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Digital inclusion, labour markets inequalities and Covid-19 recovery

G20 Framework Working Group, Focus Group 1, 13 April 2021

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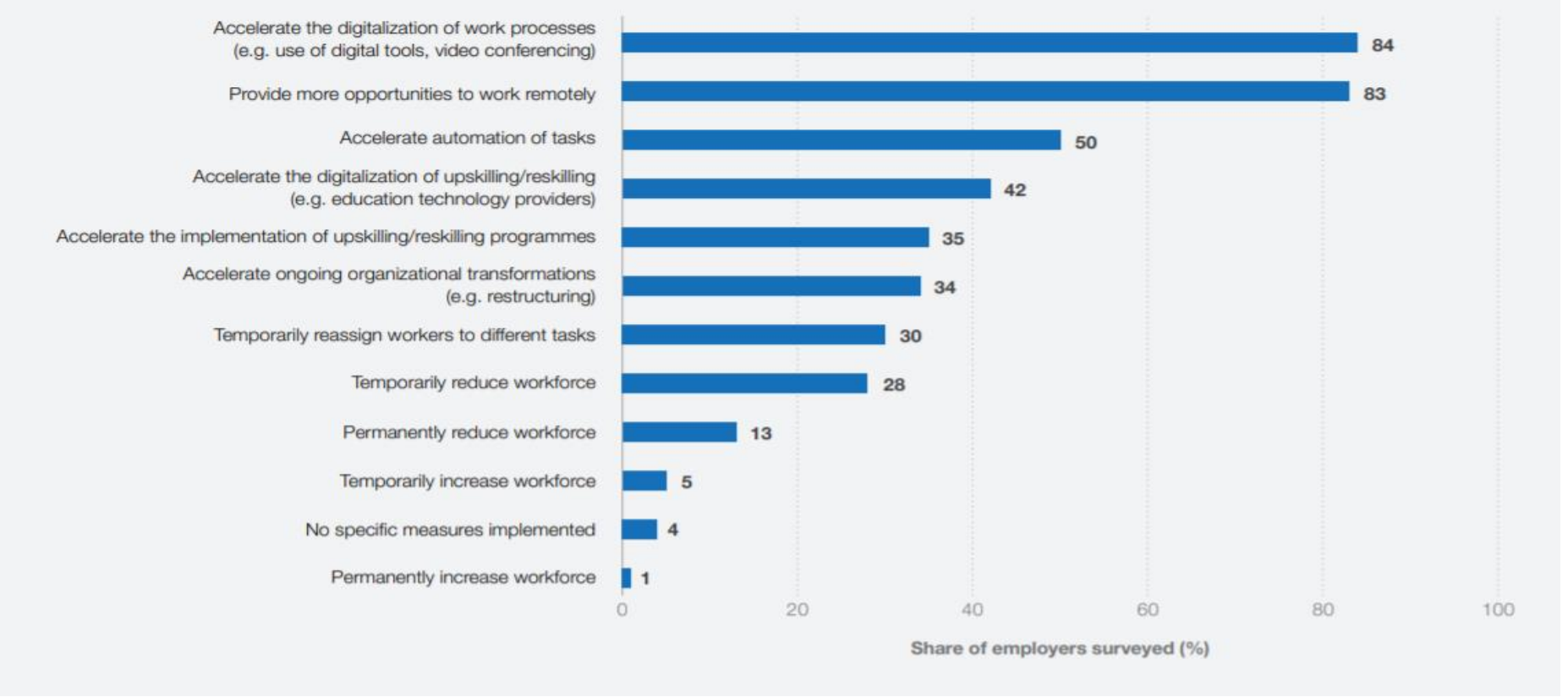
Enterprise survey evidence suggests that digitalization of work is accelerating as a result of COVID-19

Planned business adaptation in response to COVID-19



Source: World Economic Forum (2020)

