













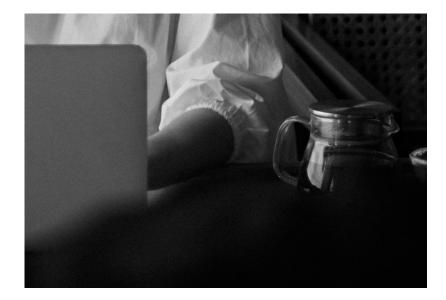


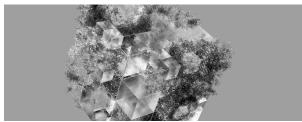


GENDER EQUALITY

IN THE GREEN AND TECHNOLOGICAL AGE











INTRODUCTION

The relationship between the green transition and technological progress is undeniable, yet it is complex and multifaceted. Both are shaping the future of work and both are closely linked to issues of gender equality. While these transformations promise significant innovation and growth, they also present challenges that demand careful attention.

Technologies offer the potential for new roles, but they also threaten significant job displacement. Similarly, the green transition demands new skills, so creating opportunities, whilst at the same time raising barriers for those who lack access to training.

Gender issues are deeply

connected to both the green transition and technological progress. Women, who are often overrepresented in the kind of roles most vulnerable to displacement, face unique challenges, while access to emerging opportunities often remains unequal.

When we consider these trends alongside shifting demographics, the problem becomes even more evident. Ageing populations and declining birth rates are reshaping labour markets, encouraging governments, businesses and societies to rethink their strategies. However, by taking decisive steps now, these challenges can be transformed into opportunities to build inclusive and equitable

labour markets.

In this joint publication by the World Employment Confederation and lus Laboris, we delve into how governments and businesses are responding to these shifts. The questions we address are these: Are employment laws keeping pace with the rapid changes? And are workplace practices and strategies adapting to ensure inclusivity and resilience?

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What does tech growth mean for gender equality?

Susanna Gevorgyan Senior Researcher, lus Laboris

Technological progress is advancing at an incredible pace, transforming the way we live, work and interact with one another. While this wave of innovation brings exciting opportunities, it also creates challenges, particularly in the labour market. One of the most pressing concerns is how these changes will impact gender equality. As we look

to the future, it's essential to consider how technological shifts might affect women's participation in the workforce and what can be done to address potential imbalances.

On the one hand, the rise of artificial intelligence and automation promises the creation of new jobs in emerging fields. On the

other, these technologies are likely to displace a range of existing roles, many of which are currently dominated by women.

According to the World Economic Forum's Future of Jobs Report¹, almost a quarter of today's jobs will experience significant change. Positions such as bank tellers, postal clerks, cashiers, data entry

"The challenges posed by technological advancement and demographic shifts are significant but not unsolvable. With careful planning and targeted action, we can create a future labour market that is both inclusive and dynamic."



clerks, and administrative secretaries are expected to see the steepest declines, with a net reduction of over 25% by 2027. Women, who are overrepresented in these roles, are particularly vulnerable to job displacement if steps are not taken to address this trend.

At the same time, significant job growth is expected in areas such as artificial intelligence, data analysis, robotics, digital marketing and blockchain. These fields are predicted to grow by more than 25% in the coming years. However, there is a clear challenge: many of these roles are

tech-driven, and currently, only 26.7% of jobs in technology are held by women. Without targeted efforts to close this gap, the future labour market could deepen existing inequalities, leaving women underrepresented in the most dynamic and well-paying sectors.

The risk posed by automation isn't evenly distributed across countries². In some countries, the percentage of jobs at risk of automation is significantly higher than in others. For example, countries such as Hungary,

Slovakia, Poland and Italy see over 30% of their total employment at high risk of automation. These figures paint a worrying picture, especially in regions where women already face barriers to entering emerging industries. The unequal impact of automation highlights the importance of crafting solutions tailored to local contexts to ensure that no group is left behind in the transition.

As if the challenges of technological disruption weren't enough, demographic changes are adding further pressure to

Risk of automation

% of total employment of jobs at highest risk of automation, 2019

| Hungary | | 36.4% |
|-----------------|-------|-------|
| Slovak Republic | | 35.7% |
| Czechia | | 35.2% |
| Poland | 33.5% | 6 |
| Lithuania | 31% | |
| Slovenia | 31% | |
| Latvia | 30.5% | |
| Portugal | 30.1% | |
| Italy | 30.1% | |
| Estonia | 29.8% | |
| Germany | 28.7% | |

Source: OECD Future of work

the labour market.

