International Labour Organization

ILO brief

World Employment and Social Outlook: September 2024 Update

Key messages

- The labour income share is a widely used measure of inequality which measures the proportion of total income in a country that employed people earn by working. This share declined globally by 0.6 percentage points between 2019 and 2022 and has since remained flat. Although this trend is consistent with the longer-term observed decline (1.6 percentage points between 2004 and 2024), nearly 40 per cent of the total decline observed over the past two decades occurred during the three years marked by the COVID-19 pandemic from 2020-22.
  - While the decrease appears modest in terms of percentage points, in 2024 it represents an annual shortfall in labour income of $2.4 trillion (in constant PPP) compared to what workers would have earned had the labour income share remained stable since 2004.
- Amongst other factors, economic studies have identified technology as a key driver of declines in the labour income share. Recent developments in the artificial intelligence (AI) field make it particularly relevant to analyse the relationship between technological innovations and the labour income share. Across a sample of 36 countries with the required data, composed of mostly advanced economies, technological innovations over the past two decades are found to produce persistent increases in labour productivity and output, however they can also reduce the labour income share. The evidence presented suggests that automation-oriented technological progress could be contributing to labour income share declines.
  - If historical patterns were to persist, absent a stronger policy response across a wide range of relevant domains, the recent breakthroughs in generative AI could exert further downward pressure on the labour income share. This is not a prediction about AI effects. Rather, the finding highlights the importance of ensuring that any benefits of AI are widely distributed.
- The global incidence of youth not in employment, education, or training (NEET) has seen only a modest decline since 2015, falling from 21.3 per cent to 20.4 per cent in 2024. The Arab States region has the highest incidence of youth NEET, at 33.3 per cent, followed by Africa (23.3 per cent), Asia and the Pacific (20.4 per cent), Latin America and the Caribbean (19.6 per cent), Europe and Central Asia (13.0 per cent), and Northern America (11.2 per cent). The regions with the lowest initial NEET rates experienced sizeable declines. In contrast, the Arab States region registered only a modest decline, while Africa has shown no progress in reducing the incidence of NEET over the last two decades.
  - NEET estimates show that large gender inequalities remain in young people's access to education and employment, although there has been moderate progress in reducing gender gaps over the past two decades. The female youth NEET incidence is estimated at 28.2 per cent in 2024, more than double the incidence among young men (13.1 per cent).
  - Gender gaps in NEET rates are largest in the Arab States (25.3 p.p.), followed by Asia and the Pacific (19.1 p.p.), Latin America and the Caribbean (17.6 p.p.), and Africa (12.5 p.p.). The Europe and Central Asia and Northern America regions have the smallest gender gaps (3.5 p.p. and 0.2 p.p., respectively).

Introduction

With only six years remaining, the achievement of the Sustainable Development Goals (SDGs) increasingly seems to be out of reach. This is the case for two SDG indicators that we analyse in this brief – the share of youth not in employment, education, or training (NEET) and the labour income share.

The global labour income share has been declining for a long time, and recent years have been no exception to this trend. This decline puts upward pressure on inequality, as labour income is more evenly distributed than capital income. We analyse the role that technological progress, an important driver among other prominent factors, can have in determining the labour income share. We find evidence compatible with automation-oriented technological progress causing labour income share declines. These findings, based on data from 2003 to 2019, are particularly relevant given recent advances in the artificial intelligence (AI) field.

Finally, the data show slow progress in reducing the NEET rate globally, and only modest reductions in the gender gap. Although the global rate has declined slightly, the total number of youth NEET has remained stagnant and is projected to increase in the coming years. This highlights insufficient employment and education opportunities for the growing global youth population.

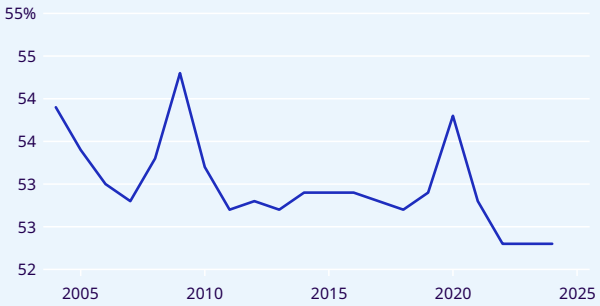
A declining labour share of income

The labour income share measures the proportion of total income in an economy that employed people earn by working. Labour income plus capital income – which is the income earned by owners of assets such as land, machines, buildings or patents – adds up to total national income.[1] As capital income tends to be concentrated among wealthier individuals, the labour income share is widely used as a measure of inequality, including as a measure of progress towards SDG 10 to "reduce inequality between and within countries".

