



International
Labour
Organization

The Future of Work We Want: A global dialogue



Foreword

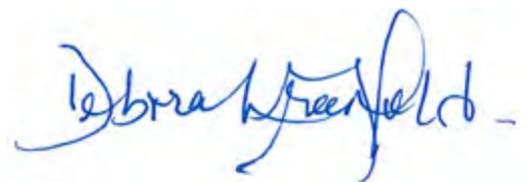
This report presents a short summary of the International Labour Organization's (ILO's) Global Dialogue on "The Future of Work We Want", which brought together leading economists, academics and representatives from governments and social partners (employers' and workers' organizations) to discuss the profound changes sweeping through the world of work. More than 700 people participated in the two-day event, which took place at the International Labour Office in Geneva on 6–7 April 2017. In addition, more than 2,000 people throughout the world followed the event and contributed via live video streaming and social media.

The Global Dialogue was part of the broader ILO Centenary Initiative to explore and examine the future of work in order to gain a better understanding of the drivers of the current unprecedented change, such as technological innovation, the changes in the organization of work and production, globalization, climate change, regulatory environment, demographic and migration shifts.

As part of the ILO Centenary Initiative, this two-day event marked an important step in deepening our understanding of the changes we are facing as well as highlighting the need to develop effective policy responses that can help shape the future of work to achieve the best possible outcome for our society. The event was structured around the Initiative's four "centenary conversations", namely work and society, decent jobs for all, the organization of work and production and the governance of work. A special session also discussed the perspectives and views of young people. By bringing together such a diverse group of people, almost all of whom are from outside the ILO, we heard thoughts and viewpoints that both challenge and complement our own ideas about the future of work.

This landmark event on the future of work concluded with a call on the global community to make social dialogue between governments and the social partners a key instrument for building a world of work in which no one is left behind. The need to transform our thinking into concrete outcomes and actions was also strongly emphasized, particularly in terms of addressing the urgent concerns of young people.

I would like to thank the Research Department for coordinating the event and for preparing this report. The event also benefited greatly from the strong collaboration of the ILO Policy Portfolio, the Director-General's Special Adviser on the Future of Work and the Future of Work Unit, the Department of Communication and the Official Meetings, Documentation and Relations Department.



Deborah Greenfield
Deputy Director-General for Policy

Setting the scene: What future is coming, what future do we want?

ILO Director-General Guy Ryder, in his opening remarks, emphasized that the future of work is an issue of overwhelming complexity, which is fundamental to the circumstances in which we live. As the one hundredth anniversary of the ILO approaches, the Centenary Initiative provides an occasion to think deeply about the demands of our present circumstances – the current economic and political situation and its attending social tensions – to chart a path forward. He highlighted the fact that a majority of ILO member States have engaged in tripartite dialogue at the national and/or regional level to analyse opportunities and address challenges associated with the future of work.

The discussions and recommendations of this Global Dialogue on the future of work will help to inform the high-level Global Commission on the Future of Work, which is being established by the ILO in the coming months. The Commission will prepare a report, which will feed into the discussions at the 2019 International Labour Conference.

The Director-General set the scene for the two-day event based on the four centenary conversations.¹ The first conversation, on work and society, raises a number of questions: What is the socializing function of work? How does the changing nature of work affect the coherence of our societies? How is work being diversified and undertaken in different settings and what are the economic consequences and the potential impact on our society?

The second conversation focused on the nature and creation of jobs. This related to projections about the quantity and quality of employment

to be created in the future around the world. Over the period until 2030, the priority was to consider how the international community could attain the commitment expressed in the UN's Sustainable Development Goals (SDGs) to create full employment and decent work for all by 2030, which is also at the heart of the ILO's mandate.

