

COVID-19, TECHNOLOGY, and POLARIZING JOBS

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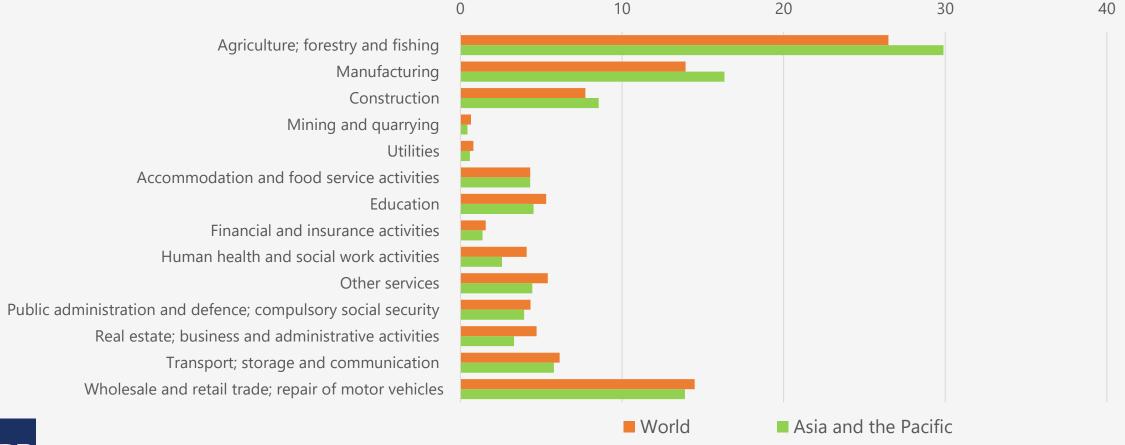
Key Messages

- COVID-19 effects are further exposing the trend of job polarization and widening wage inequality among employees.
- COVID-19 spurs digital transformation of work and the workplace; presenting enormous opportunities and challenges.
- Policy strategies and options needed to increase investment in digital readiness, develop skills for the digital economy, and strengthen social protection, could help mitigate the impact.



Some sectors are more affected than others— Where do Asian workers work?

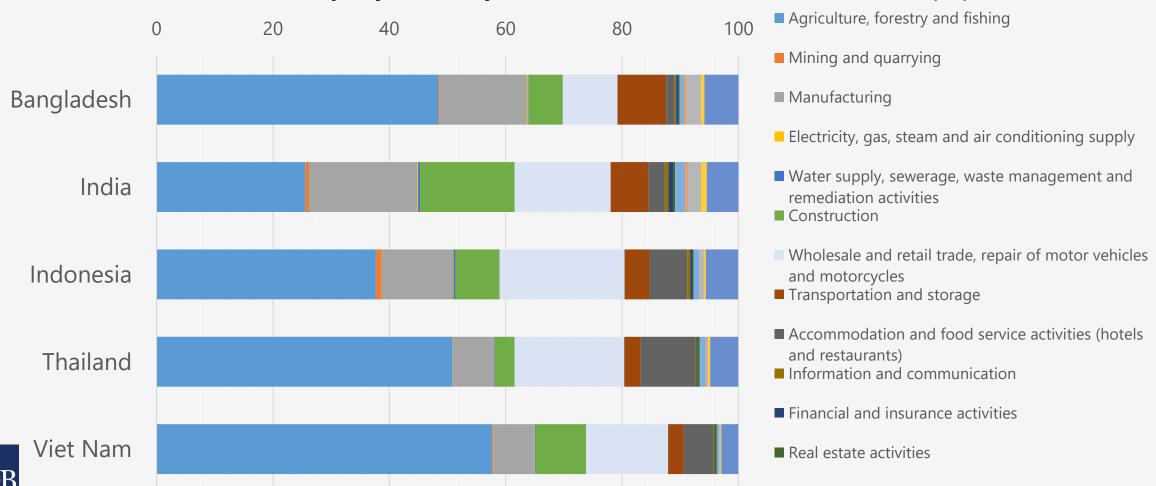
Employment Sectoral Distribution by Subregion (% in total employment)