The global population is ageing rapidly, with the number of people aged 65 and over expected to more than double by 2050, reaching 1.6 billion. The increase in the population aged 80 and above is even more striking, growing from 155 million in 2021 to 459 million by the middle of the century. At the same time, birth rates are falling. In the 1960s, the global average was around five children per woman. By 2021, it had dropped to 2.3, and it's expected to decline further to 2.1 by 2050, just enough to replace the population

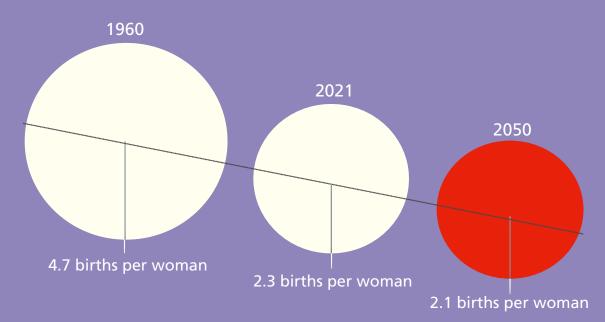
without migration.3

This demographic shift presents a significant challenge for countries where the working-age population is shrinking while the elderly population is growing. The old-age dependency ratio, which measures the number of elderly people relative to the working-age population, is a stark indicator of this trend.4 For example, in 2023, Japan had the highest dependency ratio, with 54.5 people aged 65 and over for every 100 working-age individuals. Other countries like Germany, Italy and Greece also face high ratios, and by

2050, these numbers are expected to rise significantly. In some cases, such as Japan, the ratio could climb to over 80%, while countries like Spain, Korea and Portugal are expected to exceed 70%.

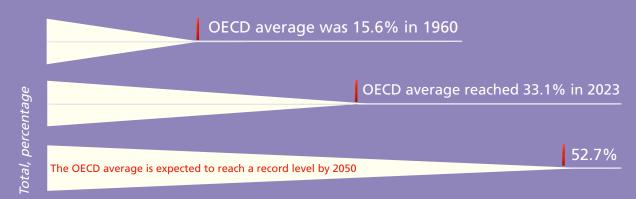
What makes this particularly alarming is the overlap between automation risks and demographic pressures. Italy, for instance, is projected to see over 30% of its jobs at risk of automation while also facing an old-age dependency ratio of over 70% by 2050. Germany finds itself in a similar position. These combined forces will create unprecedented pressure





Source: UN World Population Prospects 2022

Old-age dependency ratio



Source: OECD Data

on labour markets and economic systems, making it critical for businesses and governments to act now to prepare for what lies ahead.

In light of these challenges, it is clear that women's participation in the workforce cannot be allowed to decline. Ensuring that women remain active in the labour market is not just about fairness; it is an economic imperative. One of the ways to do this is through upskilling and reskilling programmes. By providing women with training in areas like digital literacy, coding, data analysis and other

in-demand tech skills, businesses can equip them to succeed in the jobs of the future. Such initiatives will not only help close the gender gap in technology but also ensure that businesses have access to a diverse and skilled workforce.

The challenges posed by technological advancement and demographic shifts are significant but not unsolvable. With careful planning and targeted action, we can create a future labour market that is both inclusive and dynamic. In a recent conversation with Jessica Jacobi, a

partner from our German law firm, we explored whether employment laws, practices, and strategies in Germany are adapting to the challenges posed by these rapid changes.

Germany's experience

In conversation with Jessica Jacobi.

Do existing employment laws take into account gender disparity in the context of technological change?

No, there is no specific German law that addresses how gender might be impacted by technological advancement. The way in which German law tackles gender disparities is by means of various pieces of general legislation, which I will describe. I completely agree with your observation that women are likely to be disproportionately impacted by technological progress. But this issue is not being addressed by legislation. As you may know, our current German government coalition has failed, following ongoing disputes amongst the coalition parties, so many legislation projects have been shelved, even those with mandatory implementation deadlines.

