Impact of Digitalization and Artificial Intelligence on Employment in the Arab States

Terms of Reference for the "Supporting consultant"

Background and Justification

The Arab States are undergoing significant transformations driven by various megatrends, including the rapid advancement of digital technologies. Digitalization, characterized by the adoption of technologies such as the internet, mobile devices, artificial intelligence (AI), and cloud computing, is reshaping economies and societies across the world, and the Arab region is no exception. This shift presents both opportunities and challenges in the world of work.

Governments in the region are actively promoting digital transformation through national strategies and investments in digital infrastructure. However, the pace of digitalization, including of government services, and the use of artificial intelligence, vary widely across countries, with some, like the Gulf Cooperation Council (GCC) states, leading the way due to their substantial resources and strategic initiatives, while other non-GCC states find it a bit more challenging to keep up due to limited financial resources, infrastructural constraints, and varying levels of technological readiness.

The region's young and rapidly growing population is a critical factor in this transformation. With high rates of youth unemployment, digitalization offers a pathway to job creation and entrepreneurship. However, it also raises concerns about the digital divide and the risk of exacerbating existing inequalities if access to digital skills, technologies and infrastructures is not equitably distributed.

Furthermore, while digital technologies, including AI, have the potential to drive economic growth, increase productivity, and create new job opportunities in sectors such as fintech and e-commerce, there are significant concerns about job losses and disruptions in traditional industries in the Arab States. This has led to increased scrutiny of the impact of artificial intelligence on job quantity and quality, and the extent to which AI will result in automation (job losses) or augmentation (complementing human labour).[1]

Overall, digitalization in the Arab States presents a complex landscape that requires comprehensive analysis to understand its challenges and opportunities, including its impact on employment, skills, working conditions, and services. Understanding the implications of digitalization on the world of work

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[1] See for example recent ILO research on Generative AI and Jobs: A global analysis of potential effects on job quantity and quality | International Labour Organization (ilo.org)

will be critical for countries in the region as they strive to realize the benefits of digital technologies while mitigating potential risks.

In light of this, the ILO Regional Office for Arab States is commissioning a study to provide such an analysis. This study aims to offer insights and recommendations to help the region harness the benefits of digital transformation while addressing its challenges.

Objective

The ILO will recruit a mid-level consultant who will support a leading consultant to develop a comprehensive report on the impact of digitalization and artificial intelligence on the world of work in the Arab States. More specifically, the report will aim to:

- Analyze the current state and trends of digitalization in the region.
- Assess the effectiveness of current policies and programmes developed to support digital transformation.
- Evaluate the impact of digital technologies and artificial intelligence on employment and productivity.
- Examine the skills required for the digital economy and identify skills gaps.
- Review e-government efforts in the region and assess their effectiveness.
- Identify main challenges hindering an inclusive and human-centered digital transformation.
- Provide actionable policy recommendations for policymakers, representatives of workers and employers, and other relevant stakeholders to harness the benefits of digitalization while mitigating its challenges.

Description and methodology[2]

The proposed study will employ a mixed-methods approach, combining secondary research with primary data collection through focus group discussions and/ or key informant interviews. This will involve tripartite stakeholders in the region as well as other relevant target groups[3] essential for achieving the study's objectives.

a- Secondary research

The production of this report will require first and foremost in-depth secondary research review, drawing on accredited national and international sources. This will include examination of academic papers, government reports, plans and strategies to promote digitalization, as well as publications from international organizations such as the ILO, World Bank, and other United Nations organizations.

The review will cover a range of topics, including digitalization trends, AI advancements, e-government and digital services, skills for digital transition, and labour market and productivity impacts globally and within the Arab States, among others. Data from both international and national databases will be analyzed to better understand the status of digitalization in the region, highlighting the opportunities and challenges.

ILO's Digital Employment Diagnostic Guidelines can serve as a good resource for information on available data sources linked to the topic of digitalization.

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[2] This section describes the overall research activity, specifying the tasks led by both the lead and supporting consultants. A detailed description of the supporting consultant's role is provided later in these terms of reference.

[3] These include experts, such as academics working in this area, or representatives of the IT sector, in addition to businesses that have transitioned towards digitalization.

Through this phase, the lead consultant should be able to identify promising sectors, jobs and occupations most impacted by AI (both in terms of automation but also augmentation), AI impact on productivity and enterprises, skills gaps, policies and regulations related to digitalization and AI, along with other major trends observed in both sub-regions, in relation to both quantity and quality of jobs.