The third conversation, concerning the organization of work and production, dealt with the question of how work appears today to be more diversified and issues relating to the employer–employee relationship. The question is whether this relationship will be the defining organizing feature of work in the future or whether we are entering new territory, where work is no longer mediated through a labour relationship but rather through a commercialized relationship. The emergence of platform economies, the diversification of contractual forms and the increasingly complex nature of fragmented global supply chains all raise major questions about how these relationships will develop.

The fourth conversation dealt with the governance of work. The founders of the ILO were moved by considerations of humanity, social justice and the preservation of peace. These three principles should be kept firmly in view as we consider the future of work and how best to govern work in order to serve society. Finally, and more importantly, the Centenary Initiative is seeking to broadly canvass the views of key actors in the world of work. It is through human agency, and not simply through the forces of technology or globalization or any other external factors, that the future of work will be forged.

1. To follow the Global Dialogue on the Future of Work event, see <http://www.ilo.org/futurewewant>.



Keynote address and discussion

Lord Robert Skidelsky, from the University of Warwick in the United Kingdom, gave the keynote address opening the event on 6 April. His speech focused on two main questions: (i) How will the meaning of work and leisure evolve with technological changes?, and (ii) How will working time be affected by technological as well as other drivers? He began his speech by discussing the impacts of new technologies – automation and robotization – which are transforming the world of work. In this context, an important question raised was “Where does this fear that technological advance will mean fewer jobs stem from?”, given that technological progress over the past century has not led to technological unemployment but has, instead, led to more jobs and the creation of new and innovative products. The answer probably lies in the presumption that “this time is different”, as

several studies predict a bleak future for jobs resulting from new forms of automation.²

In fact, the emerging consensus is that there will be fewer jobs overall, and that the few jobs available will be of either high or low quality, with little in between. These gloomy forecasts are based on the premise that the digital revolution is far more intrusive in the world of work and that it creates competition between human and machine, not just in terms of physical work but also in cognitive work – an area previously considered to be the exclusive preserve of human beings, given their unique cognitive abilities.

He further argued that future developments in the world of work would be underpinned by the traditional trade-off between work and leisure, i.e. the extent to which people value work over leisure, but also by the degree of choice that

2. See, for instance, Erik Brynjolfsson and Andrew McAfee: *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies* (New York, W.W. Norton and Co., 2014).

they will be able to exercise in relation to that balance. From an economic standpoint, technological progress means that less work is needed to produce a unit of output. In this context, if wages rise, work becomes more profitable than leisure and people work more (substitution effect). Yet, as incomes rise, there is a higher consumption of leisure as people can afford the same level of consumption with less effort (income effect). Although the Keynesian hypothesis³ (i.e. that the income effect dominated the substitution effect, resulting in average hours of work declining from 60 to 40 hours per week) prevailed until the 1980s, since then the average number of working hours has remained more or less static. The question is why has the relative value of work and leisure not changed since the 1980s.

Lord Skidelsky argued that a number of reasons could potentially explain these developments. First, for most people, work is valued above pecuniary benefits, as a source of personal fulfilment, not simply to satisfy material needs but as fundamental to personal development and community participation. Second, the innate insatiability of human desire for material gain, fostered by the current economic structure through “relentless advertising”, also leads to longer working hours. Third, rather than workers having a choice in the matter, it is the employers who determine the allocation of hours, earnings and conditions of work. Hours of work, in this context, are not a measure of workers’ wants but a manifestation of the structural power dynamics inherent in the labour market. Unions and governments had power over these issues 40 years ago but that control has been eroded due to the dismantling of the trade unions, deregulation, financialization and globalization. Finally, stagnant or falling real wages have led median earners to increase their working hours in order to maintain or improve their level of consumption. He suggested that it is imperative to consider the growing income inequalities since the 2007/08 recession and their role in determining working hours.

