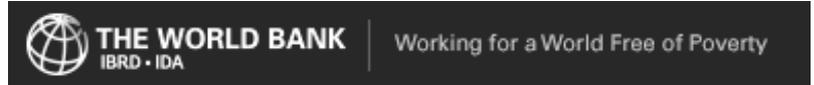


# Connecting to Work: How ICTs Are Expanding Job Opportunities Worldwide



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## STORY HIGHLIGHTS

- Information and communication technologies (ICTs) are transforming the world of work, creating new job opportunities and making labor markets more innovative, inclusive, and global.
- Three trends are driving this shift: greater connectivity, the ability to telecommute and outsource work, and globalization of skills.
- A new paper looks at ways policymakers can maximize the positive impact of ICTs on employment.

When Gopal Maharjan, a young engineering graduate in Nepal, started looking for a job in Kathmandu he did not get a great response. Then he heard about online jobs with CloudFactory, a “microwork” platform. He and some friends formed a group and applied online. They were accepted and given part-time jobs doing work such as digitizing old, hand-written data, tracking supermarket receipts, or even medical transcription. The group meets regularly with CloudFactory staff to share questions about their work and learn.

“Economically, this job is a lot of help,” says Gopal. “Now I don’t have to feel odd in front of my friends who are working, as I have a source of income as well. My family is also very supportive of the job, as they feel that I am being productive and not wasting my time.”

Across the globe, information and communication technologies (ICTs) are transforming the world of work, creating new job opportunities and making labor markets more innovative, inclusive, and global.

According to a new World Bank policy note, “[Connecting to Work: How Information and Communication Technologies Could Help Expand Employment Opportunities](#),” three trends are driving the increase in ICT-related jobs worldwide:

- **Greater connectivity** – more than 120 countries now have over 80 percent market penetration of mobile telephones.
- **Digitization of more aspects of work** – today, telecommuting and outsourcing have become standard business practices globally.
- **More globalized skills** – India and the Philippines have become major outsourcing hubs thanks to their English language skills, and other countries are targeting the sector for future growth.

“ICTs are influencing employment both as an industry that creates jobs and as a tool that empowers workers to access new forms of work, in new and more flexible ways,” says Chris Vein, World Bank Chief Innovation Officer for Global ICT Development. “The emerging ICT-enabled employment opportunities matter because countries around the world are looking to create more good jobs, which have positive economic and social implications for workers and for society.”

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Chris Vein

Chief Innovation Officer for Global ICT Department, World Bank

ICTs are providing new avenues for job creation that could help tackle global unemployment. Take the mobile phone applications industry: A firm that provides a digital application to the Apple app store, for example, gains access to over 500 million app store account holders.

ICTs connect people to jobs. Online employment marketplaces are helping an estimated 12 million people worldwide find work by connecting them with employers globally. Babajob in India, Duma and M-Kazi in Kenya, and Souktel in the Middle East and North Africa are examples of job search services using internet-based and mobile tools. Such services are making labor markets more inclusive; for instance, Souktel targets low-income communities.

ICTs also enable new, more flexible forms of employment and work:

- **Online contracting** uses ICT to increase access to work opportunities worldwide, mainly for smaller employers. Popular services include oDesk and Elance. In 2012, about 2.5 million jobs were posted on these services, for tasks ranging from writing to customer service to software development.
- **Microwork platforms** like CloudFactory, MobileWorks or Samasource break down large business processes into smaller discrete tasks – such as data entry and verification, copy-writing, or graphic design – and distribute them to workers across geographic boundaries. Analysts suggest the market size is about US\$1 billion today and could grow to US\$5 billion by 2018.

ICTs create opportunities, but also pose new challenges for workers and employers. Many ICT-enabled jobs are temporary or contract-based, for example, leading to a separation of work from social safety nets such as health insurance or pensions. But, for young people especially, they offer a way into more formal careers, as well as providing a supplementary income.

“The potential gains from ICT-enabled work are not without risks and challenges, but the implications of ICT for work are inevitable and will benefit those students, workers, firms, and governments who prepare for them,” explains Siddhartha Raja, World Bank ICT Policy Specialist and lead author of the policy note.

To maximize the positive impact of ICTs on employment, the note recommends that policymakers pay attention to five enabling systems, adapting the mix as needed to the country context:

- **Human capital systems:** A labor pool with appropriate ICT skills, and the awareness and soft skills that give competitive advantage in the labor market.
  - **Infrastructure systems:** Ubiquitous connectivity to ICT; access to electricity and transport; infrastructure to support innovation and adoption of technology by SMEs.
  - **Social systems:** Networks of trust and recognition for workers and employers, social safety nets, and measures to minimize possible negative outcomes of ICT-enabled employment.
  - **Financial systems:** Efficient and accountable systems to ensure timely payments; and access to finance to support innovation and entrepreneurship.
  - **Regulatory systems:** An enabling environment that creates employment opportunities and increases labor market flexibility while protecting the rights of workers.
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