

Asia's Developing Future



ASIAN DEVELOPMENT BANK INSTITUTE

T20 Japan policy innovations detail keys to digital disruption-ready labor and education

Think 20 is the research and policy advice network for the G20 which in 2019 is chaired by the Asian Development Bank Institute as part of Japan's G20 presidency. In this podcast, we will look at T20 policy solutions for addressing the Future of Work and Education for the Digital Age.

The Lead Co-Chair of the T20 Japan task force tackling this rapidly emerging issue is Peter Morgan, Senior Consulting Economist and Vice Chair of Research at the Asian Development Bank Institute.

Technical transformations are sending the global economy and labor markets in a new direction, as Dr Morgan explains:

"We're seeing huge changes in recent years with the rise of innovations like artificial intelligence, big data, the internet of things. These are all being wrapped up in the label of industry 4.0 or manufacturing 4.0 and are resulting in lots of changes in the workforce."

These transformations will bring new ways of doing business, new industries, new jobs, better jobs, higher GDP growth, and higher living standards, Dr Morgan notes. But they will also bring challenges such as new business models, new skill requirements for workers and modernized work arrangements, he adds:

"...there is going to be a significant negative impact on employment from the shift to automation and, even if there isn't a shift in employment per se, there is going to be an impact on the distribution of income so are we going to see a greater split between those who have high tech skills, high incomes and those who don't have those skills."

Appropriate policies are needed to ensure countries can inclusively harness the opportunities these developments will bring.

“For economic growth and development they’re certainly positive. All these developments are going to increase efficiency, lower costs, increase competition, make it easier for firms to enter into various fields. The big question though is what is it going to do for work, what is it going to do for workers.”

T20 Japan task force experts are focused on developing recommendations for policymakers to achieve balanced labor markets that match the supply and demand for skills in an environment of rapid technological change while promoting equal opportunity, lifelong learning, financial literacy, and social and economic development.

“We’re seeing a big impact due to globalization. Work can be shifted almost anywhere across the globe because of the ease of communications so this is going to have a very big impact on the division of labor between people and robots and machines. It’s also going to be reallocating work globally.”

T20 Japan task force experts are further addressing data security and social protection challenges brought by the digital economy, as Dr Morgan describes:

“Other issues are what are the implications for the social safety net if people are working more on their own and how can we make sure that they continue to receive social benefits, health insurance-- that kind of thing.”

T20 Japan task force experts are recommending the adoption of policies that can improve financial literacy, digital skills for vulnerable populations and pathways to employment. Dr Morgan says..

“Another big issue is what is the implication for education? What kind of education do people need to equip themselves for this sort of fast changing environment? We need to look more at things like lifelong learning and how people can prepare themselves for shifts in their careers as a result of technological changes.”

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