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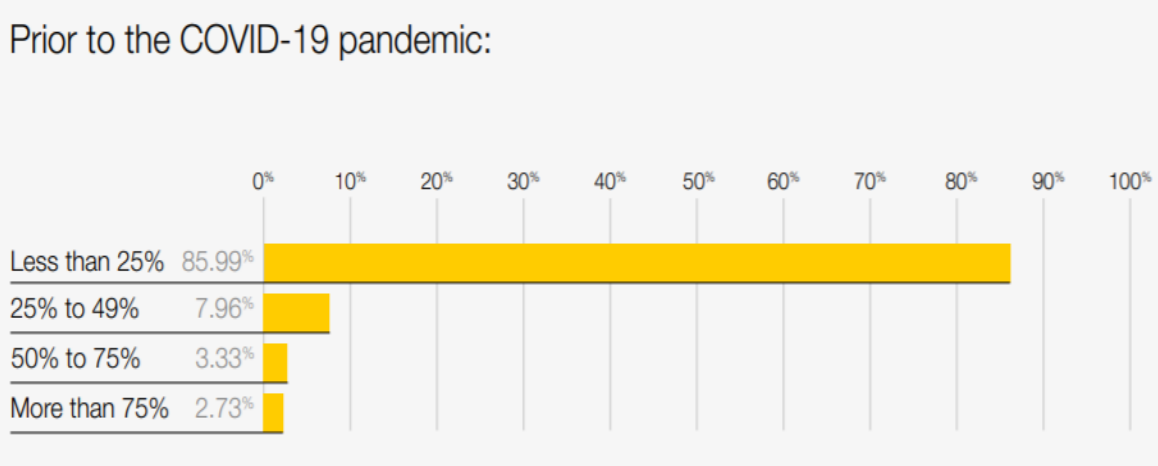
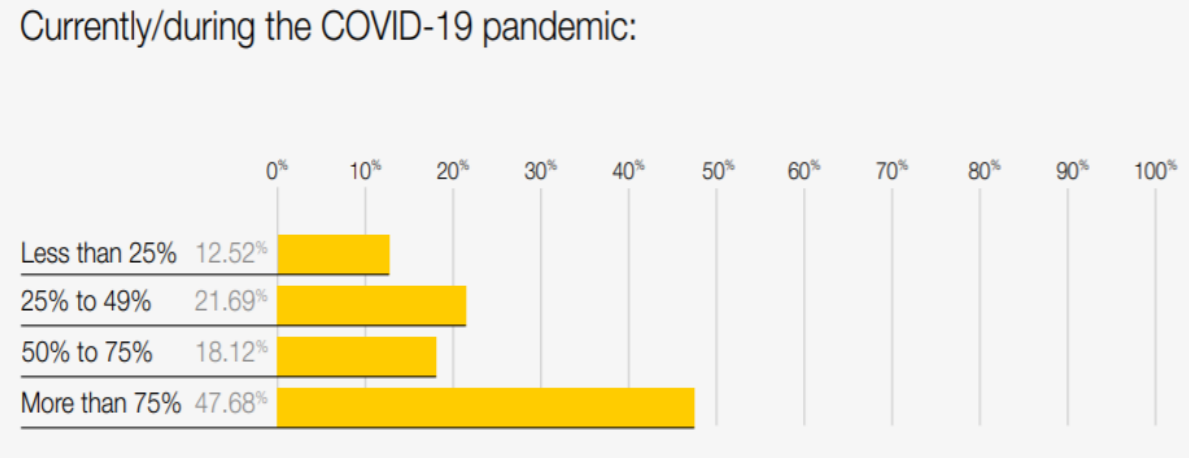
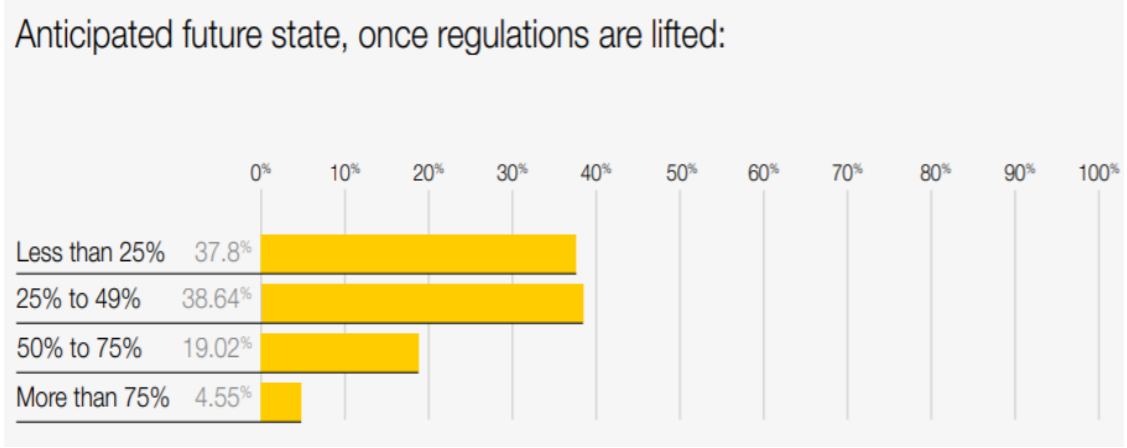
Long-lasting impact of COVID-19 on remote work







Source: Mercer and World Economic Forum (2020).