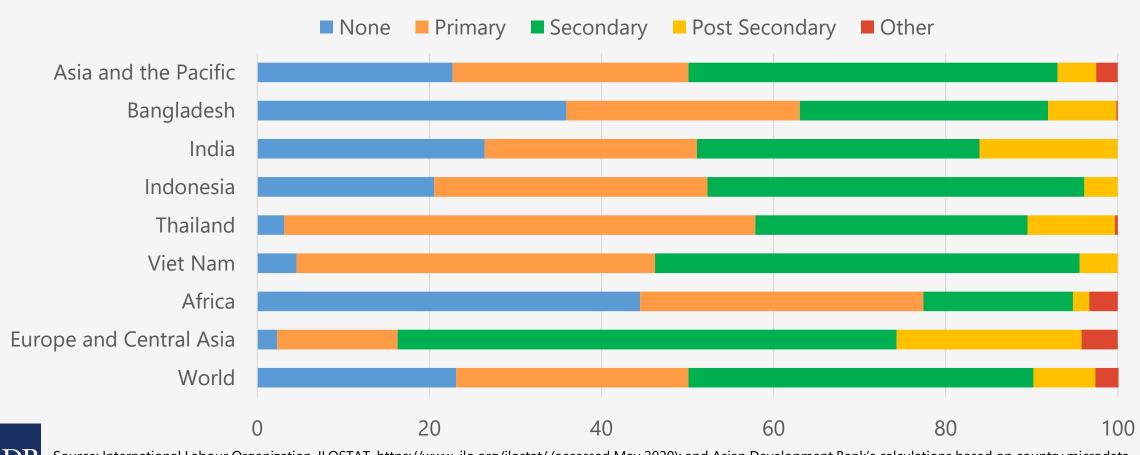
Informal employment is mostly in vulnerable sectors

Informal Employment by Sector in Select Asian Countries (%)



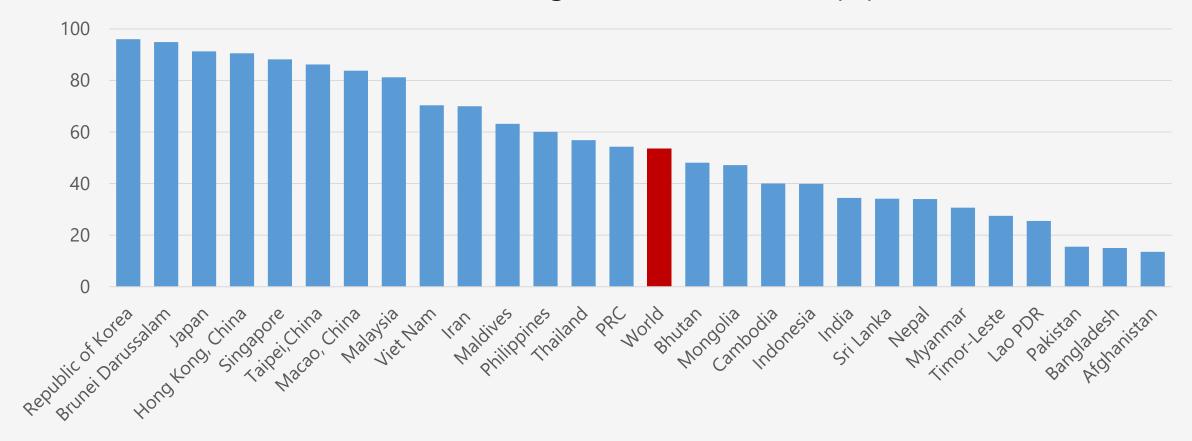
Close to a quarter of Asia's informal sector workers did not receive any education

Educational Attainment of the Informally Employed (%)



Significant gaps in digital readiness across Asia

Individuals Using the Internet in Asia (%)





Lao PDR = Lao People's Democratic Republic, PRC = People's Republic of China.

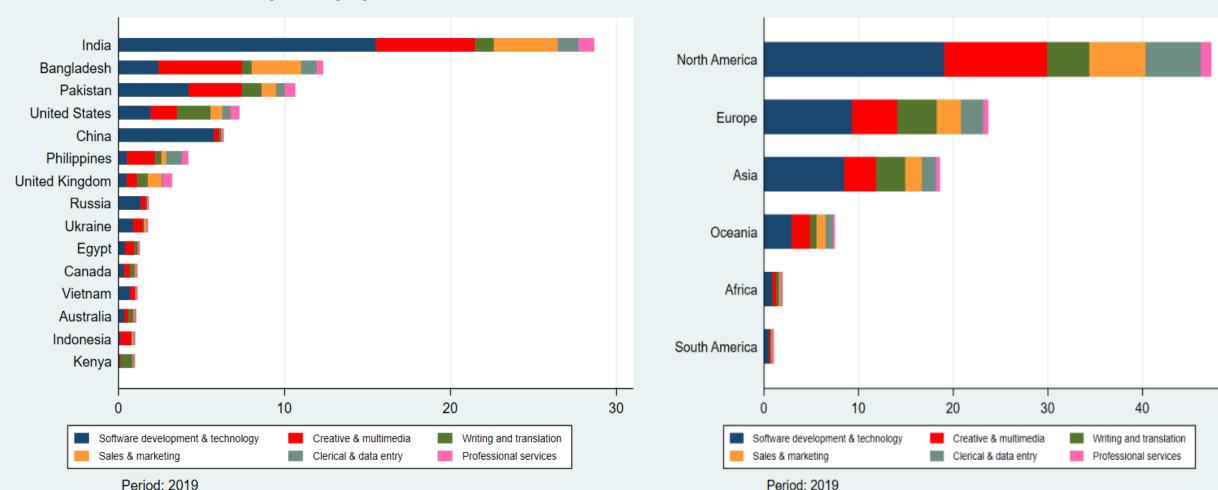
Note: 2018 data for Cambodia; Hong Kong, China; Indonesia; Iran; Japan; Republic of Korea; Macau, China; Malaysia; Mongolia; Singapore; Taipei, China; Thailand; and Viet Nam. The rest is 2017. Source: International Telecommunication Union https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx (accessed 2 July 2020).

