Background

A digital transformation is underway. As countries across the world embrace a rapid digitalization of economic activity and employment, it becomes crucial to ensure that the digital transformation can positively impact businesses of all sizes and benefit all workers with access to decent work opportunities. Digital technologies have spread rapidly enabling online access to digital payments, online learning, and the world of work.

More and more people are making a living in the digital economy. Demand for online remote positions, digital platform work and freelancing is growing rapidly. In 2022, the digital gig economy alone accounted for 12 percent of the global market. The labour pool for the digital economy is also enlarging, particularly in developing countries. Skills in demand range from entry-level positions and task-based work to specialized ones in several areas including tech, transport, art and design, health, and education.

People facing barriers to employment, such as limited work experience, mobility, care obligations and gender stereotypes, are also exploring ways to use digital technologies for working and earning an income. Emerging evidence shows that underserved groups - refugees among them - value this type of work for its potential for overcoming barriers to access regional and global markets, and the possibility of combining flexible working hours with other traditional jobs, particularly in locations with limited employment options.

Opportunities & challenges

New jobs in the digital and gig economy, however, also come with limitations and wide variation within and across countries on how work is organized and regulated. Online self-employment and platform work can operate under models reliant on temporary assignments performed by independent contractors and freelancers rather than dependant employees. Workers may have little job security, limited access to social protection and career progression, and lack benefits and the right to organize collectively.

Despite the opportunities for economic growth and productivity that digitalization offers, there are also disruptions that can lead to inequality. Small and medium-sized enterprises, which represent most enterprises in Africa and Middle Eastern countries, face barriers to taking advantage of digital innovation technologies. Business digitalization also impacts workers at different levels, in terms of skills, algorithm management practices, rights and working conditions. Issues of privacy and safety in the cyberspace are also central for policy response and regulation. All these factors are creating a need for governance and policy frameworks for fair distribution of the gains and opportunities the digital transformation brings.

Digital divides persists and one third of the world’s population remains offline. Many of the unconnected live in developing countries within urban impoverished locations, rural and remote areas, including in refugee hosting communities. Closing digital divides remains a challenge that needs to be addressed to avoid exacerbating inequalities in the digital economy.

A comprehensive solution to advance decent work

In a global context where recovery of employment is threatened by mutually reinforcing crises and additional challenges, such as conflicts and natural disasters, the digital economy holds potential for job creation if it is backed by the necessary policy and regulatory frameworks and incentives. Developing and planning a smooth transition into a more inclusive and productive digital economy and labour market requires a human-
centred response that focuses on increasing people’s capabilities and business’ productivity and strengthening the institutions of work in the digital space.

Driving a transformation that is inclusive needs integrated policy frameworks to leverage digital technology and skills in the world of work. Aligning digital transformation with social development objectives is critical for laying the foundation for a more inclusive and sustainable future.

Governments, in partnership with the social partners and all stakeholders, need to devise innovative solutions and evidence-based national strategies that make the digital economy work for all, particularly for those who are disadvantaged and marginalized or at risk of being left behind.

Building a conducive environment needs targeted investment and commitment towards inclusive and decent work in the digital economy across five interrelated areas:

- **Expanding** access to ICT infrastructure and broadband connectivity;
- **Building** the skills and talent to leverage digital and AI technology advancements;
- **Developing** critical financial and business services for e-commerce and online transactions;
- **Designing** responsive governance frameworks for decent work and social protection; and
- **Tackling** cybersecurity concerns and new digital risks.

A partnership approach that integrates the efforts of all global and local actors can generate the necessary drive for an inclusive and sustainable digital transformation.

**Objective**

This forum is a platform to exchange knowledge and experiences to advance decent work and inclusion in the digital economy. The focus is on:

- **Taking stock** of the opportunities and challenges to unlock decent work in the digital economy that global and national actors are facing, including those from PROSPECTS countries,
- **Sharing innovative solutions** and evidence-based responses to global and local challenges,
- **Creating partnerships** and synergy to address the digital divide and foster decent work in the digital economy, and
- **Discussing potential solutions** to advance decent work and support a productive and inclusive digital transformation.

**Participants**

The forum will consist of insightful dialogues among experts, government officials, social partners, practitioners, the private sector, researchers, international development actors working in favour of refugees and their host communities, such as donors, UN agencies, the implementing partners of the PROSPECTS programme, and other relevant stakeholders.

***