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Opportunities & challenges

Opportunities

- **Efficiency and productivity gains** in a wide range of economic sectors
- **Innovation** in products, services, processes, work and organizational arrangements
- Potential **job creation** and opportunities
- Possibility for improving the **job quality and productivity** as well as the lives of workers

Challenges

- **Unequal employment effects** across economic sectors as well as countries at different stages of development/digital divide
- **Skills gaps** – main barriers to uptake technology and fully reap the benefits of digital revolution
- **High displacement risk** for manual routine-based jobs and traditionally marginalized groups
- Growing number of **precarious and poorly paid digital occupations**

Source: ILO (forthcoming), "Changing Skills Demand for Digital Economies and Societies"

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Job implications of digital transition

Jobs and tasks that will decrease in demand or automated:

- **Routine-based tasks** that include predictable physical activities, processing and collecting data, such as machine operators; data entry clerks, accounting and payroll clerks, auditors etc

Changes of tasks within established occupations:

- Due to **technology adoption**, such as starting to use a smartphone by farmers; or digitalizing of patients' files by medical practitioners
- Due to **technology sophistication**, such as learning new software and work methods
- Due to **leveraging of the role of soft human skills** because of the technology

New jobs and tasks:

- Roles that are significantly based on and enhanced by the use of technology, as well as "hybrid occupations"
- such as AI and Machine Learning Specialists, Process Automation Experts, Information and Cyber Security Analysts, cobot trainers etc

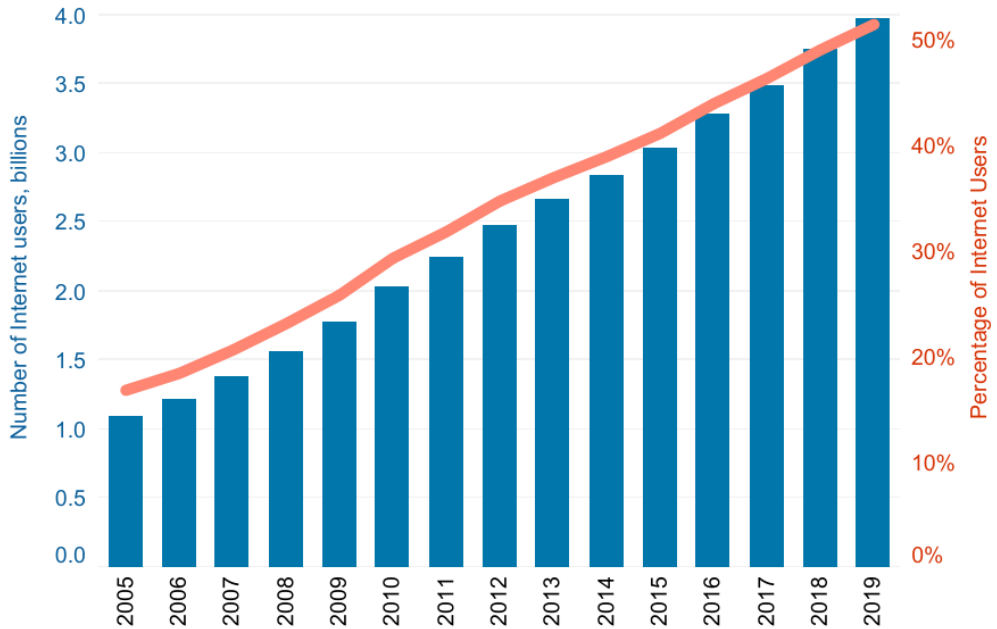
Source: ILO (forthcoming), "Changing Skills Demand for Digital Economies and Societies"

New “digital” opportunities for vulnerable workers

- **Young graduates and school leavers -** With the growing use of AI across sectors, large companies are outsourcing data labelling, content moderation and other tasks to small BPO firms and start-ups, often run by young people in developing countries
- **Migrants –** 39% of freelance platform workers in developed countries are migrant (7% in developing countries)
- **Informal work** - E-tools supporting the transition to formality through the simplification of procedures for registering businesses; electronic recording of transactions (Mexico); payroll platforms (Peru); domestic work (Uruguay); health insurance applications (Ghana); digital labour inspection schemes (Argentina, Sri Lanka); sharing of information among tax, social security and employment institutions (Brazil, Colombia) ...

Digital divides: 4 bn people still not online

ITU estimates that in 2019, about 50% of the global population are not using the Internet.