Policy alternatives for a shorter working week in the future

It is impossible to know whether innovation and automation will lead to a shorter working week. If this were to happen, it would entail widespread structural changes. It is possible that, in the face of innovation and technical progress, hours of work could potentially fall. Keynes, in fact, envisaged a workless future, with all the work necessary for life being done by “mechanical slaves”. This surely would be a step too far for the human race as it is presently constituted, both psychologically and socially. However, if we assume that people will not have to work more than 15 hours a week and that full employment without loss of income will become a reality, then what policy alternatives exist that could, at least partially, help to address these issues?

One thing that is clear is that the optimal outcome will not be attained if matters are left entirely to the “market”. Neoclassical economics provides no basis for intervention in an individual’s choices between work and leisure. Their underlying assumption is that automation will further reduce the cost of production, yielding higher real incomes, and continued trade-off between income growth and leisure. As a result, there is no cause for the natural rate of unemployment to increase. However, this is a fictional picture as, in reality, most individuals are not free to choose an optimal work–leisure balance. Even given a scenario where innovation and automation will create sufficient replacement or complementary jobs, there will still be a problematic transitional period and it is important to consider how to manage such eventualities. So, to maintain full employment on the basis of shorter working hours a certain degree of market intervention is necessary and two possible alternatives present themselves.

Taxing robots and slowing the rate of adoption of new technologies

Taxing new technologies, for example introducing a tax on robots which replace human labour, could slow down the speed of automation.

3. See John Maynard Keynes: “Economic Possibilities for our Grandchildren”, in *Essays in Persuasion* (New York, W.W. Norton and Co., 1930).

A so-called robot tax also internalizes the social costs of displacement, but questions arise regarding the negative incentives this might create. A tax would increase costs, adding pressures on firms to increase their productivity, which in turn increases the incentives for firms to substitute human labour for more productive machines. There is also the risk that, as technology comes to replace more cognitive tasks, it will be increasingly difficult to identify discrete units of labour associated with automation – something which is relatively easy to do when the task is more manual in nature, e.g. robotized stock handling, or automatic checkouts. Without a clear distinction, if artificial intelligence is bundled together with other machinery, then this approach might end up taxing capital investment, which may not yield a positive outcome. The idea would be to slow down the speed of automation so as to give more time for the workforce to adapt to the new situation.

In a second step, a fund could be created from the revenue raised through this tax, which could potentially be used to support the training (or retraining) of those workers most affected by the transition. However, the tax on new technologies should remain solely for offsetting the costs of decelerating technological adoption. Alternatively, a fund could be created from general taxation to support the transition of workers.

Citizens' income or universal basic income

An alternative way to manage the transition would be to replace the lost income with a universal income, often referred to as “citizens' income” or “universal basic income”. This proposal is not intrinsically linked to the challenges presented by automation. It can be traced back to Locke's argument that everyone has a property right to their own labour, including the earnings of that labour, and also the choice of how much to work. While many might argue that this would devalue work, it would actually free people from the need to “earn a living”, giving them the choice – historically the preserve of a privileged minority – of how much to “work”.

Another, more recent version of the idea of citizens' income is to provide all citizens with a dividend generated by the growth of the economy.⁴ The main idea is that individuals are shareholders in the economy, with their labour constituting a “share” which is not adequately compensated by their wages. To make such a proposal feasible, consideration could be given to the establishment of National Investment Banks, capitalized by taxpayers through general taxation and mandated to make investments that yield both private and social rates of return, which could be partly reinvested and partly distributed as dividend payments. The need for such a public investment⁵ has been exacerbated in recent years with the “financialization” of the real economy and the short-term, rentseeking behaviour of investors.

Although there is some support for the idea of a universal basic income in the face of the uncertain number of jobs available in an increasingly digital economy, there are questions regarding its financing. Such a scheme could be financed by, for example, high marginal tax rates on income and inheritance, since the primary objective – in addition to smoothing the transition to a shorter working week – would be to democratize the distribution of wealth.