As documented in prior ILO work,[2] there has been a sizeable decline in the labour share of national income over the past two decades (see Figure 1). This comes against the backdrop of a longer-run decline, starting around the 1980s.[3] Temporary increases were registered, for instance during 2008-10, as is common during economic crises. This is due to profits and other forms of capital income declining faster than labour compensation during recessions.

New ILO estimates include projections of the labour income share up to 2024.[4] These provide, for the first time, evidence of the impact of recent economic shocks on workers' share of national income. These new data reveal a further decline in the labour income share, adding to the longer-run negative trend. In 2019, the labour income share stood at 52.9 per cent. After a short-lived increase in 2020, the share in 2021 had already returned to pre-pandemic levels as the global economy recovered from the worst impacts of the COVID-19 pandemic. In 2022, it declined to 52.3 per cent. Incorporating the latest macroeconomic data,[5] the estimate for 2023 and 2024 is that the labour income share remains at that level, some 0.6 percentage points below the pre-pandemic situation.

▶ **Figure 1 - The global labour income share, 2004-2024**



Source: ILO modelled estimates, August 2024

Focusing on the last 5 years and disaggregating by region highlights different trends. Africa, the Americas, and Arab States registered clear declines in the labour income share between 2019 and 2024 (-1.2, -1.2 and -0.8 p.p.). Asia and the Pacific registered a mild decrease of 0.2 percentage points. Europe and Central Asia saw a decline of 1.0 percentage point between 2019 and 2024, but contrary to the other regions, the trough was reached in 2022 (-1.8 p.p.), with a rebound in 2023 and 2024.

[1] Together with taxes on production and imports minus subsidies, which is generally several times smaller than the first two categories.

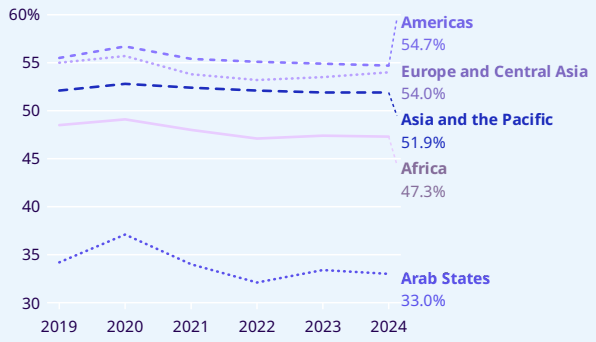
[2] See WESO Trends 2020.

[3] See Karabarbounis 2024

[4] The ILO estimates account for the labour income earned by the self-employed, which is particularly relevant in developing countries. See the annex for more details on the production of the estimates, and ILO 2019 for a complete description of the methodology.

[5] The data used for the projections includes ILO wage data from the forthcoming ILO Global Wage Report 2024/25, GDP and inflation data from IMF WEO April 2024 data, and the unadjusted share of labour income from OECD quarterly national accounts.

▶ Figure 2 – Labour income share, 2019-2024



Source: ILO modelled estimates, August 2024

While the decrease appears modest in percentage points (a reduction of 1.6 p.p. in two decades, of which 0.6 p.p. in the last 5 years), the effect is sizeable. This decline represents $2.4 trillion (in constant PPP) in labour income globally in 2024. Notwithstanding the distributional significance of this finding, the role of productivity growth in increasing labour income at the global level during this period must be highlighted. We estimate that labour productivity (measured as GDP per hour worked) increased by 58 per cent between 2004[6] and 2024. At the same time, labour income per hour worked has grown by 53 per cent at the global level, even while the labour share declined.