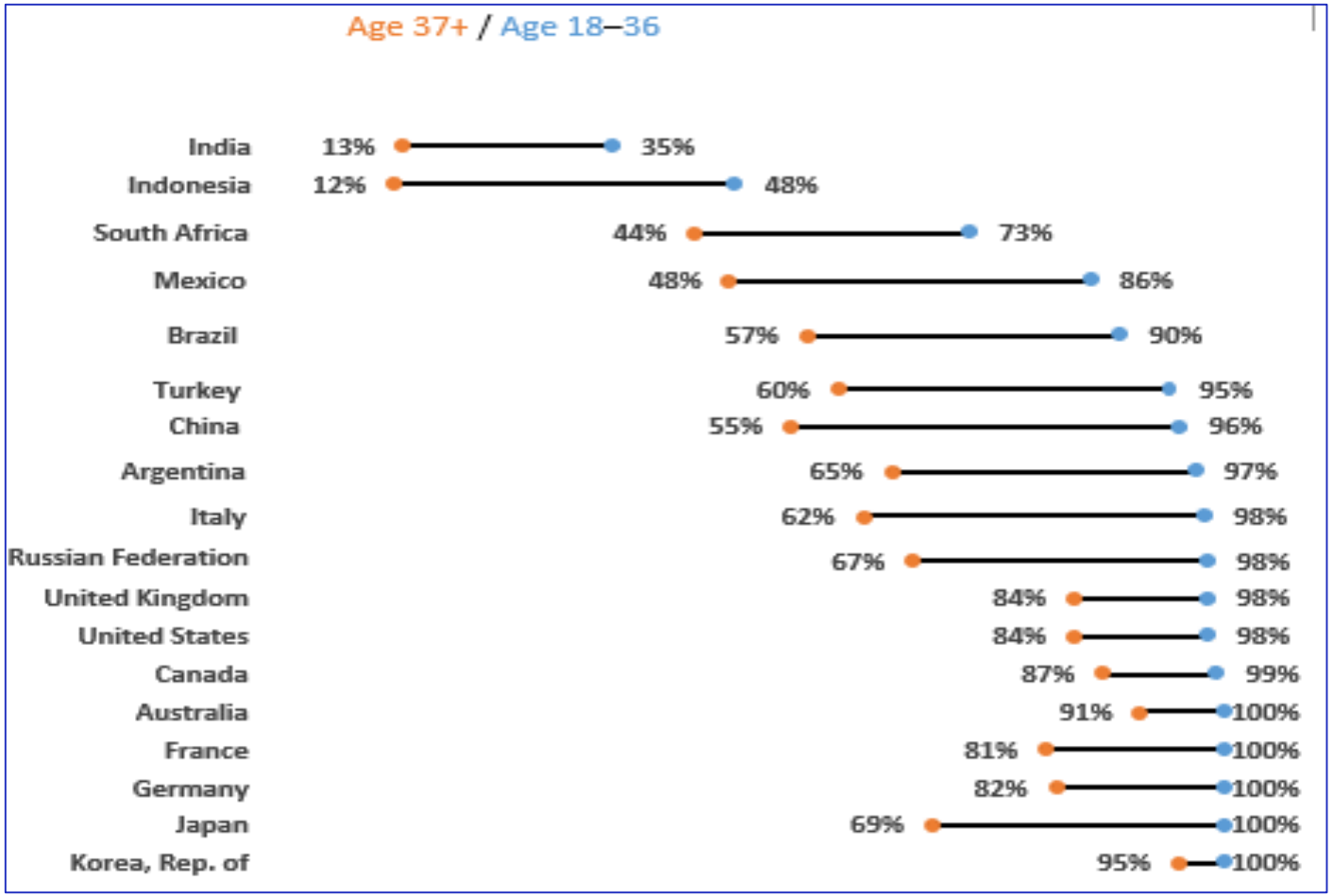


Source: ITU

Percentage of individuals using the Internet, by sex, 2019		
	Total	Female
G20 ADV	88.2	86.4
G20 EME	48.7	45.9
Least Developed Countries (LDCs)	19.5	14.7

Percentage of households with access to the Internet, by urban/rural area, 2019			
	Total	Urban	Rural
Developed countries	85.2	86.7	81.5
Developing cuntries	47.8	65.1	28.8
Least Developed Countries (LDCs)	16.3	26.3	11.8

Percentage of respondents that use the internet at least occasionally or report owning a smartphone in G20 countries



Source: ILO, *Global Employment Trends for Youth 2020*, based on Pew Research Center, Spring 2017 Global Attitudes Survey.