Germany has many legal provisions promoting

gender equality in the workplace. The "Allgemeines Gleichbehandlungsgesetz" (AGG) was passed to implement four EU directives (2000/43/EC, 2000/78/EC, 2002/73/EC, 2004/113/EC) in 2006. It is a general piece of legislation dealing with discrimination and it includes gender-based discrimination. In the employment context, it can be the legal basis for claims regarding equal treatment. The current German version of the German Equal Pay Act was passed in August 2022. It will need to be amended by the German legislator by 7 June 2026 to implement the requirements set by the EU Pay Transparency Directive (2023/970/EU).

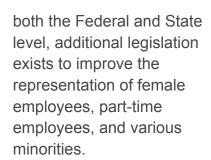
Other pieces of legislation seek to implement gender quotas on boards, both executive and non-executive, by setting a minimum quota of 30% of the underrepresented sex. For public employers at





Jessica JacobiPartner, lus Laboris Germany

"There are various layers of legal protection against being displaced from the workplace under German law. However, so far, none specifically aims at protecting an overrepresented group of employees from the risk of being displaced by automation."



One general remark: some professions that will be impacted by automation are typically female dominated, such as bank or insurance clerks, office assistant roles – along with call centres, which we are already seeing from our clients are being affected, as fixed term contracts typically held by women are not being extended. What is unfolding is undoubtedly a profound transformation

of the workplace, one that we are currently observing and will continue to monitor. However, the extent of its impact on gender equality remains uncertain. This will largely depend on how companies and regulators choose to respond in the coming months and years.

Are there protections for employees at risk of being displaced by automation?

There are various layers of legal protection against being displaced from the workplace under German law. However, so far, none specifically aims at protecting an overrepresented group



of employees from the risk of being displaced by automation.

There is individual legal protection against unfair dismissal in German law. applicable to employees with more than six months' seniority and in entities which employ more than 10 full-time employees. If the dismissal is considered invalid by a court, the outcome is reinstatement. In addition, legal protection is given to employees in companies where a works council has been elected, both on the individual level (but with no right to veto) and on the collective level (often requiring lengthy negotiations). Further, in companies with more

than 20 employees, mass dismissal notifications must be filed if the employer intends to dismiss more than a certain percentage of their staff (approximately 10%) within a certain time period.

Nevertheless, none of these provisions can effectively address the loss of workplaces resulting from digital transformation. While there are numerous regulations providing employee protections in the workplace, the employer also has a constitutional freedom to structure the company according to their best judgment. If the employer decides to dismiss certain employees and to continue performing

the same tasks with the assistance of robots or artificial intelligence, this is not prohibited. There is case law from German courts allowing the dismissal of all staff in exchange for outsourcing those tasks to freelancers.

Of course, the works council (which tends to exist in mid-size or larger entities) has a right to negotiate before outsourcing work to technical tools or AI, both because this is the implementation of a new technical tool that can be used for the surveillance of staff, and also because this is a major change to the way the business is organised (and possibly also a mass



dismissal, if those steps are taken at the same time). During negotiations, works council often ask that no redundancies should be made for a certain following the implementation of new digital tools or software.

However, ultimately, neither a labour court nor a works council can prevent digital transformation or the resultant loss of workplaces, both in general terms and regarding the female workforce.

How should employers ensure gender-balanced participation in upskilling programmes? Are there legal obligations?

A variety of upskilling options exist in German employment practice, but the majority of them – and indeed, all the ones I have seen - are gender neutral.

In an attempt to support their female employees, an increasing number of large employers are offering childcare and supportive services for those who are responsible for the care of family members. However, this tends to be an attempt to promote diversity in the workplace, rather than to make up for disadvantages following from technological

progress. It is within the law to implement specific programmes to upskill female staff who are impacted, either by disadvantages typically experienced by women, or by technical progress and automation. This is not in contravention of the principle of equal treatment because it is a positive measure intended to mitigate existing disadvantages in comparison to the male workforce.

In the context of larger layoffs, employers commonly set up entities for dismissed staff, in which they can remain in an employment relationship with the opportunity to upskill or reskill. This can work both to mitigate the consequences of the loss of workplaces for staff, and reskill or upskill the existing workforce in times of a general shortage of suitable staff on the labour market. However, these measures are not typically aimed specifically at female staff.

