

The background of the slide is a solid blue color. A white outline of the province of Ontario is visible, spanning across the top and bottom edges of the slide.

Employment in the Age of Disruption: Implications for Policymakers

Sunil Johal @johalsunil

Mowat Centre
ONTARIO'S VOICE ON PUBLIC POLICY



Key Trends: Technological, Demographic

1. Digitization

Firms in the digital economy are characterized by a number of key features:

- Small physical infrastructure footprints
- Low costs of replication
- Rapid scalability
- Powerful network effects
- Low barriers to entry and constant development of new business models

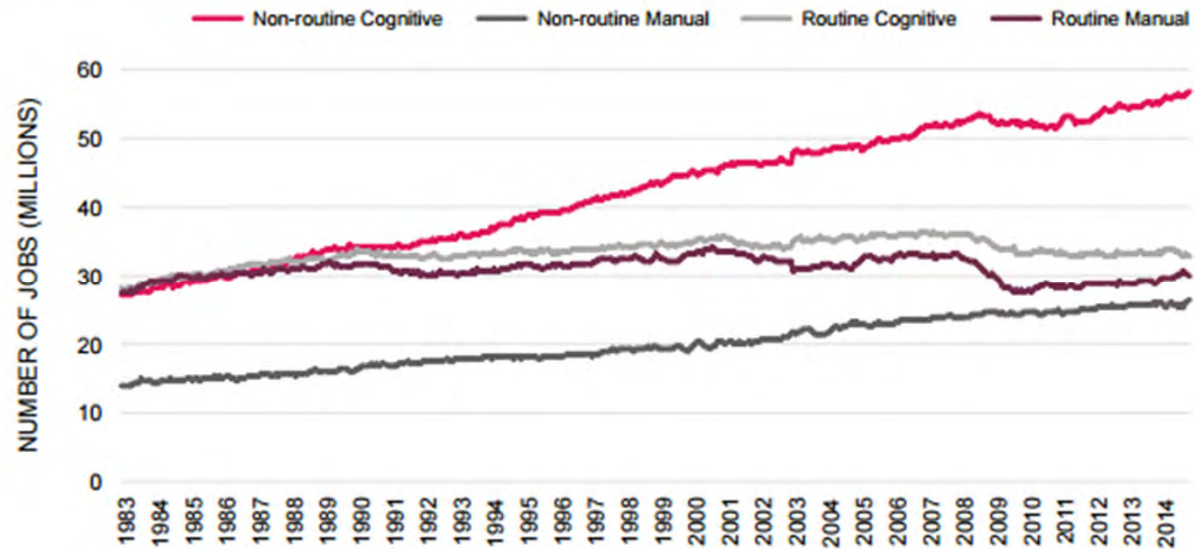
Light Footprint; Massive Scale

Fewer full-time employees, in part due to technological advancements that enable higher productivity.

- For example, AT&T was America's most valuable corporation in 1964, worth USD \$267 billion (adjusted) with 758,611 employees
- Today, technology giant Google is valued at USD \$370 billion with only 55,000 employees