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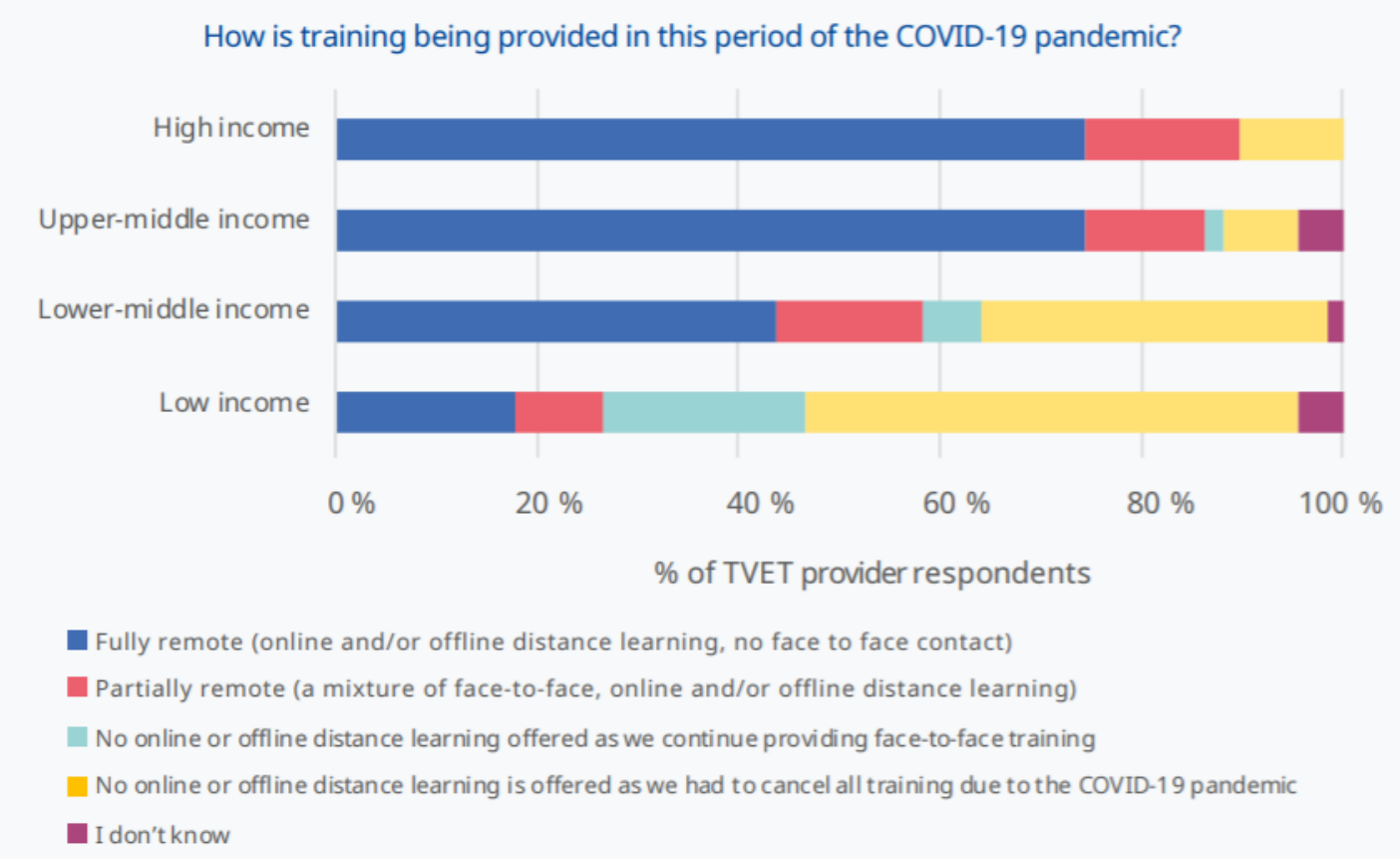
Wide learning gaps in TVET responses to COVID-19