As I mentioned earlier, the public sector faces an enhanced obligation to recruit and promote female employees and other 'minorities.' So, for example, under the state of

Berlin legislation, in order to promote equality for female employees, managers are required to let female team members know about upskilling opportunities and upskilling measures must be reviewed in terms of how they can improve the position of women at the workplace. However, this only applies to public employers and is, again, not specifically aimed at the consequences of technological progress.

DON'T CALL ME SOFT!

Putting Human Skills at the Centre of a Green-Driven Digital Economy

Andrew King, Public Affairs Manager World Employment Confederation

The right skills are in short supply. Job postings are going unfilled as companies are coming up short in their talent searches. What may appear as a snapshot in time is part of a major shift in the world of work. Demographic shifts and the wants and needs of workers and businesses have collided with the twin transition.

The rapid evolution of the twin green and digital transition has governments, businesses, and workers bracing for the unknown, unsure of how the changes will transform the world of work. Add to that a significant retirement surge trailed by fewer younger workers entering the labour market has the status-quo of work facing unchartered territory.

These seismic shifts are taking place amid increasingly adverse effects of climate change, making the move to a green economy vital to the developing a sustainable future, both socially and economically.

Now is the moment to radically rethink how we live and work.

If one thing is clear, people do not deal well with change. And no socioeconomic shift at the scale which we are facing has occurred in a hundred years, or, as many would argue, ever. The move towards green-driven sectors and jobs is desperately needed to address climate change, and is well underway. The digitalisation of society, which has been building

slowly for decades, has reached a tipping point where many societies at large have digitised. Like a rollercoaster hitting the crest of its climb, the world is about to dive full speed into the next digital realm, led by Artificial Intelligence.

Even as countries and companies move to adapt, scores of workers are being left behind, outpaced by the speed of technology. The skills needed to fill the jobs in demand are in short supply. Couple that with a shrinking workforce, and the need for solutions is urgent in order to maintain productivity.

This is where the HR services industry can help navigate the transitions.
By identifying workers' skillsets and leading training



initiatives to skill and upskill, the industry is well-placed to address the impending challenges. However, enhancing skills is only one factor in efforts to future proof the labour market.

To fully capture the scope of the green economy and the skills required, we must begin referring to a sustainable economy that best captures the ways people are central to the evolving world of work. The

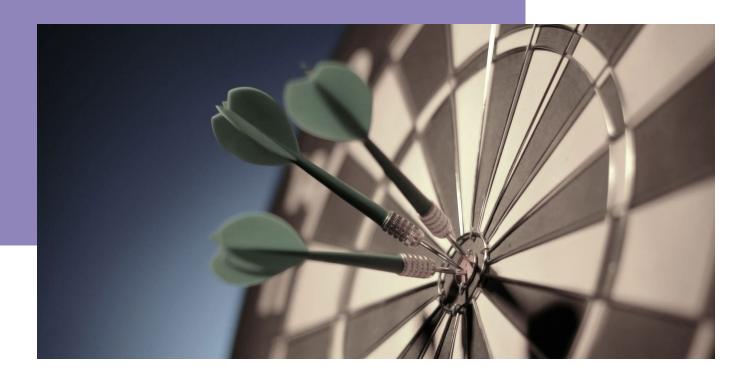
HR services industry, and business at large, must focus on the 3 Ps of sustainability: people, planet, and profit. Often called the triple bottom line, its people that are at the centre of the green economy, recognising the needs of the planet while profit is pursued without waste.⁵

We know that improving digital literacy is crucial to being able to fill the evolving jobs of today and those of tomorrow. But what receives

less attention are the skills needed to adapt to the massive scale of change. This is why the HR Services industry must narrow its focus to people and the human skills they offer.

Focusing on the Skills that Matter

Lifelong learning, skilling, and upskilling are central to successfully transitioning to a sustainable economy.



But skilling must meet the demands of the labour market, and those demands will only continue to evolve over time, which makes the commitment to ongoing training a long-term initiative.

As the economy continues to shift, the labour gap widens stemming from a shortage of people with the adequate skills needed for the jobs of today and tomorrow. Although skilling and upskilling remain key to helping workers make the transition to green and digital-driven jobs, the ability to assess skills has never been more important.

