7. WESO Report- Report/ Economy

Global unemployment remains unchanged, ILO warns about decrease in jobs for youth, women
The ILO's latest World Employment and Social Outlook (WESO) Report highlights persistent global inequalities, projecting stagnant unemployment at 4.9% in 2026 and a widening "jobs gap" of 408 million people. Key challenges include a deepening youth employment crisis, stalled progress on gender equality, and high informality in developing regions like Africa and South Asia.

1. Introduction

Report Release- The International Labour Organization (ILO) recently published its latest World Employment and Social Outlook (WESO) Report.
Core Theme- The report highlights the persistent inequalities plaguing the global labor market, emphasizing that economic growth is not translating evenly into decent work opportunities.

2. Key Findings of the Report

A. Global Unemployment & Decent Work
Stagnant Rates- The global unemployment rate is projected to remain steady at 4.9% in 2026.
Absolute Numbers- This percentage translates to approximately 186 million people without work globally.
Quality of Work- Despite stable unemployment numbers, progress toward "decent work" has stagnated. Millions of employed individuals still lack access to quality, secure, and protected employment.
B. Persistent Poverty and Rising Informality
Extreme Poverty- Nearly 300 million workers continue to live in extreme poverty, earning less than US$3 per day, despite broader economic growth.
Informal Economy

1. Scale- By 2026, about 2.1 billion workers are expected to hold informal jobs.
2. Concentration**-** This issue is largely concentrated in Africa and Southern Asia, where job security and legal protections are scarce.

Structural Challenges- Low-income countries are facing severe difficulties in transitioning workers to higher-value industries. This failure limits both labor productivity and long-term job security.
C. Deepening Youth Employment Crisis
Unemployment Rate- Youth unemployment rose to 12.4% in 2025, signaling a worsening environment for young job seekers.
NEET Category- Approximately 260 million young people fall into the NEET category (Not in Education, Employment, or Training). In low-income countries, the NEET rate is alarmingly high at 27.9%.
Technological Threat- The rapid advancement of AI and automation threatens to intensify these challenges, particularly for educated youth in high-income economies who face shrinking entry-level opportunities.
D. Persistent Gender Gaps
Employment Share- Women constitute only two-fifths (40%) of global employment.
Participation Gap- Women are 24% less likely than men to participate in the labor force.
Stalled Progress- The report notes that progress toward gender equality has stalled, largely driven by entrenched social norms and structural barriers that hinder women's economic inclusion.
E. Demographic Shifts and Regional Variations
Demographic Divergence
Rich Countries- Ageing populations are slowing labor force growth, creating labor shortages in some sectors.
Poor Nations- Rapid population growth is occurring but is not translating into productive jobs, leading to surplus labor.
Inequality- Weak labor productivity in poorer regions is widening global inequalities. Low-income countries risk missing their demographic dividend due to weak job creation and limited investment.

Projected Employment Growth (2026)

Income Category	Projected Growth Rate
Low-Income Countries	3.1%
Lower-Middle-Income Economies	1.8%
Upper-Middle-Income Countries	0.5%

Regional Outlook

Latin America & Caribbean- Forecasted to continue reducing unemployment rates in the medium term.
Northern America- Could face worsening labor market conditions.
The "Jobs Gap"- The broader labor underutilization is projected at 408 million people in 2026. This figure indicates widespread hidden unemployment and underemployment that official unemployment stats do not capture.

F. Trade Uncertainty and Job Stability

Impact of Disruptions- Global trade disruptions and supply chain bottlenecks are negatively impacting wages, particularly in Asia and Europe.
Dependency- Trade supports 465 million jobs worldwide, with over half of these located in Asia and the Pacific.
Digital Trade- Digitally delivered services have grown to make up 14.5% of global exports.
Uneven Benefits- While trade remains a powerful driver of decent work, its benefits are unevenly distributed across regions.

3. Key Policy Recommendations by ILO

To address these structural issues, the ILO recommends-
Investment- Heavily investing in skills, education, and infrastructure to boost productivity and ensure job quality.
Inclusion- Addressing gender and youth gaps through policies that ensure inclusive participation and the responsible adoption of technology.
Trade Reform- Strengthening trade policies to ensure decent work outcomes and that global benefits are shared equitably.
Risk Mitigation- Implementing coordinated global and domestic policies to mitigate risks arising from debt, AI disruption, and trade volatility.

4. About the International Labour Organization (ILO)

Foundation- Established in 1919 as part of the Treaty of Versailles; became the first specialized agency of the UN in 1946.
Headquarters- Geneva, Switzerland.
Mandate- To promote rights at work, encourage decent employment opportunities, enhance social protection, and strengthen dialogue on work-related issues.
Unique Structure- It is the only tripartite U.N. agency, bringing together Governments, Employers, and Workers from 187 member states to set labour standards.

Other Flagship Reports by ILO

1. Global Wage Report
2. Global Employment Trends for Youth
3. Social Protection Reports
4. World Social Protection Report

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