

2020 Future Of Jobs Report - World Economic Forum

By Kirsten Eiser, Shane Johnson, Ilyaas Mayet, Jason Fleischer | 18 November 2020

A recent World Economic Forum report has highlighted evolving trends in the workforce, globally and in South Africa, as the local labour market faces the combined impact of the Covid-19 pandemic and the Fourth Industrial Revolution (4IR)

The World Economic Forum (WEF) recently issued the third edition of its "[Future of Jobs Report](#)" (WEF Report), which describes the jobs and skills of the future and tracks the pace of change. Part 1 of the WEF Report tracks the future of jobs while Part 2 considers specific country and industry profiles.

The WEF Report highlights that "human ingenuity is at the root of all shared prosperity". Employers need to harness the window of opportunity presented by the 4IR to take advantage of the new age of work, while promoting employment of both low- and high-skilled workers.

The key findings of the WEF Report are:

- The pace of technology adoption is expected to persist and may accelerate in some areas (eg encryption, non-humanoid robots and artificial intelligence)
- Automation and the Covid-19 pandemic are creating a 'double disruption' scenario for workers
- Job creation is slowing down while job destruction is accelerating
- Skills gaps continue to be high, as in-demand skills are changing across jobs
- The future of work has already arrived for most of the online "white-collar" workforce
- Inequality is likely to be exacerbated by the dual impact of technology and the pandemic recession

Webber Wentzel

We are the leading full-service law firm on the African continent, providing clients with seamless, tailored and commercially minded business solutions within record times. Our alliance with Linklaters and our relationships with outstanding law firms across Africa ensure that our clients have the best expertise wherever they do business.

Contact Details

Cape Town

15th Floor, Convention Tower
Heerengracht, Foreshore
Cape Town
8001
Tel: +27 21 431 7000

Johannesburg

90 Rivonia Road,
Sandton
Johannesburg
2196
Tel: +27 11 530 5000



- Online learning and training are rising but look different for those in employment compared with those who are unemployed
- The window of opportunity to reskill and upskill workers has been shorter in the newly-constrained labour market
- Most employers recognise the value of human capital investment
- Companies need to invest in better human and social capital outcomes by adopting environmental, social and governance metrics
- The public sector needs to provide stronger support for reskilling and upskilling for at-risk or displaced workers.

The WEF also gives the following key statistics, based on a survey asking companies how they seek to restructure their workplaces and workforces due to changes in technology:

- 43.2% of the participating employers plan to reduce their current workforce due to technological integration or automation by 2025
- 34.5% of the participating employers plan to expand their current workforce due to technological integration or automation by 2025
- 32.4% of the participating employers plan to expand their current overall workforce by 2025
- only 15% of the participating employers plan to reduce their current workforce.

While more employers will expand rather than reduce their current workforce, some are planning to reduce their current workforce due to increased technological integration or automation within businesses.

From a close examination of the types of jobs being gained and lost due to automation, a very clear trend emerges: low-skilled jobs (such as factory workers, bank tellers and construction labourers) are being lost, while high-skilled jobs (such as data scientists, software and applications developers and fintech engineers) are being gained. Workers who lose their jobs due to automation therefore have no option but to retrain, upskill or risk not being able to find employment in the workforce of the future.

The WEF Report said the 4IR and Covid-19 pandemic are "twin forces" that have resulted in a remote and hybrid workforce due to the increase in remote working and e-commerce. Workers can now be classified into three categories:

Essential workers eg delivery personnel, domestic workers, health workers and farm workers		Remote workers Workers who can work remotely		Displaced workers Workers who have been displaced due to the Covid-19 pandemic Workers that fall within this category are from various sectors including hospitality, retail, travel and tourism
--	--	--	--	---

The WEF report highlights the top 20 job roles in increasing and decreasing demand. These include the following:

Increasing demand	Decreasing demand
<ul style="list-style-type: none"> • Big data specialists • Business development professionals • Robotics engineers • Information security analysts • Project managers 	<ul style="list-style-type: none"> • Administrative secretaries • Assembly and factory workers • Financial analysts • Bank tellers and related clerks • Construction labourers

