



International Labor Organization Study Guide



ILO

Raising the Labor Participation Rate



Odemun2025



Table of Contents

About the Committee:	3
Special Rules of Procedure	3
Background:	4
Historical Trends in Labor Participation	4
Influencing Factors and Laws on Labor Participation	6
Impacts of Lower Labor Participation Rates	8
Educational impacts	Error! Bookmark not defined.
Racial demographics.....	9
Salary and work.....	10
Current Situation:	11
Current Global Overview	11
Covid-19	11
Labor trends in recent years	12
Technological Advancements and Their Impact	13
Balancing Technological Growth and Workforce Stability	14
Laws and policies that aid the labor force participation rate	15
America:	15
Germany:	16
Israel:	17
Questions to Consider	18
Further reading:	19
Bibliography:	20



About the Committee:

The International Labour Organization is a United Nations agency whose mandate is to advance social and economic justice by setting international labor standards. Founded in October 1919 under the League of Nations, it is one of the first and oldest specialized agencies of the UN. The International Labour Organization (ILO), sets international norms on issues like working conditions, wages, child labor, and workers' rights. Our committee will deal with labor participation, which is the ratio between the total labor force divided by the total working-age population. The working age population refers to people aged 15 to 64.

Special Rules of Procedure

Separated Rooms:

In the ILO committee, the session is initially divided into two rooms – one for labour ' organizations and one for the states' congresses. Each country has representation in the labours' organizations room, and vice versa.

Motion for Country Chat (CC):

A motion for a Country Chat can be proposed, similar to other motions. This motion allows the two rooms to temporarily merge, enabling each country's representative to speak with the representative of the labours' organization from their respective country (and only them) for the duration of the motion.

Motion to Combine Rooms:

This motion must be passed to merge the two rooms into one. For the motion to pass, a majority vote is required in both rooms.

Voting Process:

For the resolution to pass at the end of the committee, a simple majority vote is needed in the unified room. This vote must include at least one-third of the states and one-third of the Labours' organizations.

Background:

Historical Trends in Labor Participation

Throughout history, the composition of the labor force has continuously evolved in response to economic, technological, and societal changes. The way people work, who participates in the workforce, and the types of jobs available have been shaped by major historical events, shifts in industry, and government policies. Labor participation rates have fluctuated due to war, economic crises, and cultural changes, while technological advancements and globalization have played crucial roles in shaping employment trends. Understanding these historical developments provides context for modern labor markets and offers insights into the challenges and opportunities that influence workforce participation today.

During the Agricultural Era, which lasted for thousands of years, most of the global workforce was engaged in farming and subsistence activities. Labor participation was largely dictated by necessity, with entire families contributing to agricultural work. Economic activity was localized, and there was little distinction between domestic and economic labor, as households often functioned as units of production.

With the onset of the Industrial Revolution in the late 18th and early 19th centuries, labor participation underwent a fundamental shift. Urbanization and mechanization led to the migration of workers from rural areas to cities, where they took jobs in factories and industries. This period saw a sharp increase in male labor force participation, while women, who had historically worked in domestic settings or family farms, were largely excluded from formal employment in many societies. However, in lower-income households, women and children often worked under harsh conditions in factories, particularly in the textile and manufacturing industries. Governments in industrialized nations eventually introduced labor laws that restricted child labor and improved working conditions, altering the composition of the workforce.

A significant transformation occurred during World War I and World War II when large numbers of men were conscripted into military service, leaving labor shortages in various industries. This created an unprecedented opportunity for women to enter the workforce in roles traditionally reserved for men, particularly



in manufacturing, logistics, and public administration. The war effort led to a temporary surge in female labor participation, which persisted to some extent even after the wars ended.

The mid-to-late 20th century saw a dramatic rise in female labor participation, particularly in developed economies. This was driven by several factors, including increased access to education, changing social norms, and economic necessity. The feminist movement and legislative reforms, such as the Equal Pay Act of 1963 in the United States, further supported women's workforce integration. Simultaneously, improvements in birth control access and declining fertility rates allowed more women to pursue long-term careers. By the late 20th century, the global labor force had become more diversified, with rising participation rates among women in sectors previously dominated by men.

