Covid-19-induced digitalization in the labour market: A systematic review

ABSTRACT

The recent COVID-19 pandemic crisis has led to the rapid digitalization which significantly causes changes the labour market structures. Although digitalization is often associated with higher productivity, however, the implications of automation may have some critical challenges to the labour market and future employment. This paper aims to explore the implications that pandemic-induced digitalization may have on the labour market. By employing the systematic literature review approach, this paper will gather the relevant past literature evidences to determine the consequences and economic benefits of the digital transformation that has been triggered by the COVID-19 crisis. The main findings from this review indicated that the pandemic crisis has likely resulted the acceleration of digitalization and changes the nature of work in many occupations. Next, the results of the review further pointed out the implications of digitalization in employment by causing job displacement, resulting youth unemployment, causes diminishing demand for low-skill workers, and increasing inequality. However, there are suggestion that there could be positive benefits from the digital transformation experienced. Hence, a future research is encourage to explore the public policy solutions that can be implemented to support an inclusive and efficient digital transformation.