There are multiple factors that could explain the long run observed declines in the labour income share. Indeed, many have been studied in the economic literature, including changes in product markets, labour markets, capital markets, and globalisation.[7] One leading explanation has been the role of technological change, which we consider in detail in the next section.

Box 1 – Insufficient progress in reducing labour income gender gaps

Beyond the split of income between capital and labour, there are other important dimensions to inequality, including the distribution of labour income (*see forthcoming ILO Global Wage Report, 2024/25* or ILO 2019 for discussion on this topic). One critical dimension is gender inequality in labour income. Substantial gender gaps in labour income are seen worldwide, although these have narrowed somewhat over the past decades

In 2005, the global ratio of women's to men's labour income was 46.8 per cent. This implies that for each dollar that men earned in labour income, women earned only 47 cents. By 2024, the ratio increased to 51.8 per cent, reflecting modest progress. The ratio of labour income by gender reflects the relative importance of earnings from work, taking into account differentials in employment and in pay among the employed due to differences in hours worked, occupational profiles, and other factors. Hence, the ratio can be interpreted as the cumulative impact of compounding imbalances and inequities in the labour market, i.e., the combined effect of fewer women being employed than men and women earning less than men once employed.

The global increase in women's labour income masks wide regional differences. In 2024, the ratio of women's to men's labour income in the Arab States region is only 12.4 per cent, while Africa follows with a ratio of 34.7 per cent. Progress in these regions since 2005 has not kept pace with the global figures. In 2024, the ratios for Asia and the Pacific, Europe and Central Asia, and the Americas regions are 44.2 per cent, 61.9 per cent, and 64.7 per cent, respectively. This reflects substantial progress from their 2005 levels, when they stood at 36.8 per cent, 53.9 per cent, and 54.0 per cent respectively.

[6] Given that the ILO modelled estimates series for hours worked begins in 2005, we extrapolate backwards by one year using the growth rate in hours worked between 2005 and 2006 multiplied by a correction factor that takes into account by how much employment growth changed between the two years. This is a simple yet reasonable approximation, as there is a strong correlation between hours worked and employment.

[7] For a comprehensive and recent review, see Karabarbounis 2024 or Grossman and Oberfield 2021.

Box 1 (continued)

▶ Table 1 - Ratio of women's to men's labour income (%)

Regions	2005	2024
World	46.8	51.8
Africa	34.9	34.7
Americas	54.0	64.7
Arab States	12.1	12.4
Asia and the Pacific	36.8	44.2
Europe and Central Asia	53.9	61.9

Note: The ratio of women's total labour income to men's total labour income, expressed as a percentage, reflects gender disparities in work earnings. For example, a value of less than 100 indicates that women earn less than men, with 100 implying parity between men and women.

Source: ILOSTAT, ILO modelled estimates, August 2024

Technology and the labour income share: a complex relationship

It has long been recognized that technological progress is a key driver of economic growth in the long run (see Aghion and Howitt, 1990; Romer, 1994). On the other hand, a solid body of evidence has emerged over the last two decades indicating that technological improvements can produce transitory disruptions. For instance, under certain circumstances, technological improvements can reduce employment and hours worked in the short run.[8]

Moreover, recent studies also point to technological factors, such as automation, being one of the key factors behind the long-run declines observed in the labour income share (see Bergholt et al., 2022). As a complement to the empirical findings in the literature, it is useful to consider theoretical work, such as Acemoglu and Restrepo (2018). In that framework, different types of technological innovations have opposite effects on the labour income share. Certain innovations are predicted to lower it (such as automation) whereas others will tend to increase it (such as the creation of labour-intensive tasks), some innovations (capital or labour augmenting innovations) have an ex-ante ambiguous effect. Given the potential for different effects, empirical results should not be taken as the general result for any type of technological innovation.[9] In fact, they provide insights regarding the particular typology of innovation that drives the aggregate results for the economies and time period studied. It is critical to highlight that in our empirical analysis, we do not restrict to any particular type of technological innovation, focusing instead on what determines the average result in the available sample.

Recent advances in artificial intelligence make the study of the role of technological change in determining the labour income share particularly relevant. In this section, we aim to analyse the relationship between technological innovations and the labour income share during the last two decades. Critically, the exercise that follows is not a simulation or a forecast about the impacts of AI; rather, we assess the role of technology in the decline of the labour income share up to 2019.

