

Media Update

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PRESS RELEASE

Asia-Pacific labour markets show recovery amidst looming demographic challenges

The Asia Pacific Employment and Social Outlook 2024, reveals persistent employment issues and calls for inclusive policies to avert ageing crisis.

ISLAMABAD (ILO News) - Asia-Pacific labour markets have recovered well since the global pandemic but face deep seated challenges that are being compounded by the region's rapidly ageing population according to the International Labour Organization's *Asia Pacific Employment and Social Outlook 2024*.

Unemployment in the region is projected to remain roughly unchanged in 2024 and 2025, at 4.2 per cent, which corresponds to 87.8 million out of work in 2024. While the unemployment rate for the region remains below pre-pandemic levels as a whole, significant variation exists between subregions and countries. The region's jobs gap, which shows the total unmet need for employment, amounted to 164 million in 2023. That figure includes for example women who would like to work but are unable to search for a job because of care obligations.

Persistent issues related to working poverty and informality remain, with a substantial proportion of workers still engaged in low-quality, informal employment despite decades of economic growth. Two in three workers were in informal employment in 2023, an improvement of only 2 percentage points over the course of 10 years.

The report also highlights how the Asia-Pacific region is undergoing rapid population ageing, with the ratio of people aged 65 years and above expected to double by 2050. This demographic shift will significantly increase the

economic dependency ratio, posing challenges for sustaining economic growth. East Asia is projected to see the largest demographic drag on growth of 0.3 percentage points per year; South Asia is expected to see its demographic dividend decline a lot.

Despite ageing populations, the region should be able to achieve continued income growth per capita over the coming decades if strong productivity growth can be maintained. Labour productivity in emerging economies in Asia and the Pacific stands at less than a third of that in high-income countries in many sectors, highlighting the large potential for efficiency and income gains. To realise these gains, structural barriers and a lack of training opportunities need to be overcome to allow the region's large pool of workers who are ready to take up better jobs at higher productivity and pay to meet their potential.

Significant policy reforms and better implementation of existing standards are also needed to reduce inequalities, improve labour market prospects for older workers and ensure equitable pension systems to address the impending demographic changes.

"The Asia-Pacific region may be ageing rapidly but it is not going to run out of workers. There is however an urgent need to ensure that those looking for decent work can access the training and opportunities they need so that evolving labour market demands can be met," said Chihoko Asada-Miyakawa, ILO Assistant Director General and Regional director for Asia and the Pacific.

The report also underscores the need for robust social dialogue involving workers, employers, and governments to address these multifaceted challenges. Initiatives such as the Global Accelerator on Jobs and Social Protection for Just Transitions are highlighted as essential steps towards advancing social justice in the region.

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