The rise of the service economy in the latter half of the 20th century further reshaped labor participation. As economies transitioned from manufacturing to service-based industries, job opportunities expanded in sectors such as finance, healthcare, education, and technology. This shift increased workforce participation among individuals with higher education levels, as many of these new roles required specialized skills. At the same time, deindustrialization and automation led to job losses in traditional manufacturing sectors, particularly in regions reliant on factory-based employment.

Entering the 21st century, globalization has played a crucial role in shaping labor participation. The expansion of multinational corporations, the outsourcing of labor to lower-cost regions, and technological advancements have created a more interconnected job market. While globalization has led to job creation in developing nations, it has also contributed to job displacement in advanced economies, where automation and international competition have reduced demand for certain types of labor.

Throughout history, economic developments, cultural shifts, and government policies have shaped labor participation rates. Understanding these historical patterns helps policymakers and economists develop strategies to address modern labor challenges, ensuring that workforce participation remains strong despite the evolving nature of work.

Influencing Factors and Laws on Labor Participation

Labor participation is influenced by a wide range of economic, social, and legal factors that determine who joins the workforce, how long they remain employed, and the conditions under which they work. Throughout history, labor laws and policies have played a crucial role in shaping workforce dynamics, while broader economic and social structures have determined labor force participation trends.

One of the primary economic drivers of labor participation is **income and financial necessity**. Individuals are more likely to participate in the workforce when wages are competitive and employment opportunities are readily available. During periods of economic growth, businesses expand, creating more jobs and drawing people into the labor market. Conversely, economic downturns often lead to job losses, discouraging workforce participation. The Great Recession of 2008, for example, saw a sharp decline in labor participation rates, with many workers permanently leaving the workforce due to long-term unemployment and discouragement.

Education is another critical factor that shapes labor participation. Higher levels of education typically correlate with greater workforce engagement, as individuals with college degrees and vocational training are more likely to find stable employment. Countries that invest heavily in education, such as Germany and Singapore, tend to have higher labor participation rates due to a well-prepared workforce. Additionally, retraining and skill-development programs help workers transition into new industries as economies evolve.

The **availability of childcare and family support policies** plays a crucial role in labor participation, particularly among women. In many countries, the lack of affordable childcare services prevents parents from entering the workforce. Nations such as Sweden and Denmark, which provide subsidized childcare and generous parental leave policies, experience higher labor participation rates among parents compared to countries with fewer family support programs. Workplace flexibility, including remote work options and flexible hours, further enables parents to remain in the workforce while balancing family responsibilities.

Social attitudes and cultural expectations also influence labor participation. In societies where traditional gender roles dictate that women should prioritize domestic responsibilities over careers, female labor participation rates tend to be lower. However, shifting cultural norms, particularly in developed economies, have led to increasing workforce engagement among women. In contrast, in some

countries, such as Japan and South Korea, deeply ingrained workplace expectations, such as long working hours, discourage both men and women from fully engaging in the labor market.

Government labor laws significantly impact workforce participation by regulating employment conditions, wages, and worker protections. **Minimum wage laws**, for example, can encourage labor participation by ensuring that work provides a livable income. However, excessively high minimum wages may lead to job losses if businesses reduce hiring to cut costs. **Anti-discrimination laws** help ensure equal employment opportunities for all individuals, regardless of gender, race, or disability. In the United States, the Civil Rights Act of 1964 prohibited workplace discrimination, leading to increased workforce participation among historically marginalized groups.

Retirement age policies also play a crucial role in determining labor participation rates, particularly among older workers. Countries that have gradually increased the retirement age, such as Germany and the United Kingdom, have seen extended workforce engagement among older adults. In contrast, generous pension systems in some European countries have allowed individuals to retire earlier, reducing overall labor participation rates.

Another significant factor is government assistance programs, such as unemployment benefits and social welfare. While these programs provide essential support for individuals facing financial hardship, they can also create disincentives to work if benefits are structured in a way that discourages job-seeking. Some governments have experimented with policies that encourage workforce reintegration, such as requiring job training or community service in exchange for unemployment benefits.

