



THINK LABOR

To keep up with everything skilling and employment

The Future of Jobs

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Introduction

With the advent of the Fourth Revolution and technology driving the nature of jobs, the World Economic Forum measures the impact of the health shock caused by the pandemic in The Future of Jobs Report 2020. It contextualizes the functioning of business cycles in the past and during recent pandemic-related disruptions. It further presents anticipations around technology adapting to jobs and skills. The report proffers insights from public and private data across 26 developed and developing countries, aggregating business leaders' views from 15 industries.

Key Highlights

1. Technology, together with globalization, has resulted in fast-paced transformations to labor markets. While a few believe technological disruption will shrink the opportunities available, others suggest it would result in new jobs and skills. Further, automation with the pandemic recession is creating a 'double-disruption' of workers and jobs.
2. Although the pandemic led to a contraction in economic activity, not all industries were equally affected. Businesses such as small-to-medium enterprises (SMEs), holding fewer cash reserves, and tourism, hospitality, and restaurants that cannot function remotely are the ones that faltered.
3. Across the world, countries have tackled the pandemic by providing social protection and wage support to displaced workers, while governments have targeted job retention to prevent sudden spikes in unemployment. While the United Kingdom, Germany, Japan, France, and Italy show resilience to such disruptions, the United States and Canada are deeply affected.
4. The pandemic has accelerated the use of technology. Survey data suggests that 80% of business leaders report that automation has led to a smooth transition to expanding remote work. More than 25% of employers expect to reduce their workforce temporarily.
5. Data from LinkedIn Economic Team suggests that as hiring rates remained low, many workers moved to unemployment from mid-March to the end of July. This trend reflects businesses are reluctant to invest in human capital, and workers are displaced from the labor market as few opportunities remain. China, France, and Italy contracted, respectively, -47% year-on-year rate till February, -70%, and -64.5% till mid-April. By the end of September, these countries recovered to hiring rates of 22% in China and 5% in France.
6. Unemployment and hiring rates differed across sectors, thereby displacing the labor market. While there remained a persistent hiring slump in recreation, travel, consumer goods and manufacturing, software, and Information Technology did not shed much personnel. Industries like finance and healthcare maintained hiring rates closest to the past year.
7. Patterns of retaining and recalling of workers were unequal. On average, industries displaced older workers more typically than their mid-30s counterparts. Industries like education services recalled 35 years old but retained 43 years old, on average. Younger workers in their 30s were more likely to transition to new jobs.
8. Jobs for tomorrow are the newly emerging fields of data, artificial intelligence, cloud computing, and product development. However, such industrial clusters remain exclusive to a more skilled workforce. Among all the emerging professions, transitions to data and artificial intelligence lead to variations in skills between source and destination jobs. The Future of Jobs Survey suggests that, on average, around 40% of workers will require reskilling for about six months.
9. Research suggests that the structure of the local labor market determining wage level has misaligned wages from productivity. It raises inequities within disadvantaged races and gender. Legislations against such biased views would allow for protecting the skills and capabilities of workers. Such measures will lead to an inclusive labor force across the population.

Concluding Remarks

To address the substantial challenges the labor market faces today, it is time that governments attempt to create active linkages between different sectors - school and university education, skills, labor, and employers and allow collaboration of employment agencies with state and central governments. The governments, together with professional services, must fund reskilling and allow localization of mid-career education programs. Further, labor unions and community organizations must draft effective legislation and provide constant feedback to it.

Read more: http://www3.weforum.org/docs/WEF_Future_of_Jobs_2020.pdf

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