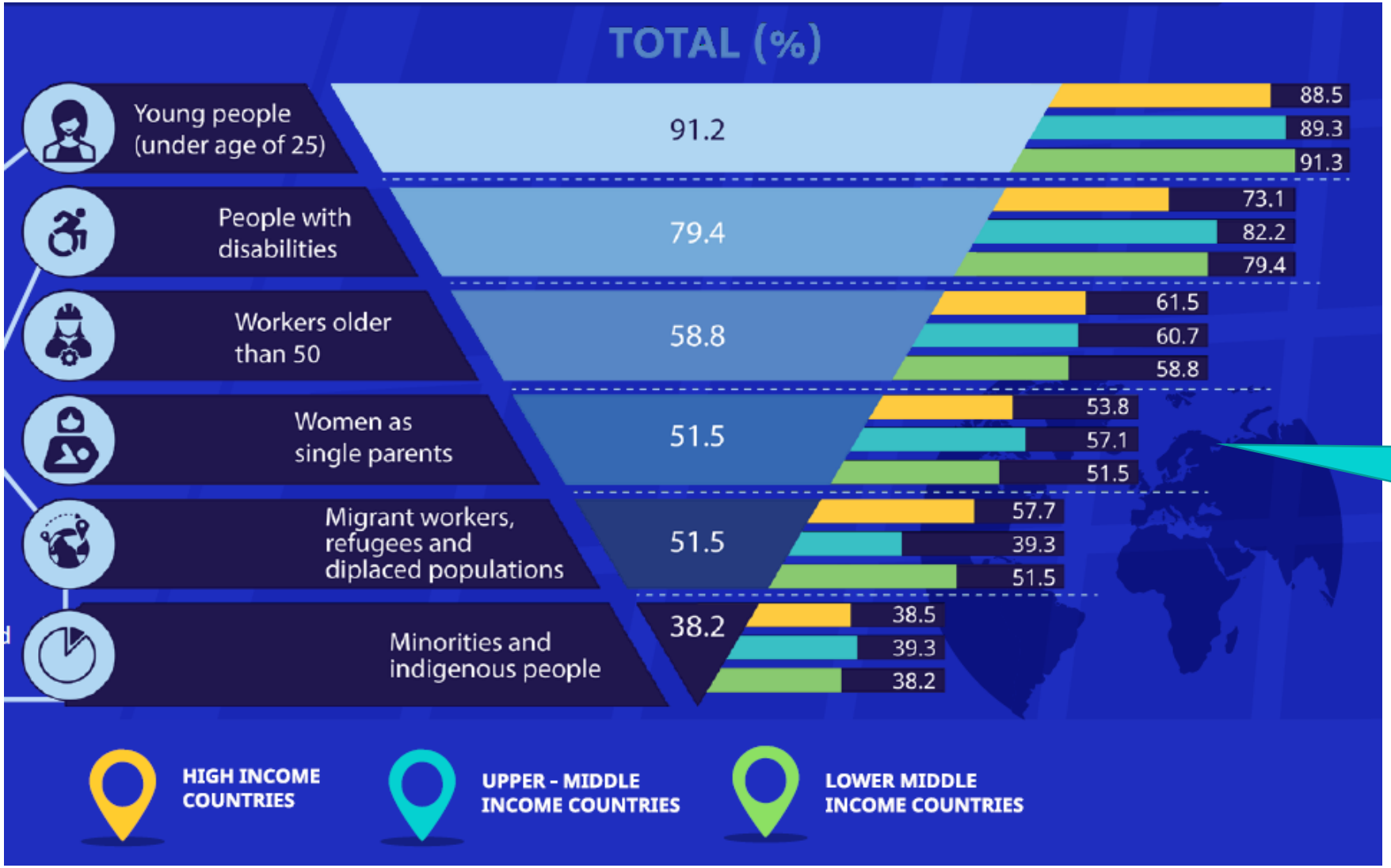


Source: ILO-UNESCO-World Bank online survey, 2020

While the crisis has triggered a rapid transition to distance education and training in the delivery of TVET, it has also **revealed the wide learning gap between countries and societies**

While in HI countries more than two thirds of TVET providers reported that they were delivering training entirely by remote methods during the pandemic, **very few in low-income countries were able to make that transition**

Digitalization of public employment services



While technology offers new possibilities, the **digital divide makes disparities persist for some groups**

Source: ILO Global survey on the use of technology by public employment Services, forthcoming 2021

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Rapid assessments of reskilling and upskilling needs in response to the COVID-19 crisis (preliminary results for Kenya)

Sectors	What training would you have liked?							
	Delivering goods and services to customers in new ways	Job-specific or occupation-specific technical skills	Managing a wider range of tasks than before Covid-19	Team leading, supervisory or management skills	Undertaking changed operating processes	Use of digital communication technologies using Zoom, Teams, Skype, WhatsApp, Google Meet and so on.	Using digital technologies to maintain internet connections, accessing computer resource at work, etc.	Working in teams where not everyone can be in the place of work
Accommodation and food service activities	20%			20%		40%	20%	
Education		27%	5%		5%	32%	14%	18%
Manufacturing	25%		25%					50%
All sectors	6%	20%	6%	6%	3%	31%	11%	17%

Source: ILO, Individuals' survey Kenya 2020, based on **ILO Guidelines for Rapid Assessment of reskilling and upskilling needs in response to the COVID-19 crisis**, https://www.ilo.org/skills/areas/skills-training-for-poverty-reduction/WCMS_752822/lang--en/index.htm

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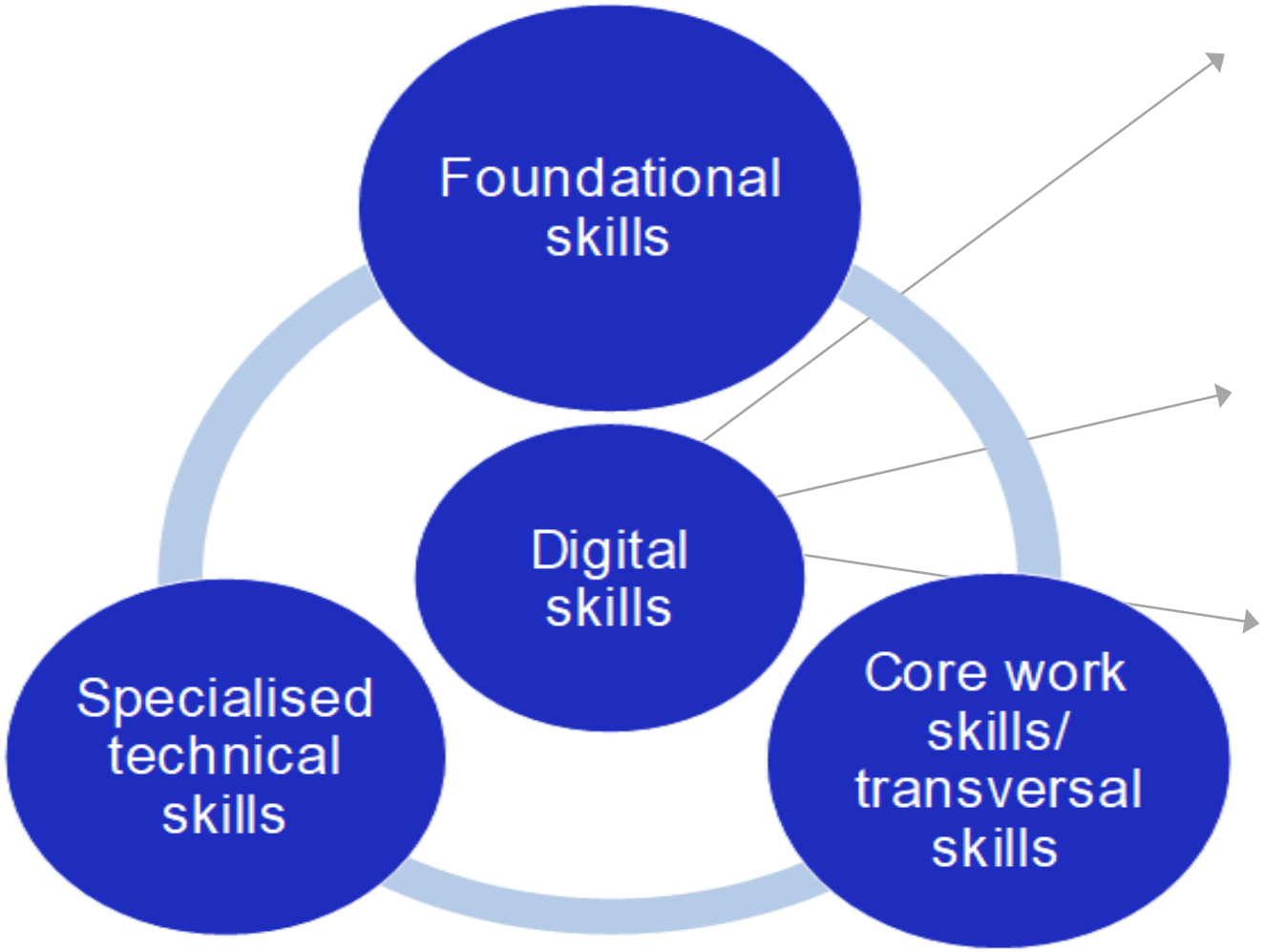
A broad range of skills gaps (beyond digital)