In its 2024 Employment and Education taskforce report, the B20 stressed the importance on training to boost skilling and upskilling to enhance digital and green skills. The recommendations, of which WEC played a key role in drafting, present a roadmap to how the skills gap can begin being filled. But the report also spotlights the need for what it calls "life skills", such as critical thinking and empathy – soft skills.

"Soft Skills" are often looked to as important, but secondary to hard technical skills. However, this approach is changing. With an increasingly digitised workplace and the immergence of artificial intelligence, those so-called "soft skills" have become central to desired skills.

Laying the foundation for a diverse, inclusive, and adaptable workforce begins at the earliest stages of education. Although no one can accurately predict the concrete skills needed in 10, 20, or 30 years, the essential people skills, or soft skills, range from empathy, adaptability, learnability, critical thinking, leadership, and teamwork, and are needed to respond to the everchanging world of work.

One of the central topics covered at the 2024 International Labour Conference was the care economy. Foreseen to continue rapidly growing in response to ageing populations, the care economy grew 49 percent between 2000-2029, more than 215 million people work in the care sector, and the vast majority of them women.

If there is any sector where 'soft skills' are central to the work, it is in care, and

most importantly for the HR services industry, it is the care economy, such as healthcare. This was featured at the 2024 International Labour Conference to address the enormous and growing shortage of workers in the sector, and the skills most in need are those very human, soft skills. Even though most jobs require fundamental skills, the ability to learn, adapt, and understand others are needed throughout the entire workforce.

"In the female-dominated care sector, human and social skills are essential. As the world progresses through the digital and green transitions, these skills must be recognised for their crucial role in meeting the evolving demands of these fields," says Jean Milligan, Director of Communication and Partnership with the International Organisation of Employers (IOE).

The IOE, an official partner of the World Employment Confederation, has also made the case for focusing on so-called 'soft skills'.. In its report on Reshaping Human and Social Skills for the Digital Era, the IOE stresses the importance of combining digital skills

with human and social skills to thrive in the modern workplace, what it outlines in its socio-digital skills. The paper makes clear that effective teamwork and productivity can only be achieved through a balance of digital and human skills, skills that include communication, leadership, innovation, and all important emotional intelligence.

So, in order for the HR

services industry to bridge the widening gap of labour and skill shortages, it needs to focus on the skills that don't directly corelate with degrees, official certifications, or even a bloated CV. The workers needed already exist, but finding them will take a renewed investment in skills assessment, and, importantly, recognise that "soft skills" are anything but.



How do companies ensure women are represented fairly?

In conversation with Ornella Patané



How does the legislative landscape across different countries support or hinder fair representation of women in the workplace?

The legislative landscape is varied and fragmented across different countries. Despite this variety, existing laws have a common theme when it comes to the workplace: supporting fair representation of women and fostering equal treatment between men and women.

For example, in Brazil a new law entered into force in 2023 imposing an obligation to report on salary equality. In New Zealand there is anti-discrimination legislation which requires equitable hiring policies as well as equitable employee development strategies and policies. In Kazakhstan, there is local legislation to support the representation of women.

In India, employers are increasingly adopting diversity and inclusion initiatives, particularly those employers who seek credit line facilities from multinational banks that are subject to compliance requirements. These requirements often include robust ESG (Environmental, Social, and Governance) obligations, ensuring that companies adhere to certain diversity



Ornella PatanéPartner, lus Laboris Italy

"More and more employers worldwide, operating in different industries and sectors, are spontaneously embracing the model of sustainability and compliance with ESG principles, even when they are not obliged to apply legal rules."

and inclusion standards.
Additionally, in India, it is a requirement that listed companies have at least one female director on their board, thus enhancing gender diversity at top of the organisation.

Turning to Europe, several European Directives have been adopted in favour of fair representation and treatment of women in the workplace. These include Directive 2022/2381 on reserved female quotas for boards of directors. Directive 2023/970 on pay transparency, and more generally Directive 2024/1385 regarding violence against women. The European Directive on corporate sustainability reporting (2022/2464) includes further specific

obligations on employers regarding the equal and fair treatment of women.