Labor participation is shaped by economic conditions, educational opportunities, family policies, cultural attitudes, and government regulations. Laws and policies that promote workforce engagement—such as education investments, childcare support, and anti-discrimination measures—can enhance labor participation rates. However, policymakers must carefully balance labor protections with economic incentives to create a thriving and inclusive workforce.

Impacts of Lower Labor Participation Rates

Educational impacts

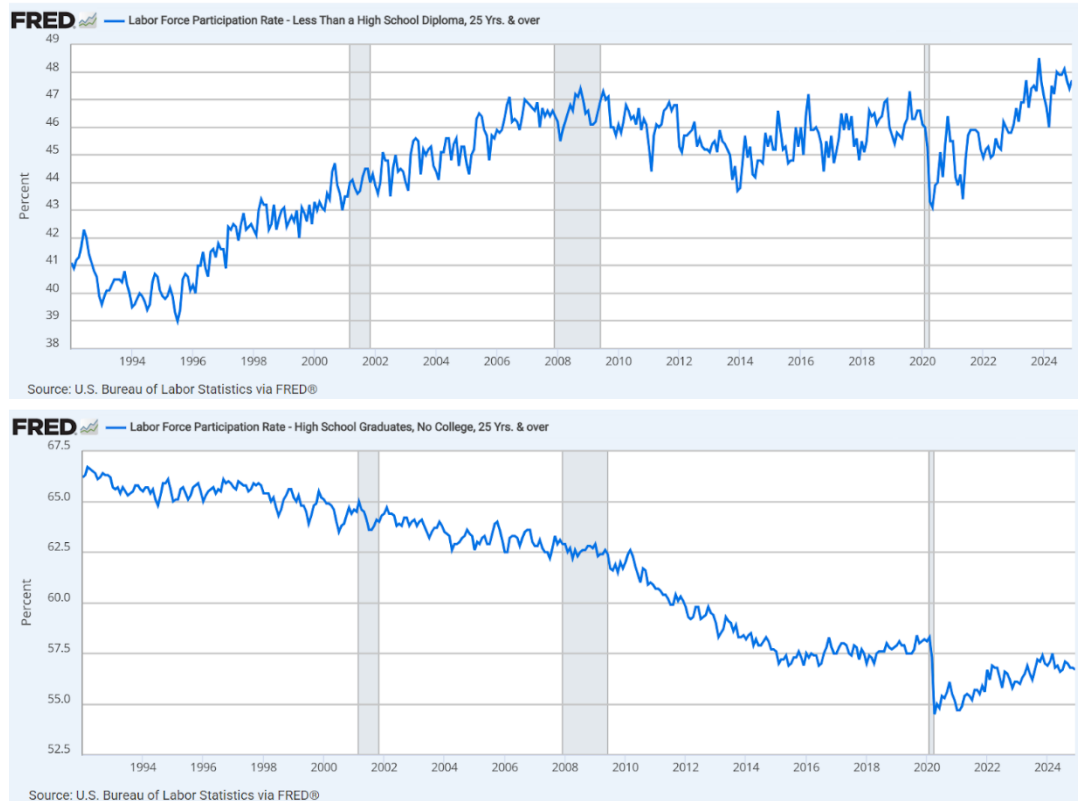
Low labor participation rates have drastic impacts on education, and these impacts mostly form as a result of urgency. At times of low labor participation, the economy gets hit, and as a result, the urgency for specific jobs grows and for others lessens. This urgency has a great impact on the education sector.

At times of low labor participation rates, jobs such as construction workers, factory workers, and bus drivers just to name a few are seen less and less.

This is because the [fluctuations in labor participation are mostly seen in the mid to lower class](#) and in most cases these are people who possess a less formal education.

As we have said, at times of low labor participation, there becomes an urgency for jobs who don't particularly require a formal education, and for this reason a significant drop occurs in people who actually graduate at these times.

Moreover, a decline in labor participation rates lead to a decline in the average salary, and this reaches the educational sector as well. For this reason, a job such as Teacher, that has already faced financial troubles in the past few years, is hit hard by these declines.