Basic and generic digital skills

- Basic digital literacy
- Software-user skills such as spreadsheets and word process
- Internet browsing, Social media
- Email

Intermediate digital skills

- Enable us to use digital technologies in even more meaningfu and beneficial ways
- Ability to critically evaluate technology or create content
- Digital graphic design
- Digital marketing

Advanced digital skills

- Skills needed by specialists in ICT professions
- computer programming and network management
- AI, big data, coding, cybersecurity, IoT and mobile app development etc

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A digital agenda for an inclusive recovery:

Investments in:

ENABLERS

EQUITY MECHANISMS

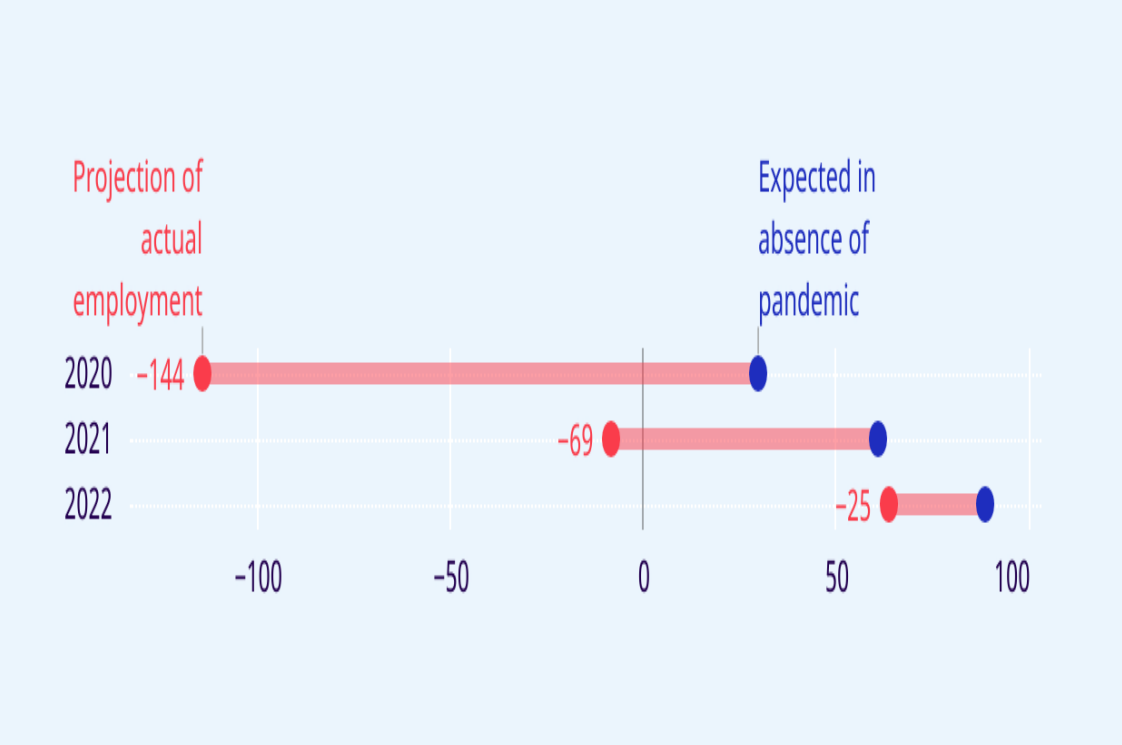
- **Digital infrastructure** - universal, affordable access to electricity and the internet will require public sector support and innovative approaches, such as community groups operating rural networks and targeted measures for marginalized groups
- **Skills** – Skills development - a blend of digital, technical, core work and foundational skills - should be a key component of recovery packages especially in transformative sectors such as green, health and care.
- **Institutions** – multi-stakeholder approaches and public-private partnerships to improve effectiveness and balance efficiency and equity.