This is because even if recent progress in the AI field, such as the launch of ChatGPT, represents a technological breakthrough, the uncertainty concerning its economic impact is still very large. Table 2 highlights the wide range of estimates of the contribution of generative AI to economic growth. These estimates range from negligible to roughly doubling the current global GDP growth rate (3.2 per cent in 2024). Given this uncertainty, we aim to assess some of the potential quantitative implications of this technological advancement by focusing on what has been observed in the recent past.

▶ Table 2 - Estimates of the contribution of AI to GDP

Entity/authors	Impact on (yearly) GDP growth	Coverage
Acemoglu (2024)	+0.10%	United States
BIS (2023)	+2.26%-2.66%	United States
Goldman Sachs (2023)	+0.68%	Global economy
McKinsey (2023)	+1.50%-3.40%	Advanced economies
Parteka and Kordaska (2023)	Most likely no effect at the macro level	35 OECD countries and 28 non-OECD countries

Note: Compound annual growth rates are either computed based on a 10-year projection (Acemoglu, 2024, predicts +1.1% over 10 years; BIS, 2023, predicts +25% to +30% over 10 years; Goldman Sachs, 2023, predicts +7% over 10 years), or extracted from Acemoglu (2024) directly. The indirect assumption is linearity in GDP progression (for example, figure 5a of BIS, 2023, demonstrates a reasonable linear progression in the contribution of AI to GDP).

Source: References cited

[8] See Galí 1999; Erceg, Gust, Guerrieri 2005, Basu, Fernald and Kimball, 2006; Smets and Wouters 2007; Sims 2011; and Kurmann and Sims 2021. It must be noted that there is no consensus in the economic literature on this topic.

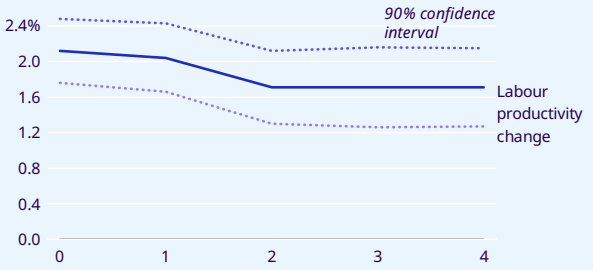
[9] See annex for more information on this subject.

Following a method pioneered by Galí 1999,[10] we identify technological advances at the country level that unexpectedly increase labour productivity (what the academic literature often labels "technology shocks"). We then estimate[11] the average effects across countries of these technological innovations (see technical annex for details). The analysis focuses on the period from 2003 to 2019, including 36 countries with the necessary data.[12] Output is measured as GDP in constant PPP dollars, and labour productivity is computed as GDP per hour worked.[13] The labour income share corresponds to the unadjusted measure (only considering compensation of employees).[14]

Figure 3 plots results of the exercise. Unsurprisingly, a technological innovation[15] causes labour productivity to increase substantially, by 2.1 per cent in the year of the innovation (Figure 3a).[16] The effect is persistent, and four years later, productivity growth is still 1.7 per cent above the initial level. This productivity increase leads to additional output growth, reaching 1.4 per cent in the impact year, building up slightly afterward, and then declining but remaining significant throughout the entire horizon (Figure 3b).

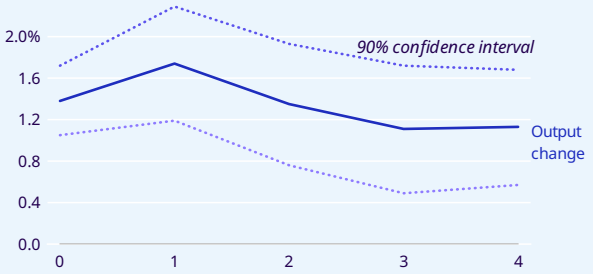
▶ **Figure 3 – Labour productivity and output**

▶ **Figure 3a - Change in labour productivity, years after technology shock**



Note: differences in logs (approximately equivalent to percentage changes).
Source: Authors' calculations based on ILOSTAT, IMF, and UNSD data

