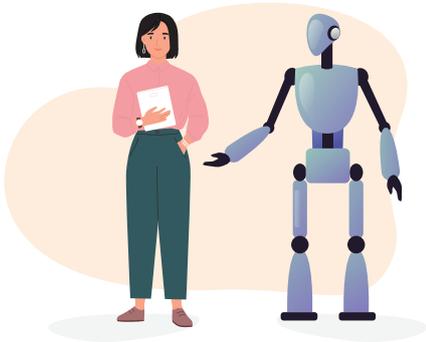


# COVID-19 AND THE FUTURE OF WORK

**The pandemic may accelerate automation and increase joblessness, unless something is done.**



COVID-19 is an unprecedented public health crisis that has led to staggering losses in economic activity and jobs. It can also hasten the uptake of Fourth Industrial Revolution (4IR) technologies that could automate certain jobs.

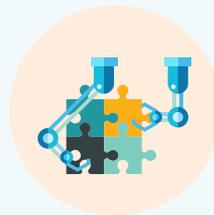
Prior to COVID-19, the global economy already entered a new era of automation termed the Fourth Industrial Revolution (4IR) characterised by:



Artificial intelligence and machine learning



Internet of Things



Autonomous hardware and software robotics



Real-time and predictive analytics

When managed effectively, 4IR can help economies reach higher levels of productivity at lower input costs while making new industries and jobs possible.

## AUTOMATION PRE- AND POST-COVID-19

**Before the pandemic,**  
firms adopt automation to:



**Lower labour costs**  
Savings from capital investment outweigh labour costs.



**Keep up with market innovation**  
4IR technologies are developing rapidly.



**Speed up routine tasks**  
Automation of repetitive processes found in blue- and white-collar jobs.

**After the pandemic,**  
firms may speed up automation to:



**Reduce risks**  
Protection from liability to workers.



**Observe new guidelines**  
Social distancing is now required.



**Cushion financial impact**  
Automation as a cost-saving measure.

## The pandemic puts certain workers at a disadvantage



Women



Elderly



Vulnerable



Youth



Cultural norms often dictate that women shoulder a greater share of household chores and responsibilities. Working from home has an impact on their productivity and may incentivise firms to automate occupations that have a high proportion of female employment.

## IMPLICATIONS FOR POLICY

### Some policies may have unintended consequences and encourage automation



Low interest rates intended to encourage bank lending and keep firms operating could also encourage them to invest in automation.



Support packages for MSMEs could encourage business' adoption of digital solutions.



Immunity passports could constrain labour supply and increase uncertainty.



Restrictions on labour mobility can discourage the hiring of workers.

### Policymakers need to promote 4IR innovation while addressing social risks



**Expand social safety nets**  
Protect workers' livelihoods and ensure their basic needs are met.



**Support upskilling and retraining**  
Adapt skills training programmes to the needs of the post-pandemic digital economy.



**Monitor automation trends**  
Work closely with the private sector for a deeper analysis of 4IR issues.



**Humanise 4IR ecosystems**  
Put people first in digital economy policy.

Regional cooperation has a role to play in providing a forum for policy coordination, development of regional public goods, and sharing of information. The COVID-19 crisis is an opportunity for APEC to rebuild better. It needs to promote 4IR business dynamism while ensuring inclusion, sustainability, and resilience.