Lord Skidelsky concluded by saying that we cannot stop technological innovation but we can manage it collectively. Technology may be endogenous in our kind of societies, but we can collectively exercise control over its application. This requires international solutions to harmonize the process of adaptation to the future of work, and “we can't leave it to the market”, which in turn means that our society will require some sort of global governance to oversee the process. In this context, the role of governments and institutions of the world of work become much more relevant as we explore the way forward.

In the discussion of this session, Director-General Guy Ryder remarked that a move to embrace the notion of universal basic income could be taken to indicate that, to some extent, we are giving up on work, and that it was important to emphasize that there was no question of doing so.

4. See James Meade: *Agathotopia: The Economics of Partnership* (Aberdeen, Aberdeen University Press, 1989).

5. This was originally stated by Adam Smith in his 1776 classic *The Wealth of Nations*.



Work and society⁶

The panel in this first session focused on the changing role of work for individuals and societies and how the emergence of new forms of work, including the gig and platform economy, is eroding standard forms of employment. The panellists for this session included Isabelle Daugareilh (Centre National de la Recherche Scientifique), Thandike Mkandawire (London School of Economics), Imraan Valodia (University of the Witwatersrand), Marcel van der Linden (International Institute of Social History), Philip Jennings (UNI Global Union) and Peter Woolford (Clairmark Consulting Limited).

Changing role of work for individuals and societies

The concept of work has evolved over time, from a philosophical, sociological, historical and juridical perspective. Work has not always

been viewed in a positive light, as in ancient Greece, where it was associated with slavery, and freedom meant not having to work. Work became sacrosanct as a consequence of the Protestant Church's espousal of the "Protestant work ethic", based on the idea that work, and the associated effort, are central to the fulfilment of the individual and a means of integration into society.⁷ With industrialization, the concept of work gained more influence in society, and the notion of work, and attitudes towards it, changed over time. Sociologists in the 1990s predicted the "end of work"; however, since the 2000s, the trend has reverted to underlining the essential role of work for societies and individuals.⁸ The reasoning behind attributing such importance to work is based on extrinsic values – people want to work for the psychological stability, social integration, personal freedom and autonomy that it affords.

6. See http://www.ilo.org/global/topics/future-of-work/WCMS_541627/lang--en/index.htm for the online discussion.

7. See Max Weber: *The Protestant Ethic* (London, G. Allen and Unwin Ltd., 1990).

8. See Dominique Méda: "TRAVAIL – La fin du travail?", in Universalis éducation (online), *Encyclopaedia Universalis*, available at: <http://www.universalis-edu.com/encyclopedie/travail-la-fin-du-travail> [accessed 5 June 2017]; and Dominique Méda (with Patricia Vendramin): *Réinventer le travail* (Paris, PUF, 2013).

This Western idea of work is often epitomized by relatively secure jobs, high levels of income and social protections linked to employment. The “trade-off between work and leisure” is often considered to be a problem, but this is not the reality in developing and emerging countries. In these countries, the world of work is characterized by vulnerable and informal employment, excessively long hours of paid and unpaid work (disproportionally carried out by women) and rudimentary social protection. However, the concept of work remains ambiguous: people can die from work or at work, but also from trying to get work or from not having any work.

Globally, countries are at different levels of development and have different capacities as they embark into the “future”. Some countries are at the forefront of innovation and technology, while others are trying to catch up. Those who are at the cutting edge or close to it lead the discussion about the “future of work” but it is imperative to take the different levels of development into account. From the African perspective, catching up to the technological standards of the developed world will involve a high level of learning and will be cost intensive. It seems paradoxical that Western societies should start to question technology, when they have demonstrated in the past an aptitude for creating and controlling it successfully. The importance of the Western model remains undisputed, but labour from developing countries can no longer be extracted for Western purposes (consumption, servicing an ageing population, or dumping electronic waste), and the issue needs to be discussed within a global context.