▶ **Figure 3b - Change in output, years after technology shock**



Note: differences in logs (approximately equivalent to percentage changes).
Source: Authors' calculations based on ILOSTAT, IMF, and UNSD data

As output grows to a lesser extent than labour productivity, hours worked decline on impact, by 0.7 per cent (see Figure 4a). This is because the immediate increase in output is not sufficient to offset the growth in labour productivity; hence, fewer hours of work are utilized in production. Employment also declines, albeit to a lesser extent, with a decline on impact of 0.4 per cent (see Figure 4b). Both the decline in

[10] The method is based on long-run restrictions in a Structural Vector Autoregression model. The identification of the shocks relies on two critical components. First, estimation of unexpected shocks (technological and of other types) based on the forecast error of a VAR model. Second, isolation (typically referred to identification in the economic literature) of the technological component of the shock based on a long-run effect restriction (only the technology shock can have a long-run effect on productivity).

[11] To estimate the averages and the confidence intervals we use the local projection method. See for more information: Jordà 2023 and Jordà 2005.

[12] For the labour income share the series starts in 2004. The countries with necessary data are mostly high income. See annex for a detailed list. Hence, the evidence produced is not generally representative of developing economies.

[13] Total hours worked are derived from mean hours actually worked times employment, both sourced from ILOSTAT.

[14] This is an important limitation, as the unadjusted and adjusted measures can present different dynamics – particularly in developing countries. The data requirements for the adjusted measure would result in a large decline in available observations. Additionally, the analysis would be based on partially imputed data which would distort the confidence interval estimation.

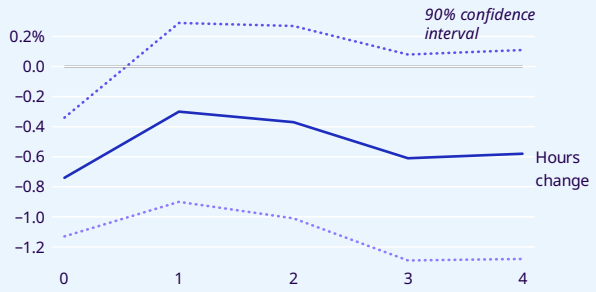
[15] As is customary in this type of exercise, the size of the shock taken as reference is +1 standard deviation of the orthogonalized residual (see appendix for more details).

[16] The effect of this shock on productivity is large, more than half of the variations in productivity growth can be explained by the estimated shock. For reference, the average productivity growth during the period studied in our sample was 1.6 per cent.

hours and employment become statistically insignificant the following year, highlighting the temporary nature of the disruption. Figure 4c presents the effect on the unadjusted labour income share, which declines by 0.3 percentage points in the year of impact, with the effect moderating and becoming less precisely estimated as the horizon increases.[17] Contrary to the labour input measures (hours and employment), the negative effect on the unadjusted labour income share is sizeable even after four years.

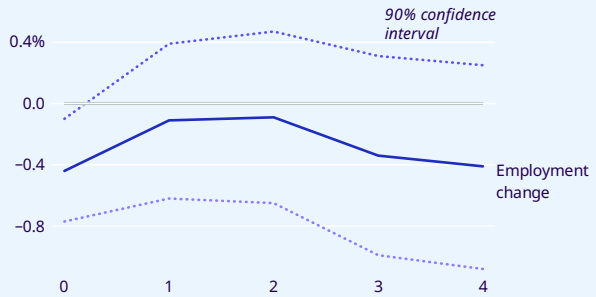
▶ **Figure 4 – Hours worked, employment and the labour income share**

▶ **Figure 4a - Change in hours worked, years after technology shock**



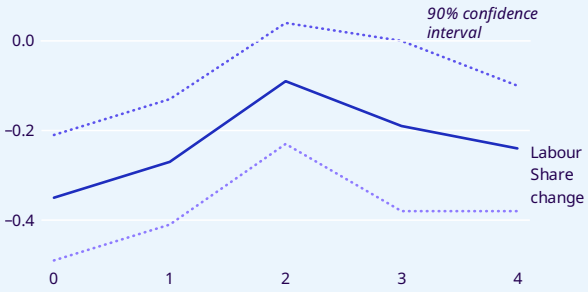
Note: differences in logs (approximately equivalent to percentage changes).
Source: Authors' calculations based on ILOSTAT, IMF, and UNSD data