The supporting consultant's inputs will also contribute to this phase, with a primary focus on trends in technology and e-government in the region.

b- Focus Group Discussions and Key Informant Interviews

To complement the collection of secondary data and information, focus group discussions (FGDs) and key informant interviews (KIIs) will be conducted to gather insights from various stakeholder groups. These will include workers, employers, government representatives, academics with extensive knowledge on this topic, digital businesses, and other stakeholders in the IT sector. The main objectives of the FGDs and KIIS are to:

- Understand drivers, perceptions and experiences related to digitalization and AI and their impact on the labour market; and try to pinpoint good practices and lessons learnt.
- Identify challenges and opportunities associated with digital transformation.
- Discuss requirements for an inclusive digital transformation capable of creating decent and productive jobs including for the youth.

Participation in the FGDs and KIIs should cover all tripartite constituents in GCC and non-GCC states to ensure a comprehensive representation of perspectives across the region. The ILO will facilitate reaching out to these constituents and invite them to participate in brief online discussions (2 hours max) to inform the research activity. The supporting consultant will be responsible, with the support of the Lead consultant and the ILO, to identify other relevant stakeholders and experts to also consult. It is also the supporting consultant's responsibility to:

1. Design KIIs questionnaires and FGDs guides and materials both in English and Arabic, with the technical inputs and support of the Lead consultant and ILO's Labour Economist;
2. Conducting and facilitating FGDs and KIIs in Arabic (or English in the case of international experts), and recording the discussions;
3. Providing both a transcript and summary report with sufficient details and information to the Lead consultant, to feed into the analytical report.

c- Synthesis report

Based on the information collected and analysed through both phases of the research, a synthesis report will be developed by the Lead consultant, providing a detailed assessment of digitalization and AI in the Arab States region and their impact on the world of work, with clear good practices and lessons learnt identified and a set of policy recommendations that aim at promoting an inclusive and human-centred digital transformation.

Main topics to be covered by this study include, among others:
- Status of digitalization in the GCC and non-GCC States;
- Assessment of the policy and regulatory frameworks to support and regulate digitalization and AI in the region;
- Promising sectors for a digital transition and impact of AI on jobs (both in terms of quantity and quality);

- Skills gaps and needs;
- Vulnerable groups and the risk of leaving people behind;
- Status and effectiveness of e-government in the region;
- Conclusions and recommendations.

Supporting Consultant: Scope of responsibilities

The ILO seeks to recruit a mid-level consultant to support the lead consultant in carrying out a detailed assessment of the impact of digitalization and AI on the world of work in the Arab States region.

Both consultants will work under the direct supervision and with the direct technical inputs and support of the Labour Economist at the ILO Regional Office for Arab States in Beirut. More specifically, the supporting consultant is expected to support the lead consultant, through the following tasks/activities:

- Provide an overview of trends in technology and e-government in the region and assess their impact on the labour market.
- Develop FGD guides and KII questionnaires.
- Beyond ILO's tripartite constituents, identify key experts and stakeholders to include in the information collection phase.
- Undertake the FGD and KIIs in English or Arabic as needed.
- Summarize proceedings of the FGDs and KIIs in a detailed concise report and submit for inclusion in final analytical report.
- Provide inputs to the draft and final reports, as requested by the Lead consultant, including country examples and good practices to highlight, and discuss conclusions and recommendations.

Deliverables, timeline and payment

The duration needed to complete this study will be around 4 months, starting on the 10th of August 2024.

This consultancy should be performed within 25 working days, with the following deliverables and deadlines:

Deliverables	Deadline
1- Overview of trends in technology and e-government in the region and their impact on the labour market	10 September 2024
2- FGD guides and KII questionnaires along with list of stakeholders to be interviewed.	1 October 2024
2 Inputs to the first draft of the report	25 October 2024
3 Summary report of the FGDs and KIIs **N.B. Recordings of the discussions should also be provided to the ILO**	10 November 2024
5- Inputs and comments to the final draft of the report.	1 December 2024

While some or all of the FGDs and/or KIIs may be conducted in Arabic, all deliverables from the supporting consultant should be submitted to the ILO in English.

A first payment of 70% of the contract value will be made upon submission of deliverables 1, 2 and 3, with the remaining 30% being paid upon submission of deliverables 4 and 5, all to the ILO's satisfaction.

Requirements / qualifications

- Advanced degree in Economics, Social Sciences, or related fields.
- A minimum of 5 years of relevant professional experience in economic and econometric research and analysis.
- Solid knowledge of the employment and labour market situation in the Arab region.
- Excellent research, analytical and writing skills.
- Excellent communication and interpersonal skills
- Fluency in English and Arabic.

Application process

Applications should be submitted via email to jaafar@ilo.org. The email should include:
- Up-to-date CV.
- Approach to the research, and financial offer, i.e. daily rate in USD.
- List of references - (minimum 2).
- Previous sample work of similar nature.

The deadline for receiving applications is 1 August 2024 COB.