The (Un)Changing Nature of Work: What to Expect and Implications

Deep Dive into Jobs Diagnostics and Solutions
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Jobs, Labor & Migration Course
Technological progress can expand job opportunities

- Lost employment in old sectors
- Remaining employment in old sectors
- New employment in new sectors
Wide variance in the perceived jobs at risk due to automation.

Percentage of jobs at risk of automation:

- US: 47%
- Japan: 55%
- Lithuania: 56%
- Cyprus: 61%
- Ukraine: 40%
- Bolivia: 41%

Countries included: US, Japan, Lithuania, Cyprus, Ukraine, Bolivia.
Automation in industrial countries has boosted imports from developing countries.
Globally, the number and trade share of new products increased from 1996 to 2017
Informality persists in most emerging economies

Two out of three workers in emerging economies are in the informal economy.
What is Changing?
Industrial jobs are falling in the west and rising in the east

Source: Authors' analyses based on World Bank's World Development Indicators (dataset)
Technological advances change production patterns and accelerate the growth of firms

Source: Authors' analyses based on Walmart Annual Reports, Statista.com, NetEase.com
Technology is changing how people work and the terms on which they work

**LESS** standard long-term contract

**MORE** short-term work often via online work platforms

**BUT** the numbers are still small: total freelancer population is 84 million, or less than 3 percent of the global labor force
In many developing countries, the share of employment in high-skill occupations has increased.

Source: Authors’ analyses based on World Bank’s International Income Distribution Data Set (I2D2)
But, advances in Technology Call for New Skills seemingly overnight: “Adaptability” is Increasingly in Demand
Work presents an opportunity to accumulate human capital, but returns to work vary considerably.
What can governments do?
Three Areas For Policy Action:

- Human Capital and Lifelong Learning
- Social Protection and Labor Policies
- Revenue Mobilization
Governments have a vital role to play in building human capital.
The first 1,000 days lay a lifelong foundation
The changing nature of work makes tertiary education more attractive in three ways:

1) Skills
2) Lifelong learning
3) Innovation
Three Areas For Policy Action:

1. Human Capital and Lifelong Learning
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Convergence in the nature of work?
Coverage of social insurance remains low in most developing countries
Social protection and labor regulation can manage labor market challenges

- Inclusive social minimum delinked from employment + layers of insurance
- More flexibility, but with robust social protection systems in place
Aspiring to flexicurity…
Three Areas For Policy Action:

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Social inclusion is costly

- Social Assistance Package (as exemplified by UBI)
- Young Adults Package (productive inclusion)
- Human Capital Package
Tax revenues have to rise, especially in developing economies.
Some countries spend more on energy subsidies than on social assistance
2019 World Development Report

Appendix
The Human Capital Index 2018
SURVIVAL
Children who don’t survive don’t grow up to become future workers

SCHOOL
Contribution of quality-adjusted years of school to productivity of future workers

HEALTH
Contribution of health (average of adult survival rate and stunting) to productivity of future workers

HCI
Productivity of a future worker (relative to benchmark of complete education and full health)

HUMAN CAPITAL INDEX: calculation