The emergence, stabilization and erosion of the “standard employment relationship”

Wage labour, especially casual day labour, has existed throughout history. The standard employment relationship, which is a full-time, lifelong job for the male breadwinner, with a sufficient wage to feed a family, with rights and social protections, is the most advanced form of wage labour developed in the latter half of the twentieth century. However, such standard employment was only dominant in a small part of the world (namely Europe, North America, Japan and Australia).

Today, we are witnessing a return to pre-standard forms of employment. The great challenge is that “standard” employment today is no longer standard, but constitutes a more atypical relationship. As a consequence, paid labour comes in increasing varieties – from traditional employment, to dependent or independent self-employment and various forms of casual labour. The emergence of the digital economy, which is still only a marginal phenomenon, has a tendency to hasten the erosion of traditional employment relationships. Another consequence of this process is that the employer becomes “indirect/invisible” or “disappears” altogether, along with any possibility of a clear attribution of responsibility. “

Challenging the role of trade unions

The erosion of traditional employment also presents a challenge to the role of trade unions. The disappearance/invisibility of the employer further weakens the position of trade unions, which lose their counterpart. In the current debate on the future of work, trade unions are also criticized as a tool of the twentieth century, adapted to the traditional employment relationship and obsolete in terms of their ability to protect workers in the twenty-first century’s changing world of work, especially in the digital economy.

During the discussion, the point was made that trade unions have successfully fought for standardization of employment in the past, and believe that they can do it again today and in the future. They have already started to organize workers in global value chains, self-employed workers and those who work in the digital economy (e.g. the media industry), despite often facing a hostile environment. They still represent the most important voice of workers; weakening trade union power could have negative economic, social and political consequences for workers as well as for our society at large. In the context of rising global inequalities and new forms of work, it is important to have a democratic process of dialogue between workers and employers to mediate control of the gains of production. Democratization is equally important for trade unions, and, finally, cooperatives might provide a way forward in the process of democratizing production.

The North can learn from the South

The developing world has been dealing for a long time with problems that the developed world is now facing: high rates of informality, underemployment and limited tax revenues to fund social protection. The “flexibilization of labour” has often been presented to the developing world as a means to attract foreign investment. The developed world is now experiencing the negative social consequences of its own approach, and there may be lessons to be learned from the Global South.

Changes in the labour market are likely to increase inequalities in the foreseeable future and robotization will possibly accelerate the current trend, since the rate of return of capital will rise. Profits are financialized and not reinvested to produce more – so a surplus of money is generated by automation, which exists in the system but is not being utilized for production purposes. This could be fiscally controlled in order to address inequalities and boost production. Redistribution policies in Latin American countries, e.g. in Brazil, have succeeded in redistributing income from the capitalist class to workers.

Policy challenges for the future

There are various strategies that could be employed in reacting to the current and future transformations in the world of work. However, there are two areas that require urgent attention. First, the concept of work needs to be broadened to include unpaid work (especially, care work) so that the notion of work is not just limited to wage labour. Second, technology should be seen as a social production, and its negative aspects, such as employment reduction, can be controlled through a social agenda. Some Western societies have developed tools to introduce technological change gradually, allowing workers’ representatives and employers to negotiate the conditions and rights (e.g. the right to professional training/retraining). Furthermore, it is important to start a normative discourse that can guide institutions and develop ethical conventions for artificial intelligence and its broader application. For example, in France, the concept of an “ethical dialogue” with those who develop new technologies is currently being tested. Finally, it was suggested that the ILO could develop a standard on artificial intelligence.

Decent jobs for all⁹

The discussion on decent jobs for all focused on two key issues: in which sectors are new jobs being created; and whether innovation and technology is disrupting standard forms of employment and bringing in new non-standard forms of employment. The panellists for this session included Cai Fang (Chinese Academy of Social Sciences), Fu Xiaolan (Oxford University), Richard Freeman (Harvard University), Tatiana Olegovna Razumova (Lomonosov Moscow State University), Erica Manzi (Central Union of Workers of Rwanda) and Mthunzi Mdwaba (TZoro IBC and Business Unity South Africa).