▶ **Figure 4b - Change in employment, years after technology shock**



Note: differences in logs (approximately equivalent to percentage changes).
Source: Authors' calculations based on ILOSTAT, IMF, and UNSD data

▶ **Figure 4c - Change in labour income share, years after technology shock**



Note: differences in percentage points
Source: Authors' calculations based on ILOSTAT, IMF, and UNSD data

These results[18] are broadly consistent with the findings on hours and employment of Galí 1999 and the subsequent literature. Similarly, the results on the labour income share are analogous to those found for automation shocks in the United States (Bergholt et. al. 2022), even if the estimation procedures used are different (our setup does not restrict to one type of technological innovation). As stated in the introduction, the effects on the labour income share are specific to the type of technological innovation and underlying economic structure. Our results of a decline in the (unadjusted) labour income share suggest that during the last two decades, technological progress has had, on average, effects consistent with automation-oriented technological change (or other innovations with similar effects).[19] The empirical model is not constrained in any way to target automation or other labour income share-reducing forms of technological change; however, the results indicate that these were the types of innovation that dominated the aggregate effect.

At the same time, our results also highlight that technological innovation is a key driver of economic growth, with strong and persistent effects. Moreover, even accounting for the decline in the unadjusted labour income share, given the output expansion, the net compensation of employees in the average economy is estimated to increase by 0.6 per cent after four years. Nonetheless, given that this increase is well below the 1.1 per cent increase in output, distributional effects, in the capital and labour income split highlight that the link between technological progress and material well-being is far from

[17] This is to be expected, the further into the future we want to estimate, the fewer data points are left to carry out the estimation in the sample.

[18] See annex for a discussion on limitations of the results of SVAR models using long-run restrictions to identify technology shocks.

[19] See annex for a more detailed discussion on how the findings relate to the theoretical framework of Acemoglu and Restrepo 2018.

a guarantee.

The latest developments in AI will not necessarily cause the same effects as the innovations studied. Historical data in the current circumstances can only provide context, not forecasts. The results suggest that if AI had similar effects as the technical innovations of the last two decades, the impact on the labour income share would be sizeable. Yet, this is not a pre-determined outcome. Policy choices will be crucial, which highlights the importance of steering AI-driven innovation in ways that do not exacerbate inequalities and to ensure its benefits are widely distributed.[20]

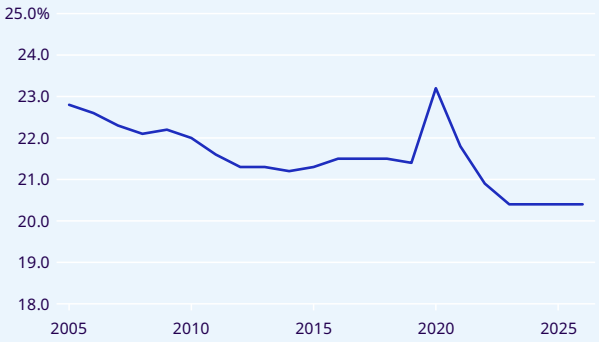
Slow progress in reducing the share of youth not in employment, education, or training

With the emergence of generative AI tools, such as ChatGPT, and other technological advances that have the potential to transform the world of work, ensuring that the workforce is equipped with the necessary education, training, and skills is crucial.[21] Ensuring that youth participate in education and are effectively integrated into the labour market can bring substantial long-run social and economic benefits. It is therefore not surprising that policy makers see reducing the proportion of youth not in employment, education, or training as a critical goal.

In 2015, when the 2030 Agenda called for a substantial reduction of the NEET rate, the global incidence was 21.3 per cent – an elevated level. [22] The latest ILO estimates for 2024 (20.4 per cent) point to only a modest improvement. The NEET rate is projected to remain flat in 2025 and 2026 (see Figure 5a). Although the youth population increased between 2015 and 2024, the absolute number of young people not in employment, education, or training has remained at a similar level, thanks to the modest progress in lowering the global NEET rate. Nonetheless, the number of youth NEET is projected to increase in the next two years (Figure 5b).