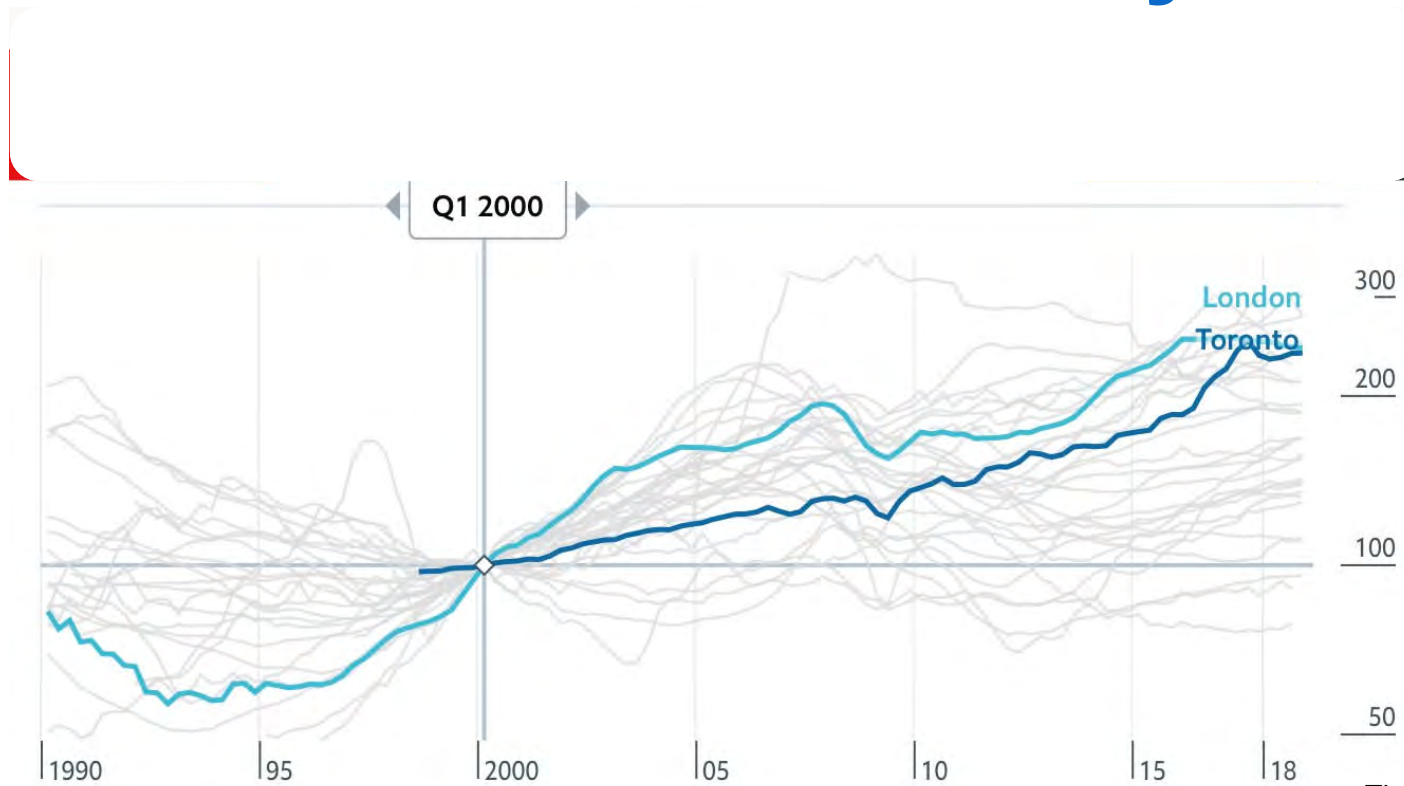
2. Automation of industry – routine vs non-routine tasks

