Terms of reference

Review of policies and practices in the financial sector that address the impact of digitalization and harness the potential of digital technologies to achieve decent work

1. Background and justification

The financial services sector is a key engine for the running of countries’ economies and the society. It can also support the reduction of inequalities, when aligned with the broader sustainable development agenda, and reduce gaps in access to finance. The sector provides considerable direct employment. It is also a key enabler of job creation across sectors through access to finance. The sector has proved to be an important vehicle to ensure business continuity and economic recovery during (and after) the COVID19 pandemic. At the same time, the sector is undergoing a fast-paced digitalization, which is transformative and disruptive.

The ILO technical meeting on the impact of digitalization in the finance sector, which took place 24-28 January 2022, recognized the potential that digital adoption has on boosting innovation and entrepreneurship, in supporting the just transition to a low-carbon economy and ensuring access to financial services especially for micro, small and medium-sized enterprises and low-income workers.¹

At the same time, the meeting underlined that digitalization resulted in the restructuring of the financial sector, with in some cases job losses in traditional occupations in the sector. It also highlighted how changing business models and processes are changing the jobs profiles and skills requirements in the sector; and are transforming the way in which work is organized within the sector – i.e., digitalization of work processes, automation, or use of remote work – with important implications on conditions of work, on occupational safety and health, as well as on work-life balance. Moreover, the

¹ See the Issues Paper on “Digitalization and the future of work in the financial services sector”, which has informed the meeting and that provides some background information and analysis that can be complemented by this proposed review.
meeting underlined the potential risks of digitalization of financial services if regulatory frameworks on data and consumer protection are not in place.

There is a need for the financial sector, the governments, workers’, and employers’ organizations to promote and adopt policies, programmes and practices that address the impact of digitalization in the sector and unleash the potential of digital technological innovations to foster sustainable enterprises and achieve decent work.

2. Objective and tasks

Objective

In line with the recommendations agreed during the meeting, this study will review good practices, initiatives and policies in the financial sector that have harnessed the potential of digital technologies while addressing and mitigating the risks of digitalization on the financial sector enterprises and their workers.

Tasks

The consultant(s) will:

a) Review existing literature, documentation, reports;
b) Organize, administer and manage a survey, including prepare a questionnaire and key informants’ interviews, among industry associations (banks, MFIs, insurance companies, SACCOs) and their members and workers’ organizations;
c) Identify 5 to 7 institutions to prepare case studies (including in-depth interviews with enterprises and focus group discussions with its workers) among banking and insurance institutions;
d) Conduct analysis of data and reports, including all the policies, agreements, joint programmes and plans collected;
e) Prepare case studies and organize the mapping;
f) Develop recommendations.

3. Deliverable

A report consisting of:

1. A systematic mapping of policies, initiatives and practices in the financial sector (ideally in different regions and levels of development, as well as legal status or typology, e.g., cooperatives, microfinance institutions, Fintechs, public/private banks);
2. An in-depth analysis of 5 to 7 cases studies, covering different areas (see below);

3. Policy recommendations for enterprises, trade unions and relevant government institutions highlighting key issues and possible future actions.

### 4. Methodology

The study will be a review of initiatives, policies and practices in the financial sector (at sectoral and enterprise level, based on a) secondary research, through literature review of existing cases and studies; b) primary research, through a survey conducted among enterprises in the sector (including a selection of different typologies of banking and insurance institutions and encompassing cooperative banks, fintechs, MFIs, private and public banks etc.,) in the five regions: Africa, Americas (with focus on Latin America); Arab States, Asia and the Pacific; Europe and Central Asia), as well as key informants’ interviews among social partners (employers and workers organizations in the sector) government institutions, selected ILO specialists, development partners and civil society where appropriate.

In particular, the methodology will cover the following components:

1. Desk research
2. Online survey
3. Virtual key informants' interviews with selected specialists of the ILO and selected representatives of Employers' and Workers' Organizations
4. Interviews with selected workers and enterprises in the financial sector, to inform the case studies.

Initiatives, policies and practices at sectoral and enterprise level\(^2\) will cover the following areas:

a) emerging OSH issues (e.g., initiatives/processes tackling increased stress, psychosocial risks);

b) skills development, investment in education and life-long learning (i.e., initiatives around re-skilling and up-skilling) or practices that have addressed the changing composition of occupations and tasks performed in the financial sector;

c) work–life balance or working time arrangements (including remote work and other new work arrangements);

d) cybersecurity, protection of personal data, such as that gathered in the context of ICT work, automation processes and algorithmic management;

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\(^2\) Survey will not identify and name specific enterprises, but just analyse data based on policies and practices identified.
e) programmes, processes or initiatives addressing inequalities in access and ability to use new technologies (linked to gender equality and non-discrimination issues);

f) strategies or policies that have used digitalization to increase efficiencies and different aspects of productivity, increased outreach of financial services to remote areas or unbanked segments;

g) strategies at enterprise or sectoral level that used digital technologies to facilitate access to financial services (digital payments, credit, savings, insurance etc) for MSMEs and individuals and

h) other digitalization initiatives promoting just transition to environmental and social sustainability within the sector and for other sectors.

The typology of initiatives will follow the following broad areas of analysis:

- Workplace or sectoral policies and codes of practice addressing one or more areas around digitalization in the financial sector elaborated above
- Social dialogue, including consultation and information exchange between and among the different actors, and collective bargaining agreements, in line with national law and practice
- International framework agreements, where relevant
- Joint programmes or strategies (between workers' representatives and employers' organizations)
- Individual or collective campaigns/initiatives by the social partners
- other initiatives (not categorized under the previous areas)

The regions and countries will be selected based on existing programmes and in partnership with employers’ organizations and workers’ organizations, other criteria include: a) prominence of the financial sector in a region or country; b) ongoing or current demand from the region or country; c) balance of developing and developed countries.

5. Timeline

The study will be undertaken between August 2022 and January 2023

<table>
<thead>
<tr>
<th>No.</th>
<th>Deliverables</th>
<th>Location and Action to be Undertaken</th>
<th>Duration (Approximate working days)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Desk research</td>
<td>Home-based</td>
<td>5 working days</td>
<td>Possible contacts with ILO, workers and employers’ organizations</td>
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<tr>
<td>Step</td>
<td>Task</td>
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<tr>
<td>2</td>
<td>Organization/preparation of survey</td>
<td>Home-based</td>
<td>5 working days</td>
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<tr>
<td>3</td>
<td>Administration of Survey</td>
<td>Home-based</td>
<td>7 working days</td>
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</tr>
<tr>
<td></td>
<td><strong>Time for enterprises and workers' organizations to fill the survey</strong></td>
<td>60 working days</td>
<td></td>
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<tr>
<td>4</td>
<td>Analysis of survey findings and draft report</td>
<td>Home-based</td>
<td>6 working days</td>
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<td>5</td>
<td>Key informants' interviews and online discussions with ILO specialists</td>
<td>Home-based</td>
<td>10 working days</td>
<td>Depending on number of people to be interviewed</td>
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<tr>
<td>6</td>
<td>Case studies</td>
<td>Home-based</td>
<td>5 working days</td>
<td></td>
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<tr>
<td>7</td>
<td>Final draft and recommendations</td>
<td>Home-based</td>
<td>10 working days</td>
<td>This includes time for comments by ILO and relevant social partners (5 working days)</td>
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</table>

**Total** | **48 working days** | This does not include the 60 days for the reception of survey results

The expected duration of the assignment is 48 working days.