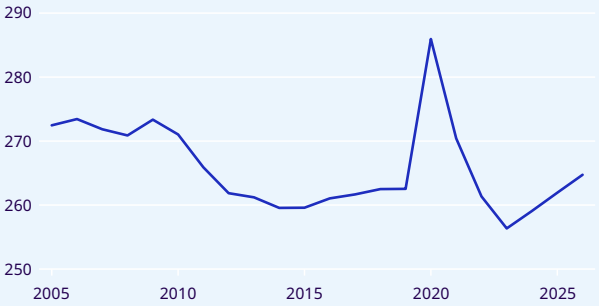
▶ **Figure 5 – Youth NEET, a global picture**

▶ **Figure 5a - Global NEET rate**



Source: ILOSTAT, ILO modelled estimates, August 2024

▶ **Figure 5b - Global NEET levels (millions), 2005-2026**



Source: ILOSTAT, ILO modelled estimates, August 2024

Disaggregating by region reveals sizeable heterogeneity. In 2024, the Arab States is the region with the highest incidence of youth NEET, at 33.3 per cent, followed by Africa with an incidence of 23.3 per cent. In Asia and the Pacific and Latin America and the Caribbean, the NEET rate stands at 20.4 per cent and 19.7 per cent, respectively. Europe and Central Asia and Northern America present the lowest rates, at 13.0 and 11.3 per cent, respectively. It is not only the incidences that are different across regions, but also the trends. The regions with the lowest initial rates in 2005, Asia and the Pacific, the Americas, and Europe and Central Asia, have experienced sizeable declines since then. In contrast, the Arab States registered a decline of 1.5

[20] See for instance the following discussion column: Acemoglu, Autor and Johnson 2023.

[21] This is recognized, for instance, in the ILO Centenary Declaration for the Future of Work.

[22] Whereas there are no pre-specified desirable levels for the proportion of NEET youth, as individual circumstances can result in voluntary and socially desirable spells outside employment and education, the current prevalent rate is clearly above reasonable policy ranges. For instance, The European Pillar of Social Rights Action Plan targets a reduction of the NEET rate to 9 per cent.

percentage points, but from a very high initial level. Finally, Africa has shown no progress in reducing the incidence of NEET over the last two decades (see Table 3).

▶ Table 3 – NEET rates (%), 2005 & 2024

Regions	2005	2024
World	22.8	20.4
Africa	23.1	23.3
Americas	18.7	17.0
Latin America and the Caribbean	21.3	19.7
Northern America	13.1	11.3
Arab States	34.8	33.3
Asia and the Pacific	24.0	20.4
Europe and Central Asia	18.4	13.0

Source: ILOSTAT, ILO modelled estimates, August 2024

The NEET estimates also point to large gender inequalities in young people's access to education and employment. Globally in 2024, the female youth NEET incidence is estimated at 28.2 per cent, more than double the incidence among young men, which stands at 13.1 per cent. Two decades ago, the gap was 4.4 percentage points wider, pointing to slow but significant progress in reducing the global NEET gender gap. Given that the latest available data[23] suggest that gross enrolment rates are at or close to parity, the large remaining difference can only be explained by differentials in employment. Indeed, the difference between employment rates of young women and men stands at 13.0 percentage points – matching the NEET gap. Family responsibilities are very likely the main driver of this gap (see WESO update May 2024 for more in depth analysis).

Gender disparities are largest in the Arab States (25.3 p.p.), followed by Asia and the Pacific (19.1 p.p.), and Latin America and the Caribbean (17.6 p.p.). On the other hand, the Europe and Central Asia and Northern America regions have the smallest gaps (3.5 p.p. and 0.2 p.p., respectively). Africa presents a gap in the intermediate range (12.5 p.p.). In terms of trends, during the period from 2005 to 2024, all regions registered a decline in female NEET rates. In contrast, male NEET rates only improved in Europe and Central Asia and in Asia and the Pacific, remaining stable in Northern America, and worsening in all other regions (see Table 4).