Multi-stakeholder approaches

- **Hitting the right skills targets –** requiring cooperation between governments, industry and workers' organizations in assessing and preparing for future needs in key sectors for sustainable recovery
- **Providing innovative training offers -** combining digital and complementary technical skills, workplace learning, career guidance and validation systems will be important for successful investment of workers in reskilling and upskilling.
- **Supporting labour market transitions** – Training providers, enterprises, employment services and social security can cooperate to combine effective response to skills needs with individual support to people moving to new jobs**.**
- **Helping small and medium enterprises to develop a strategic vision of the skills required to compete in the post-COVID-19 world** - via training incentives, targeted measures, employment services, coaching and assistance from business associations.

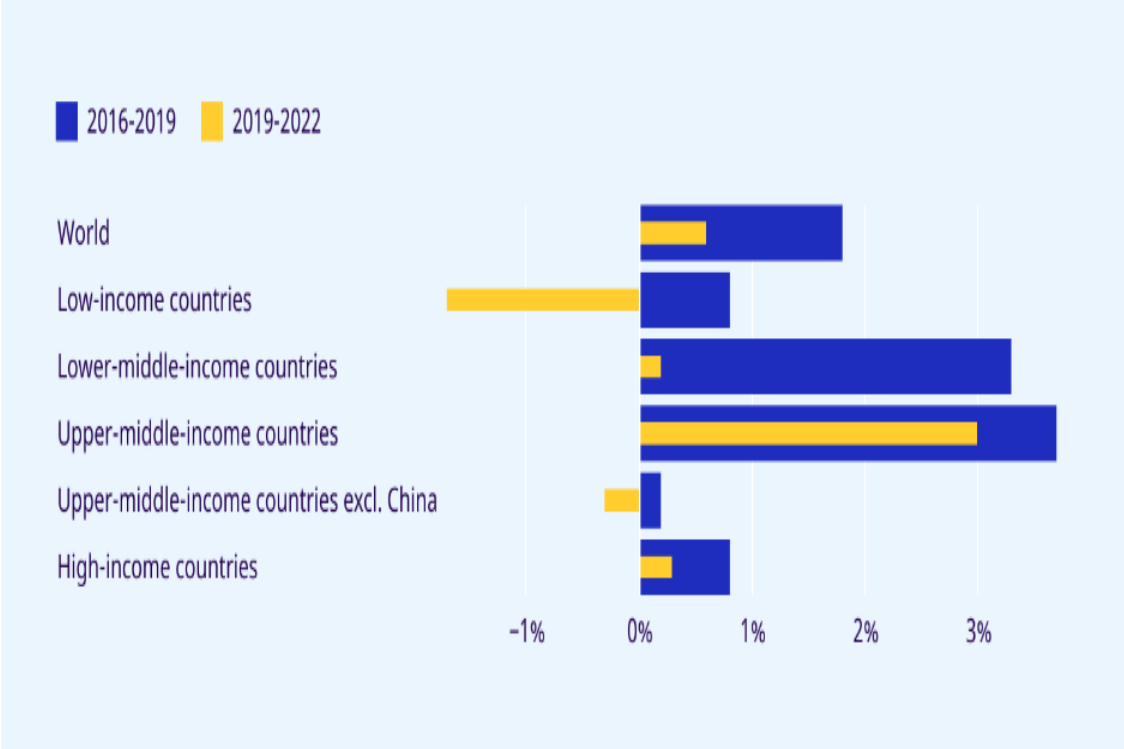
Large gaps in the number and quality of jobs

Pandemic-induced global jobs shortfall in 2021 and 2022: change from 2019 (millions)



Note: The red dot presents the projected difference in actual employment compared to 2019. The blue dot presents the development that would have been expected had there been no pandemic, hence showing foregone employment growth. The number shows the gap between both dots.

Average annual growth of GDP per worker, 2016-19 and 2019-22, world and country income groups (percentages)



Notes: GDP is aggregated using market exchange rates applied in UNDESA (2021).

Source: preliminary, World Employment and Social Outlook: Trends 2021, ILO, forthcoming May 2021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Natick
Grazie
Danke
Ευχαριστίες
Dalu
Obrigado
Thank You
Köszönöm
Tack
Спасибо
Dank
Gracias
谢谢
Merci
Seé
ありがとう