South Africa's country profile - WEF Report

Part 2 of the WEF's Report includes a country profile for South Africa. Some of the more interesting aspects of this profile are:

- South Africa has about 31 600 000 people of working age, fewer than 30% of whom have digital skills.
- Most of the employers surveyed on the impact of the Covid-19 pandemic are looking to adopt the following strategies: acceleration of automation of tasks, providing more opportunities for workers to work remotely, acceleration of digitalization of work processes, acceleration of ongoing organisational transformation (eg restructuring) and acceleration of the digitization of upskilling/reskilling workers (eg education technology).
- Jobs in high demand in South Africa include process automation specialists, big data specialists and business development professionals. Jobs in low demand include payroll clerks, data entry clerks and insurance underwriters.
- Skills in high demand in South Africa include analytical thinking and innovation, complex problem-solving, technology-use monitoring and control, emotional intelligence, persuasion and negotiation.
- Most of the employers surveyed indicated that they are rapidly integrating technology into their operations, with 82% stating that they are automating work. In addition, 64% of companies said that they were looking to implement strategic redundancies for workers who lack the required skills to fulfil the jobs of the future. At the same time, 73% of companies said that they would be willing to retrain their current workforce to meet new demands and work requirements. However, the retraining process is long (at least three months) and costly.

South Africa's Commission on the 4IR

This commission was established in 2018 and is overseen by the Department of Telecommunications and Postal Services and the President. It was established to tackle the challenges that will continue to arise as a result of the 4IR within the context of South Africa's economic and social landscape.

In March 2020, the government released a diagnostic report based on the findings of the Presidential Commission on the Fourth Industrial Revolution.

The commission has identified various key focus areas to revolutionise to meet the 4IR: energy, water, mining, manufacturing, agriculture, financial services and public administration.

A key strategy in embracing the 4IR is to ensure that South Africa's younger generation is prepared for the jobs of the future. The government is committed to retraining and upskilling workers. However, as highlighted by the WEF Report, South Africa is currently facing an uphill battle to keep up with the ever-changing demands of the working world.

The commission has identified five key pillars on which to focus to properly develop South Africa's 4IR strategy:

- technology, invention and innovation
- people and skills
- infrastructure, resources and natural environment
- economic growth and inclusivity
- stakeholder relations and governance.

Based on these five key pillars, the diagnostic report outlines various recommendations:

Establish a national institute for artificial intelligence		Establish a national data centre		Review, amend and/or update all legislation in line with developments in the fourth industrial revolution		Ensure competitive connectivity; incentivising the applications of fourth industrial revolution technologies
Prepare South Africa for the future of work		Establish a national cybersecurity institute				Adopt a major theme around policy of data by the national research foundation

The impact of automation on the workplace in South Africa could be a double-edged sword for the economy.

It will almost certainly destroy many low-skilled jobs (which are already in short supply). However, at the same time, it presents an opportunity to retrain and upskill low-skilled workers to ensure that they remain employed. Automation will also create new industries and jobs. In the medium to long term, this could bridge the gap between the high-skilled and low-skilled unemployment rates and create a healthier, more dynamic South African labour market.

Key Contacts



Kirsten Eiser

Partner

+27115305583

Email this contact



Shane Johnson

Professional Support Lawyer

+27115305920

Email this contact



Ilyaa Mayet

Associate

+27115305332

Email this contact



Jason Fleischer

Candidate Attorney

+27115305709

Email this contact

Accolades



IFLR1000 2020



Legal 500 2020



Chambers Global 2020



African Legal Awards 2019



International Tax Review 2019



**LEGAL DEALMAKERS
OF THE DECADE**
(M&A -by Deal Value)
DealMakers Annual Awards 2019



More from Webber Wentzel

▶ Click to see more

🎧 Click to hear more

Subscribe

Disclaimer

These materials are provided for general information purposes only and do not constitute legal or other professional advice. While every effort is made to update the information regularly and to offer the most current, correct and accurate information, we accept no liability or responsibility whatsoever if any information is, for whatever reason, incorrect, inaccurate or dated. We accept no responsibility for any loss or damage, whether direct, indirect or consequential, which may arise from access to or reliance on the information contained herein.

© Copyright Webber Wentzel 2020. All Rights reserved.