



High-Level Summit
Development in the Digital Age
A New Agenda for the 21st Century
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THE FUTURE OF WORK: HERE, THERE AND NOW

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Key message

The digital transformation is likely to dramatically reduce labour demand in developing countries (DCs)...

...but will also open new job opportunities through easier and less-costly access to intangible assets.

Policies must seize these opportunities



Outline

- Some “evidence”
- Implications for work in DCs
- Sketching a policy agenda for work in DCs



Some “evidence” (1/3)

ICTs have not destroyed jobs in OECD *directly* over 1990-2013 (OECD, 2016)...

...but *indirectly* through GVCs enabled by digitalisation.

GVCs led to job creation in some low-wage DCs

Going ahead, digital tools would substitute for routine/low-skill (?) tasks...

... between 47%-14%- 9% (!) of all jobs in OECD

And in developing countries?



Some “evidence” (2/3)

Digitalisation requires different skills:

- + ICTs (generic and specialist)
- + foundation skills, e.g. numeracy, literacy...
- + soft skills, e.g.: communication, organisation...
- + complex manual skills
- physical skills



Some “evidence” (3/3)

Digitalisation enables different forms of work:

- “On-demand” tasks
- Platform-mediated jobs
- Long-distance services
- Virtual firms/employers



Implications for work in DCs (1/3)

Technical progress =

we can produce more with less (labour)

Will worldwide labour demand decrease?

No, if any of the following happens:

1. Produce more of the same
2. Produce new goods and services
3. Work shorter hours

1, 2 and 3 have all happened in the past



Implications for work in DCs (1/3)

But 1, 2 and 3 will be harder in future:

- Environmental constraints
- “Scale without mass”
- Still too little of new services

Worldwide labour demand may decrease

1, 2 and 3 would be harder in DCs

Domestic labour demand in DCs may decrease too



Implications for work in DCs (2/3)

Production would be less labour-intensive

GVCs location would depend less on labour costs, e.g. reshoring

GVCs would develop along services, not goods...

...which require higher skills

DCs would lose their traditional comparative advantages...

...and get a smaller share of (lower) global labour demand



Implications for work in DCs (3/3)

Digitalisation also create opportunities for work in DCs:

- Open Educational Resources
- Job platforms
- Access to open source software
- Access to private and public-source data



A policy agenda for work in DCs

- GVCs-led growth will remain essential (if multilateralism...)
- Build comparative advantages on services, not goods
- Use digital opportunities for education and training
- Connect to worldwide job platforms
- Increase access to private and public-source data
- Invest in infrastructure for the digital economy