The future of work: Structural changes await

The digital economy, innovation, artificial intelligence, robotization and 3D printing, among

other technological advances, will contribute to structural changes within industries and labour markets and, in turn, redefine the types of jobs carried out in our economies. There exists an element of fear, which is common in the face of any uncertainty, but these developments also provide an opportunity for the creation of more and better jobs. History has shown – through previous industrial revolutions – that after initial disruption, technological change has brought improvements in job quality, without necessarily precipitating a loss in the overall quantity of jobs. The current industrial revolution, led by the digital revolution, presents an opportunity to create more and better jobs. Although history may offer a favourable precedent, there are reasons to believe that this industrial revolution may be different. For one thing, the pace of change is faster, offering little time for pre-emptive

9. See http://www.ilo.org/global/topics/future-of-work/WCMS_541629/lang--en/index.htm for the online discussion.

action and timely reaction. For some, however, the most likely scenario is one in which the current inequalities are exacerbated, which merits consideration of changes to the distribution of productivity gains.

As some of the defining tasks of jobs are automated, certain jobs, such as those requiring repeated actions, will be lost. Routine, repetitive and physical jobs will disappear, as will these tasks within jobs. These include “blue-collar” jobs but also – and in contrast with previous disruptions – “white-collar” jobs. Work that is difficult to automate will gain more prominence for human labour, for example, complex tasks relying on high-level cognitive skills, soft skills and creativity. Certain industries might disappear as a result of specific technologies (e.g. 3D printing), wherein entire production chains may be reorganized and relocated, so that production takes place closer to consumers or resources.

The changes brought about by automation will increase the demand for certain types of jobs and skills. The occupational structure of our economies will change, too, according to the human’s advantage over machines. As machines penetrate all occupations, the future of work will be one in which workers function alongside machines or computers. Jobs in research, development and support for new technologies will remain and grow. Productivity gains will increase leisure hours and hence the demand for services in the recreation sector will rise. Jobs in the care economy will increase in the near future; however, a machine may eventually be able to carry out related tasks, albeit devoid of any emotional or social content.

The impact of innovation and technology on the world of work will vary considerably by country. Job quality will not necessarily increase as a result of technological change. Moreover, human labour can always compete if workers are willing to accept sufficiently low wages. This, in turn, highlights the challenge for developing economies and their ability to remain competitive in a global economy where productivity, innovation and competitiveness rely on high-level STEM (Science, Technology, Engineering and Mathematics) skills, which may be in short supply in those regions.

Technological change will bring about productivity gains and inequality

The future of work will be marked by greater inequality within and between countries. Productivity gains will be led by capital – owners of capital will reap the benefits of future productivity gains. The declining labour share of income already observed will continue and, if capital remains in the hands of a few social actors, inequality will increase exponentially. Market forces, as the mechanism for distributing wealth in society, may not ensure decent living conditions. Redistribution is warranted, with governments playing a key role in addressing rising inequality and the social conflict that it may incite.

Policy challenges to help curtail inequality and adjust to structural change

Technology has brought us to an inflection point. We are in transition, and consensual redistribution policies are vital for it to be a fair transition. Reducing inequality should be the primary objective of all future policy development. We should pause and reflect on the kind of future that we want to achieve for our society, and policy discussion should be guided by gathering new data and empirical analysis. Resulting policies should be rights-based, consensual and founded on global solidarity and global governance. Social justice and human welfare should be the guiding principles.

Several policy tools are available to redistribute productivity gains, all prompting a prominent role for governments and multilateral organizations. They include a guaranteed universal basic income, a “robot tax”, as discussed earlier, or profit-sharing governance within enterprises. Traditional policy tools and institutions, wage-setting mechanisms, collective bargaining, labour market regulation, social dialogue and social protection remain as relevant as ever. Profit-sharing or worker-ownership schemes could also be seen as effective measures for redistributing productivity gains. Profit-sharing schemes avoid pitting labour against capital and may work to both workers’ and employers’ advantage. These schemes are prevalent in some countries, like South Africa and France, and they provide an opportunity for trade unions to enhance their role in the discussion about the future of work.

