social security and retirement pension systems have

compelled policymakers to reexamine how long workers must remain in paid employment before retirement. As life expectancy increases, social security and private pensions will face greater costs unless the effective age of retirement rises. A rise in effective retirement age requires both the incentive of higher minimum eligibility ages for retirement benefits and rises in the actual age at which individuals retire.

Though governments may see benefits of longer working lives for older individuals, employer attitudes change more slowly. In North America and Europe, where stereotypes of aging may not be as favorable as in some other cultures, older workers may be perceived as lacking up-to-date skills.

Age discrimination legislation can help address both policymakers' and older workers' concerns. Such legislation compels employers to take into account an individual's actual skills and ability to perform a particular job rather than using age as a proxy for determining suitability for a job. For older workers who decide to continue working for income security, legislation can guarantee protection of existing conditions of work and employment.

Initially instituted in European and Latin American countries in the early 20th century, social security plans can now be found in developed and developing nations worldwide. Countries have begun to raise the age of eligibility for pensions in response to funding difficulties, improved health of older persons, and research showing a strong association between the age at which social security benefits begin and early retirement.50

Pension schemes do not benefit older women as much as they do older men. Lower rates of formal wage-and-salary employment, together with fewer hours or fewer years worked, result in shorter work histories for women compared to men. These conditions mean that women are less likely to earn seniority premiums in pay and less likely to be covered by employment-related contributory pension schemes. Women tend to participate more in noncontributory schemes than in contributory ones. Unfortunately, benefit levels of noncontributory pensions tend to be too modest to bring older women above the poverty line.⁵¹

In countries with a growing share of the population over age 64, encouraging work among those who are able can improve individual welfare and ensure the fiscal sustainability of oldage benefits, including pensions and health care. Historically, higher levels of education and good health lead to longer working lives, but older workers may face discrimination and other challenges to staying in the workforce. Lifelong learning programs, changes in mandatory retirement ages, and increasing the eligible age for pensions help to increase labor force participation rates among older workers. Social protections such as antidiscrimination legislation can help improve demand for older workers.

Conclusion

Employment for all is an essential pillar in achieving the SDGs, particularly in ending poverty and reducing inequality. Countries will face a variety of demographic challenges as they strive to accomplish the targets set forth in these goals. Still, many also have unprecedented demographic opportunity as the working-age share of their population grows and as people live longer, healthier lives.

To reap the benefits of larger working-age populations and longer working lives, leaders must address the barriers that limit employment opportunities for segments of their population such as youth, women, persons with disabilities, and the elderly. Increased access to education, at least through secondary school, for women and persons with disabilities can increase their employment opportunities and potentially raise incomes. Social protections associated with employment, or the lack of social protections for certain types of employment, also affect who experiences poverty. In the short- and medium-term, own-account work will continue as the predominant form of employment in low-income countries. Designing social protections that can smooth employment transitions and wages for these labor market activities will go a long way towards ending poverty.

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GLOBAL EMPLOYMENT AND THE SUSTAINABLE **DEVELOPMENT GOALS**

In September 2015, the 193 member states of the United Nations adopted a broad universal development agenda, the Sustainable Development Goals (SDGs). These goals will shape countries' planning and spending over the next 15 years. The SDGs apply to all countries and actors, including the private sector and civil society, with commitments to tackle poverty, inequality, and climate change.

Demography will have a bearing on whether many of these goals are achieved, particularly Goal 8: Full and productive employment and decent work for all. Factors critical to employment growth emerge throughout the goals, including creation of economic opportunities and basic preparation of a healthy and educated workforce. This *Population Bulletin* examines the demographic challenges associated with achieving full and productive employment and decent work for all across regions and countries.

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