US Job Growth: Routine vs. Non-routine, Cognitive vs. Manual



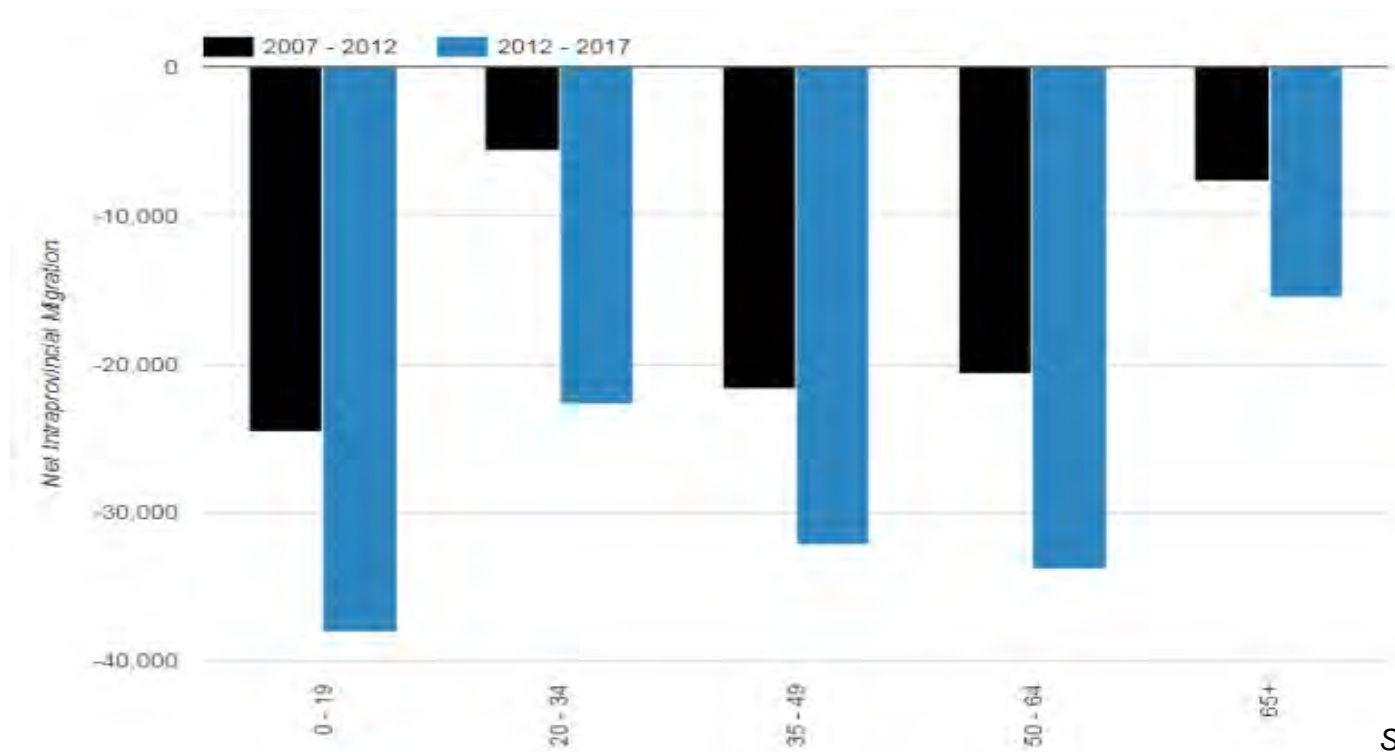
Source: Maximiliano Dvorkin (2016) "Jobs involving routine tasks aren't growing" Federal Reserve Bank of St. Louis

3. Who can afford to stay?



The Economist

4. Net migration loss





Implications of These Trends for Governments

What's the impact?

- Increased uncertainty
- Increased pace of change
- Constant disruption and volatility
- Significant pressure on existing regulatory/social and economic frameworks
- Increased need for quick, flexible, coordinated responses

Blurred Lines, Black and White Tools

Personal car or ride-sourcing vehicle?

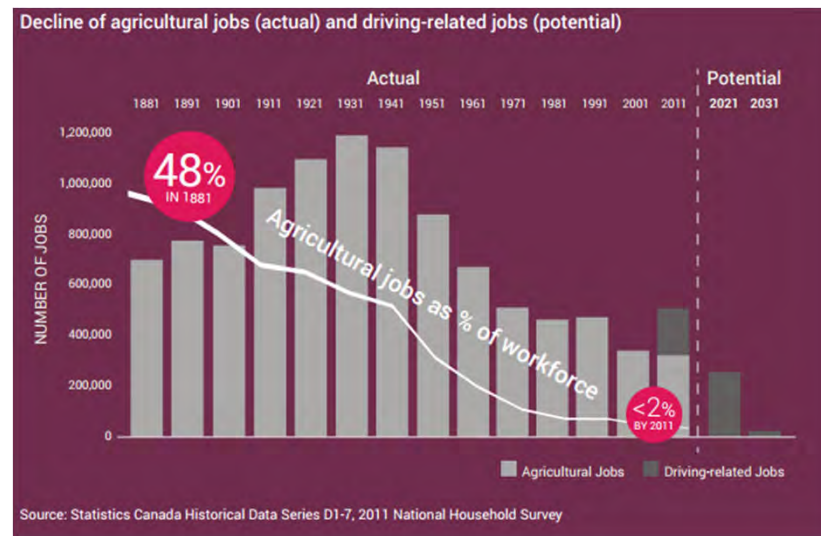
Home or home-share? Home or office?

Work or Personal Time?

The pace of disruption

Decline of agricultural jobs in Canada took 150 years (from 48% of workers to under 2%)

500,000 Canadians who drive for a living could be out of work within 10-15 years



Decline of agricultural jobs took 150 years



Decline of driving-related jobs might take 20 years



Potential Responses

Potential Responses

Consult end user

More flexible and proactive

Ongoing engagement and iteration

Future-proof

Off-ramps and Pilots

Thank you

sunil@mowatcentre.ca
@johalsunil