Skills are key to ensuring that workers are on the right side of the technological divide

Technological change will disrupt the labour market, and it will change the types of jobs available and how they are carried out. The skills needed to carry out these tasks will change as well, highlighting the role for education providers and policy-makers. Given the pace of innovation and technological change, higher education has to be innovative. There is a greater need for liberal arts education versus occupation-oriented education. Incentives for workers to upskill and gain high-level skills may need to be devised, particularly in emerging economies. Specific incentives for those aged 40 to 50 may be required, as they are in the most difficult position when it comes to reskilling and adapting to new jobs. Universities and technical vocational institutions need to continuously adapt to the changing nature of jobs, building human capital that will allow future workers to remain relevant in the labour market and to be sufficiently flexible to adapt to the changing employment situation.

The specific jobs that will be created, and the benefits that a society will reap from the future of work, will depend on the availability of skills to meet the upcoming demand. Education providers need to keep pace, innovate and re-orient

their offer to provide students and workers with soft skills (e.g. social and communication skills, creativity and teamwork), entrepreneurial and managerial skills that are harder to automate and offer workers the flexibility to move between jobs. This also means providing students and workers with digital and IT skills, computer science and computer programming skills, as interactions with machines will be a common denominator across most, if not all, jobs.

Yet, there is debate as to what this means for education providers in terms of providing students with a wide or narrow set of skills. This could mean offering educational services which would orient students towards general education instead of occupation-based education, mitigating the risk to students of those occupations changing or even disappearing in the medium term. General education (e.g. liberal arts education) may equip students with the skills to be flexible and remain relevant in a changing labour market. However, there is also a need to build strong linkages between education providers, employers, unions and government institutions, to ensure that the skills provided are aligned to those demanded by employers. In this regard, vocational training systems and skills in STEM subjects might help to meet the future demand and offer better access to the loci of innovation.

How to shape the future of work for youth¹⁰

The Global Dialogue also featured a special session on how to shape the future of work for youth, with a particular focus on the transition from school to work. The panellists for this session included Clémentine Moyart (European Youth Forum), Ammin Youssouf (Afrobytes), Thiébaud Weber (Confédération Française Démocratique du Travail) and Salonie Hiriur (International Labour Organization).

There was a general consensus that youth are not a homogenous group, with significant differences in gender, levels of income, access to education, skill levels and location. Some youth are in a position to embrace globalization

and new technologies, while others are not yet able to take advantage of the increase in opportunities. It is also important to consider that younger generations may not have the same linear job expectations as prior generations. The norm today is to have several short-term jobs, including unpaid and volunteer work and internships, all with limited social protection.

Inclusive education to boost the employability of youth

In the context of addressing the future employability of youth and the reduction of an ever-increasing mismatch between supply of and

10. See http://www.ilo.org/global/topics/future-of-work/WCMS_541634/lang--en/index.htm for the online discussion.

**What is the most important criterion
for a young person entering the labour market?**

9%

**Reputable
employer**

12%

**Job fits their
experience**

56%

**Quality of work
experience**

23%

**Good salary
and benefits**

More than 50 per cent of those who participated in the interactive poll conducted during the session believed that the most important criterion for employment is the quality of the work experience. In addition to quality, their other concerns were paying back student debt, social protection, ease of access to the workplace, learning possibilities, etc.

demand for labour, inclusive education that includes a lifelong learning approach was identified as a good strategy. It could also address the issue of a much-needed adaptability to a fast-changing world of work where people will have to change jobs and accept employment on a short-term basis. In addition, soft skills such as communication and networking should be developed by all and should not be restricted to higher education.