As
can
be

seen from these graphs, labor participation rates for people who haven't finished high school go up as the total labor participation rate goes down.

This shows the true urgency for jobs that don't require a high school diploma.

Racial demographics

This paragraph will shed some light on the correlation between race and employment. In this paragraph, we will focus on the situation in America due to it being a melting pot of many racial groups and demographics.

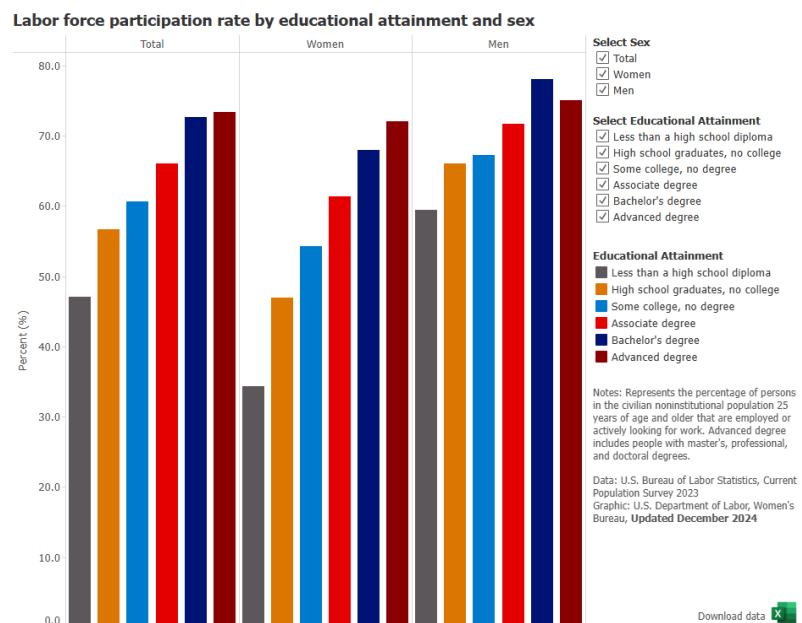
In the last paragraph we stated that as the level of education rises, the probability that a certain person would be employed rises, and this is indeed true, but not in all cases.

Back in 2021, among people over the age of 25 in the U.S., the percentage of high school diplomas was over 90% for whites, blacks, and Asians, while Hispanics had only 78%.

While this might point at first to Hispanics having a lower labor participation rate, that is not the case, Hispanics are actually on the high side of labor participation. The Hispanic community is 61% employed, while the country-wide labor participation rate was 50%.

We can also see more interesting phenomena when looking at the educational trends of different racial demographics. Asians are the most educated among the different races, as they have a 67% chance of having a bachelor's degree or higher. This is quite the achievement when compared to 43% of Whites, 34% of Blacks, and 24% of Hispanics.

Once more we should look at the proportional labor participation rate for each demographic and we will quickly see that this index doesn't show an exact correlation.



Salary and work

Salary and work too have quite the correlation to the labor participation rate.

Studies have shown a direct correlation between the wage a person receives and the stability of their employment, in two ways.

Firstly, [a wage has many physiological effects beyond just a stream of revenue, it Gives employees a sense of empowerment.](#)

Secondly, [the more a job is willing to pay an employee the more stability that job has.](#)

People who earn more tend to stay in the workforce more consistently throughout their careers and raise kids who do the same.

Current Situation:

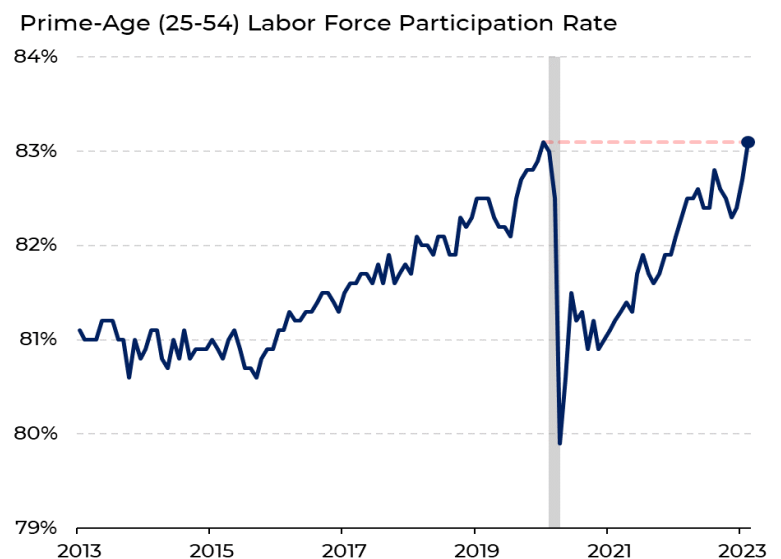
Current Global Overview

Covid-19

Covid 19 has completely changed the way we as a society work, it has taught people to work from home and even encouraged them to do so. [Today more than 12% of the U.S works completely from home](#) and more than 20% of the world has a hybrid schedule.

Covid has shown people new ways of working, but it has also taken away more than 114 million jobs, and this is just a ruff estimate from 2020 alone.

More than 3 trillion dollars were lost by private employers due to the pandemic, and much more was lost due to the massive wave of unemployment that was caused.



It is quite easy to see, from the graph above and from every source that has dissected the pandemic, that Covid-19 has had very major effects on the labor participation rate. It took more than 2 years for the labor participation rate to get back to what it was. This becomes even more of a hard statistic to wrap our heads around when we see the upward trajectory that the labor participation was on.

Labor trends in recent years

East Asia and the Pacific

A large portion of Asia as well as the Pacific just to name a few, were not hit hard by Covid, at least not on the labor force side.

This can be traced to the different economic and labor views that some countries in Asia hold.

From China's nationalist approach to Japan's liberal ideas, something is probably clicking in the east.

America and Europe

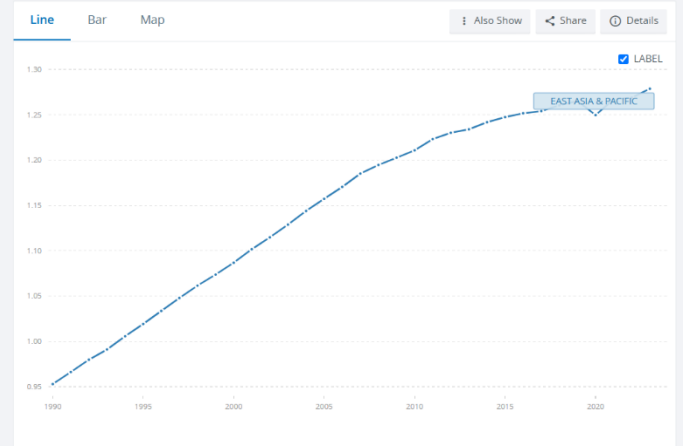
If we look to the U.S. or to Europe we will see a very big difference in our findings.

The U.S. has been on a labor force decline ever since the great depression, although in the past few years, it has tried to make improvements in order to change that. In contrast to the U.S Europe has made substantial steps toward its labor force participation, and now the European Union stands at an impressive 75.6%

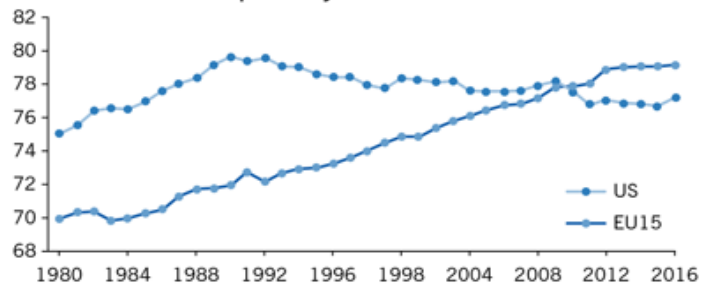
Labor force, total - East Asia & Pacific

World Bank, World Development Indicators database. Estimates are based on data obtained from International Labour Organization and United Nations Population Division.

License: CC BY-4.0



Labor force participation rates: US vs EU15 (aged 25–65), quarterly 1980–2016



Note: EU15 = member countries after EU enlargement in 1995.