▶ Table 4 – NEET rates (%) by sex, 2005 & 2024

Regions	Male		Female	
	2005	2024	2005	2024
World	13.3	13.1	32.8	28.2
Africa	16.0	17.1	30.3	29.6
Americas	12.1	12.8	25.6	21.3
Latin America and the Caribbean	12.5	13.6	30.2	25.9
Northern America	11.3	11.2	15.1	11.4
Arab States	19.5	21.1	52.4	46.4
Asia and the Pacific	12.4	11.3	36.4	30.4
Europe and Central Asia	14.8	11.3	22.1	14.8

Source: ILOSTAT, ILO modelled estimates, August 2024

Conclusion

The labour income share, which represents the proportion of total income earned by workers in an economy, has experienced a decline over the past two decades of 1.6 percentage points. New estimates indicate that the labour income share continued to decrease since 2019, declining to 52.3 per cent in 2022 and remaining at that level in 2023 and 2024. This is 0.6 percentage points below the pre-pandemic level. This decline, while modest in percentage point terms, represents a sizeable and persistent shortfall in labour income (in 2024, the annual shortfall is equal to $2.4 trillion in constant PPP compared to what would have been earned with a stable share since 2004). As productivity has increased, labour income has grown significantly over these 20 years, even while the labour income share declined. Yet this decline puts upward pressure on inequality.

The role of technology in the observed decline of the labour income share has been widely studied. Whereas other key factors have also been found to play an important role, recent developments in the AI field make it particularly timely to analyse the relationship between technological innovations and the labour income share. Analysing the impact of technological innovations over the last two decades across countries with the required data, we find that while the innovations have produced persistent increases in labour productivity and output, they can also reduce the labour income share. This is consistent with automation-based technological innovations driving the aggregate effects. Hence, if these historical and economic patterns were to persist, absent a stronger policy response

[23] See UNESCO data: https://data.uis.unesco.org/

across a wide range of relevant domains, the recent breakthroughs in generative AI could exert further downward pressure on the labour income share. Nonetheless, the results presented should not be taken as a prediction. First, there is uncertainty about the type and size of shock that AI will represent, which could be very different than what has been observed in the recent past. Second, the process of technological innovation can be steered and influenced through policies that mitigate potential adverse impacts on inequality to ensure that the benefits of technological progress are widely distributed.

Ensuring young people's participation in education and their effective integration into the labour market is crucial for long-term social and economic development, particularly in a context of rapid technological advances. Novel estimates suggest that large gaps remain in this area. Despite modest improvements in reducing the global NEET rate since 2015, NEET incidences remain at high levels. Disaggregating the global results by region reveals significant heterogeneity, with the Arab States and Africa showing little or no progress over the last two decades. Finally, stark gender disparities persist, although some progress has been made in narrowing this gap. Overall, the slow pace of progress highlights the need to increase efforts to provide decent work opportunities and to improve access to education, particularly in the regions with the highest NEET incidences.

Technical annex

The technical annex is available at: https://www.ilo.org/resource/other/technical-annex-world-employment-and-social-outlook-september-2024-update

Acknowledgements

This report was prepared by the Data Production and Analysis Unit of the ILO Department of Statistics, under the direction of Rafael Diez de Medina. The report was written by Roger Gomis, Steven Kapsos, Paloma Carrillo, Avichal Mahajan, and Rémi Viné. The underlying database of international labour market indicators used to produce the estimates was prepared by the Data Production and Analysis Unit. The authors especially acknowledge the contributions of the ILOSTAT microdata team, including Yves Perardel, David Bescond, Vipasana Karkee, Donika Limani, and Quentin Mathys. The authors wish to thank Maria Helena Andre, Patrick Belser, Matthieu Charpe, Sara Elder, Ekkehard Ernst, Lawrence Jeff Johnson, Emanuela Pozzan, Richard Samans, Miguel Sánchez Martínez, Dorothea Schmidt, Rosalia Vazquez-Alvarez, and José Luis Viveros Añorve for their helpful comments and suggestions.

Contact details
International Labour Organization
Route des Morillons 4
CH-1211 Geneva 22
Switzerland

W: https://ilostat.ilo.org/
E: statistics@ilo.org

https://doi.org/10.54394/OPQH3749