In addition to EU legislation, some European countries have adopted local legislation to support women in the workplace. This is the case, for example, in Spain, Italy and Germany.

In Spain, the adoption of equitable internal practices (e.g. selection of candidates of the under-represented sex for recruitment or promotion) has been prompted by existing local legislation as follows:

 An annual salary register, which is mandatory for all employers, regardless of their size. The register must include references to salaries actually paid

- during the previous oneyear period, in order to be able to monitor the company's pay gap. It is mandatory to give an explanation for gaps exceeding 25%.
- An obligation on employers with 50 or more employees to negotiate and implement equality plans, which must include measures to prevent discrimination between women and men in the workplace.

In Italy, both public and private employers with more than 50 employees must prepare a report every two years regarding the working conditions for male and female employees. They must also acknowledge any differences in treatment

both during the hiring process and throughout the employment relationship.

Further, a reform in 2022 introduced a gender equality certification. This is awarded to Italian employers that demonstrate they have policies and concrete measures in place to reduce the gender gap. These measures are based not only on pay, but also on:

- culture and strategy
- governance
- HR processes
- the inclusion of women and opportunities for internal promotion
- · equal pay by gender and
- protection for parents and work life balance.

The gender certification gives the employer certain benefits, such as:

- a partial exemption from social security contributions
- higher scores in public tenders or to receive public funds and
- positive reputational effects.

In Germany, several legislative changes have been made in an attempt to improve the representation of women in the workplace. The European Directives mentioned above, which in terms of employment law are the main driving forces for the improvement of workplace gender equality,

have been implemented or are in the process of being implemented in Germany. That said, in some cases progress is slow-moving, with particular delays to the implementation of EU Directive 2023/970 on Equal Pay, for example. Given that there will be elections in Germany in February 2025, progress on the implementation of this particular Directive is not expected until the mid-2025 at the earliest.

In some cases, Germany has already legislated in this area itself, beyond European requirements. A key example of this is with the first and second German Acts on Women in Management Positions





(Führungspositionengesetz, 'FüPoG I and II'), passed in May 2015 and August 2021, respectively. These regulations are aimed at increasing the quota of women in managerial positions both in the public and private sectors by requiring, for example, supervisory boards of larger corporations to fill a specified number of positions with women or to meet certain quotas. It should be noted however. that FüPoG I and II came into effect before the corresponding EU Directive 2022/2381 was passed in December 2022 (with implementation due by 28 December 2024), and so it remains to be seen if they are sufficient when taken with the requirements of the Directive.

Germany also passed separate legislation in 2021 which grants board members of German corporations a right to leave of absence for family reasons, maternity and/ or sickness. While the statute is drafted in a gender-neutral manner, it is expected that mainly women will benefit from it.

How do employers approach gender equality?

A survey conducted among lus Laboris firms shows that although in many countries there are laws in place to support the fair representation of women, more and more employers worldwide, operating in different industries and sectors, are spontaneously embracing a sustainable model, in

compliance with ESG principles, even when not legally obliged to do so. These ESG principles include the equal treatment of employees and fair representation of women. Further, employers feel the urgency to spread a sustainable culture among their workforce through training sessions addressed to all staff.

A primary reason why employers adopt policies and best practices in an effort to be more sustainable and to support women is related to reputational reasons in the market, as well as the need to stay competitive. Increasingly, non-sustainable companies are seen as uncompetitive and are excluded from of investment funds and bank loans. In addition,

sustainability allows companies to be more attractive in the market for talent and to retain their workforce.

Finally, according to the lus Laboris survey, in most countries, increasing female representation within organisations seems to be perceived by employers to be more of an organisational issue than a legal one, meaning that it is more deeply embedded in the culture than a mere legal requirement might be.

What successful practices have you observed for the fair representation of women in the workforce?

Our survey results show us that there is no one common approach to the issue of the fair representation of women among employers. The various initiatives adopted include:

- policies to grant men time off to take care of children so that women can go back to working immediately after childbirth
- more training for women during maternity leave
- hiring policies that require the same number of male and female candidates
- clear, transparent and gender-neutral opportunities for career progression and
- hotlines to report harassment and violence against women in the workplace.

Whether through legal obligations or the spontaneous adoption of best practice, employers worldwide have a common direction for the future: a more sustainable working environment for everyone.



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