Source: Author's own compilation based on the AMECO database. Online at: http://ec.europa.eu/economy_finance/ameco/user/serie/SelectSerie.cfm

I Z A
World of Labor

International treaties and agreements play a crucial role in defining and protecting labor standards worldwide. These agreements are primarily established through organizations such as the International Labour Organization (ILO). Notable treaties include the ILO's Fundamental Conventions, which cover freedom of association, the right to collective bargaining, the elimination of forced labor, and the abolition of child labor. Additionally, other international agreements, such as the United Nations' Universal Declaration of Human Rights, emphasize the right to work under just and favorable conditions. These treaties aim to promote fair labor practices, reduce exploitation, and ensure safe working environments across borders, contributing to social and economic justice globally.

Technological Advancements and Their Impact

Technological advancements, including automation, artificial intelligence (AI), and digital platforms, have transformed labor markets by creating new opportunities while displacing traditional roles. Remote work, flexible employment, and digital upskilling have further increased workforce participation by breaking down conventional barriers.

Automation and AI

Automation and AI have enhanced efficiency across industries by taking over routine tasks, such as manufacturing and data analysis, while shifting demand to complex, skill-intensive roles. This transition has driven demand for professionals like data scientists and cybersecurity experts. Despite concerns about job loss, automation has also fostered innovation and entrepreneurship, creating new markets in fields like robotics and AI ethics. However, it underscores the need for reskilling programs to help workers transition to emerging industries.

Digital Platforms and the Gig Economy

Platforms like Uber and Upwork have revolutionized employment by providing flexible freelance opportunities, benefiting caregivers, students, and those with disabilities. Similarly, e-commerce and digital content creation have opened new job avenues. However, gig work often lacks stability and benefits, raising debates about regulations to ensure fair working conditions.

Remote Work and Flexible Arrangements

The rise of remote and hybrid work, accelerated by the COVID-19 pandemic, has removed geographic barriers, enabling broader workforce participation, especially for parents and rural workers. Countries with robust digital policies, like Estonia and Sweden, have seen increased labor engagement, particularly among women. Yet, challenges like limited networking opportunities and industry-specific restrictions remain.

Digital Upskilling

Digital skills are now essential for labor participation. Governments and corporations worldwide, including in Singapore and Germany, have launched training initiatives in areas like AI and cybersecurity. Private companies like Google and Microsoft also contribute by offering accessible programs to prepare workers for evolving job markets, ensuring smoother transitions for those displaced by technological shifts.

Balancing Technological Growth and Workforce Stability

While technological advancements offer numerous benefits, policymakers must carefully balance innovation with workforce stability. Governments can support labor participation through initiatives such as:

- **Incentivizing companies to reskill displaced workers** rather than replacing them with automation.
- **Expanding social safety nets** to ensure that workers in the gig economy and other non-traditional roles receive adequate protections.
- **Encouraging lifelong learning and digital literacy programs** to help workers adapt to evolving job markets.

Technology is reshaping labor markets in profound ways, presenting both challenges and opportunities. While automation and AI may displace some jobs, they also create new career paths and industries. Remote work and the gig economy have expanded workforce participation, but they require policy adjustments to ensure worker protection and job stability. Ultimately, the future of labor participation will depend on how effectively societies adapt to technological advancements and equip workers with the skills necessary for the digital age.

Laws and policies that aid the labor force participation rate America:

1. **Inflation Reduction Act (IRA) of 2022:** This legislation aimed to stimulate job growth, particularly in the clean energy sector. By offering tax incentives tied to prevailing wage and apprenticeship requirements, the IRA encouraged employers to create well-paying jobs. This initiative has been linked to increased unionization rates in traditionally non-union regions, thereby enhancing job quality and attracting more workers into the labor force.

After the Inflation Reduction Act (IRA) of 2022, the U.S. clean energy sector saw a 4.2% job growth rate in 2023, adding about 142,000 jobs—double the national average of 2% job growth.