Large Number of Online Workers in Asia—job offers emanate mainly from developed economies

Online Workers by Economy and Occupation 2017–2020

Online Work—by Region of Employer

50



Source: Online Labor Index.

Source: Online Labor Index.

Policy Implications for Future Work and Workforce

- Invest in digital readiness.
 - Develop enabling infrastructure for affordable and available ICT access
 - Nurture cooperative ecosystems
- Develop skills for the digital economy.
 - Government subsidies or programs for upskilling
- Strengthen social protection for the unemployed and vulnerable



Thank you!

ADB Brief No. 147:

COVID-19, Technology, and Polarizing Jobs



ADB BRIEFS

KEY POINTS

- As COVID-19 drives economies into recession, many jobs are at risk.
 However, not all jobs are equally affected—some industries and jobs are more sowerely affected than others.
 Without coresclous effort and effective policies, the unequal impact of COVID-19 on jobs will bit the most vulnerable individuals and communities.
- COVID-19 effects are further exposing the trend of job polarization and widering wage inequality among employees. A large share of informal employment is in sectors that are relatively more valuesable, such as manufacturing, who lessed and read trade, such as manufacturing in wholesed and read trade, for the control of the control transportation and storage to the control of the control food services. The situation of food services. The situation of the worse among women, youth, and nearly workers.
- COVID-19 will likely spur digital transformation of work and the workplace.
 Policy makers should adopt appropriate policy strategies and options to help mitigate the impact of the postcrisks structural changes, by investing in digital readiness, developing skifs for the digital economy, and strengthering social

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As the concustrus disease, COVID-199, drives economies into incression, marry jobs ame at risk. The Astan Development Bark (ADB) estimates that the COVID-19 pandemic could cost the global economy from \$5.81 trillion in a 3-month constainment contact to \$81 st fillion in a 5-month scarants on \$81 st still from in a 6-month scarants on the Astan and the Pacific accounting for abous 39% of global economic losses (ADB 2020). These estimates also suggest that the equivalent of 158 million to 224 million full-time poly in (60% to 22% of total employment) will be lost globally in the two scenarios, with job losses in Asia and the Pacific accounting for about 70%.

However, not all plos are equally affected—some sectors are threing or even growing taster in the pundemic. Global tech glants, such as Microsoft, Apple, and Anaucon, were among the top-10 stocks by market cap in mid-April, pushing their share of the S&P 500's total value up to 2:5%. Other times are also performing strongly and thing. These are times using triviously techniques such as ordine rest and food delivery with contactless delivery options, 3D printing companies for personal protective equipment, and video conferencing applications such as Zono Mikraz 2020).

Anid the rigid technological changes and increasing automation, however, job polarization and widening wages invessality among employees have occurred as these trends have pur manual and routine-jebs at higher mis of being deplaced (Goor, Manning, and Salomores 2014-Autor 2015), Indeed, COVID-19 effects are leaking trends that had already been exposing middle-sdill workers to deplacement and lower working hours and incomes. As digital transformation accelerates, old side are likely to depectate and become obsolete faster. Aging workers risk falling into low-skilled, low-paying jobs (covast and Rigo 2015), limikunuma and Mallianta 2016).

Separately, the International Labour Opposituation (2003) warned of the loss of 6.7% of working hears workfashin, equivalent to 15% million full-time job by the excused quarter of 2003. The extinated job losses are solvering, compared with about 22 million full-time equivalent job losses during the Great Recession of 2008–2009 of 10 2070a.)





