

Low Global Unemployment Won't Last

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In 2024, conflicts in Ukraine and the Middle East and tight monetary policies contributed to a slowing global economy. Yet, global unemployment remained stable at 5 percent, its lowest level in decades.

In Europe and East Asia, jobless rates fell as economies continued recovering from the pandemic and adjusted to trade restrictions and sanctions on Russia. This decline offset a sharp rise in U.S. unemployment, driven by the Federal Reserve's high base rate, weak demand and slower hiring.

The International Labor Organization does not expect unemployment to stay this low. An upward trend has already emerged in both low- and high-income countries. Meanwhile, despite job growth, real wages have declined in many nations due to persistently high inflation. The ILO sees no immediate factors that could mitigate future labor market risks.

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