2. **National Labor Relations Board (NLRB) Decision on Captive Audience Meetings (2024):** In November 2024, the NLRB ruled that mandatory anti-union meetings, known as captive audience meetings, are unlawful. This decision strengthened workers' rights to organize without employer coercion, potentially leading to increased union activities and improved workplace conditions, which can make employment more attractive to workers.

The effects of this ruling have not yet been fully realized but it's easy to see how they will positively affect labor force participation.

Germany:

1. **Minimum Wage Increase (2024):** Effective January 1, 2024, Germany raised its statutory minimum wage from €12.00 to €12.41 per hour. This adjustment also increased the earnings threshold for mini-jobs to €538 monthly, allowing mini-jobbers to work up to 43.35 hours per month. **Mini-jobs** are short-hours, low-paid jobs that are exempt from income tax and social insurance payments provided earnings stay below a certain level. These jobs have also helped Germany raise its labor participation rate.
2. **Skilled Workers Immigration Act Reform (2023):** To address labor shortages, Germany overhauled its Skilled Workers Immigration Act in 2023. The reform introduced a "three-pillar model" comprising the skilled labor pillar (makes it possible for any person holding a qualification recognized in Germany to pursue any profession), experience pillar (it will be possible for an employee with two years of professional experience and a professional or university degree recognized by the state in the country of acquisition to work in Germany), and potential pillar (the third pillar provides the so-called "opportunity card" as a new residence permit for job seeking. The opportunity card offers the possibility of trial work or secondary employment). This act, like many others, shows Germany's main solution for labor force participation, by making jobs more attractive and easy to receive. This formula for success has helped Germany build an economy that boasts an insane 80.3% labor force participation rate.

Israel:

1. **Minimum Wage Increase (2024):** Effective April 1, 2024, Israel raised its minimum wage to 5,880.02 shekels for a full-time job. This increase impacts various employment benefits, including social contributions and severance pay, thereby enhancing the financial stability of low-wage workers and potentially attracting more individuals into the labor market. This change raised Israel's labor participation rate by 4%, an increase that is very rare for the labor participation rate of any country.
2. **Equal Pay Law Amendment (2020):** In August 2020, an amendment to the Israeli Equal Pay Law was enacted, requiring employers with more than 518 employees to publish annual reports detailing the average salary gaps between male and female employees. This initiative aims to promote transparency and address gender wage disparities, encouraging greater female participation in the workforce. This is one of many laws that Israel has passed in order to keep their economy and jobs equal for all demographics in their country.

International collaboration has proven to be a key factor in raising labor participation rates across the globe. Initiatives such as the ILO's Global Jobs Pact and the European Employment Strategy demonstrate how regional and global frameworks can influence positive labor outcomes. For instance, the European Union's emphasis on harmonized labor laws and employment targets has led to an average labor participation rate of 75.6% across member states. Similarly, international trade agreements often include clauses aimed at improving labor conditions, thereby encouraging higher participation rates. By promoting coordinated action, shared resources, and mutual accountability, global collaboration can address challenges such as automation, skill mismatches, and demographic shifts. Nations should seek to strengthen partnerships within multilateral frameworks to ensure a fair and inclusive workforce globally.

Questions to Consider

1. How can governments balance the benefits of automation and AI with the potential displacement of workers?
2. What policies should be implemented to ensure gig economy workers have access to basic benefits and protections?
3. How can international collaboration improve access to digital upskilling programs in developing countries?
4. What measures can be taken to address challenges faced by remote workers, such as networking and career progression?
5. How should governments and corporations invest in reskilling programs to help displaced workers transition into emerging industries?
6. What role do private companies play in supporting digital literacy and upskilling, and how can this be incentivized?
7. How can countries with less developed digital infrastructure catch up with nations leading in remote work and hybrid models?

Further reading:

1. <https://www.investopedia.com/terms/p/participationrate.asp> - another explanation and look at labor force participation.
2. <https://www.epi.org/unequalpower/publications/understanding-black-white-disparities-in-labor-market-outcomes/> - black-white disparities in the labor market.
3. <https://www.weforum.org/stories/2021/02/covid-employment-global-job-loss/> - lost work hours during the corona virus.
4. <https://www.statista.com/chart/24033/loss-of-working-hours-due-to-the-pandemic/> - corona virus damages the economy.
5. <https://www.dlapiper.com/en/insights/publications/2024/12/global-employment-trends-and-what-s-ahead-2024-in-review-and-2025-preview> - global employment trends

Bibliography:

1. Federal Reserve Economic Data (FRED). (n.d.). *Labor force participation rates by high school diplomas*. Retrieved February 15, 2025, from <https://fred.stlouisfed.org/series/LNU01327660>
2. U.S. Department of Labor. (n.d.). *Labor force participation rates by level of education*. Retrieved February 15, 2025, from <https://www.dol.gov/agencies/wb/data/annual-data/laborforce-participationrate-educational-attainment-sex>
3. U.S. Bureau of Labor Statistics. (2021, February). *Labor force participation rates by ethnicity*. Retrieved February 15, 2025, from <https://www.bls.gov/opub/reports/race-and-ethnicity/2021/>
4. Urban Institute. (n.d.). *Wages and their effects on employees*. Retrieved February 15, 2025, from <https://upward-mobility.urban.org/framework/rewarding-work/wages>
5. B2B Reviews. (2024, February 10). *Remote work statistics*. Retrieved February 15, 2025, from <https://www.b2breviews.com/remote-work-statistics/>
6. International Labour Organization (ILO). (n.d.). *Labor force participation: Economic participation rates*. Retrieved February 15, 2025, from <https://webapps.ilo.org/ilostat-files/Documents/LFEPbrief.pdf>
7. Striking Women. (n.d.). *Women and work during World War I (1914-1918)*. Retrieved February 15, 2025, from <https://www.striking-women.org/module/women-and-work/world-war-i-1914-1918>
8. Wikipedia. (2022). *Inflation Reduction Act (IRA) of 2022*. Retrieved February 15, 2025, from https://en.wikipedia.org/wiki/Inflation_Reduction_Act
9. Wikipedia. (2024). *NLRB Decision on Captive Audience Meetings (2024)*. Retrieved February 15, 2025, from https://en.wikipedia.org/wiki/NLRB_Decision_on_Captive_Audience_Meetings
10. Ogletree Deakins. (2024, January). *German employment law changes for 2024: Minimum wage increase*. Retrieved February 15, 2025, from <https://www.ogletree.com>

11. Bird & Bird. (2023, December). *Current developments in German labour laws: Skilled Workers Immigration Act reform*. Retrieved February 15, 2025, from <https://www.twobird.com>
12. Wikipedia. (2023). *Supply Chain Act Implementation (2023)*. Retrieved February 15, 2025, from https://en.wikipedia.org/wiki/Supply_Chain_Act
13. Bar Law. (2024, January 30). *Minimum wage increase (2024)*. Retrieved February 15, 2025, from https://barlaw.co.il/practice_areas/employment/employers-labor-law/latest-updates?utm
14. Paul Hastings. (2020, October). *Equal pay law amendment (2020)*. Retrieved February 15, 2025, from <https://www.paulhastings.com/insights/practice-area-articles/israel?utm>
15. International Monetary Fund (IMF). (2024, January 14). *AI will transform the global economy: Let's make sure it benefits humanity*. Retrieved February 15, 2025, from <https://www.imf.org/en/Blogs/Articles/2024/01/14/ai-will-transform-the-global-economy-lets-make-sure-it-benefits-humanity>
16. Cecchi-DiMeglio, P. (2024, September 17). *How AI will transform the labor market: Essential insights for leaders*. Forbes. Retrieved February 15, 2025, from <https://www.forbes.com/sites/paolacecchi-dimeglio/2024/09/17/how-ai-will-transform-the-labor-market-essential-insights-for-leaders/>
17. Park University. (n.d.). *The gig economy: Shaping the future of work and business*. Retrieved February 15, 2025, from <https://www.park.edu/blog/the-gig-economy-shaping-the-future-of-work-and-business/>
18. U.S. Bureau of Labor Statistics. (n.d.). *Remote work productivity*. Retrieved February 15, 2025, from <https://www.bls.gov/opub/btn/volume-13/remote-work-productivity.htm>