Internship or other types of work-based learning could also help to improve the employability of youth and assist them in transitioning into the labour market. However, the issue of unpaid internships was raised as a concern that needs to be addressed, as it contradicts the principle of “equal pay for work of equal value”. Some young people might feel as if their contributions as interns were being viewed as less valuable.

Other alternative options included vocational training (including apprenticeships) to create better links in the transition to work. The quality of apprenticeships is very important and could forge a path into the labour market, guaranteeing a training experience rather than a normal job. However, it was also felt that there was still a certain stigma associated with vocational training, in comparison to a university degree.

Challenges for youth concerning the world of work

Policy-makers need to understand the challenges that young people face in the labour market, to capture their voices and amplify them. This must begin with the understanding that young people are the future drivers of our governments, economies and societies. Rising inequality remains one of the biggest issues, and there are fears that digitalization will further widen the gap, while youth continue to struggle to enter the labour market. The labour markets should be more inclusive and not discriminate on the basis of gender, sexual orientation, race, ethnicity or socio-economic class.

There is also a need to address the representation of youth in trade union movements, taking into consideration the new reality in the world of work, as an increasing number of youth are either in non-standard forms of employment or in informal work. The other concerns include: reforming the education system, which is currently not well-matched to the needs of the market, increasing the range of social protection systems to cover all, a growing population, international migration, climate change and the present political situation in the world. It is vital to protect the needs of young people, as this is a group that is especially relevant, since the future of work is theirs.



Organization of work and production¹¹

The issues of how rapid changes in the organization of work and production will impact existing models of employment, and whether and to what extent employee–employer relationships will continue to focus on protection, were areas of emphasis of the discussion in this session. The panellists for this session included Fabrizio Cafaggi (University of Trento), Florence Palpacuer (University of Montpellier), Youba Sokona (University College London), David Weil (United States Department of Labor), Catelene Passchier (European Trade Union Confederation) and Kris De Meester (Federation of Enterprises).

The organization of work has undergone radical changes over the past decades, which have led to a “fissured workplace”¹² and allowed companies to substantially reduce production costs.

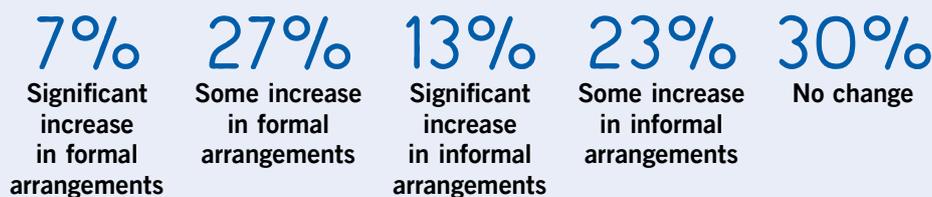
Outsourcing, franchising, subcontracting and third-party management are just some examples of this transformation of the production structure. Information and computer technologies (ICTs) have enabled this transformation of work.

An initial consequence of splitting off functions, such as tasks that were once managed internally, is that business enterprises exert control without bearing the responsibility for working conditions within their network of providers and suppliers in different locations. Large firms with recognized brands devolve responsibility for their workers to increasingly complex and fluid networks of suppliers and franchisees. This can trigger an ambiguous definition of responsibilities for safety, and lead to loopholes in coordination. A major challenge is how to reappropriate political power

11. See http://www.ilo.org/global/topics/future-of-work/WCMS_541635/lang--en/index.htm for the online discussion.

12. This term refers to the common practice of major businesses shifting some activities, which were formerly done inside the organization and are now deemed peripheral to the core business, to other parties.

How do you see the progress made in formalizing the informal economy?



In response to the interactive poll question: “How do you see the progress made in formalizing the informal economy?”, about 7 per cent of respondents felt that effective progress had been made to formalize the economy, while 27 per cent acknowledged some increase in formal arrangements and the remainder felt that not much progress had been made.

in order to be able to govern the organization of work and production once again.

A crucial issue to be addressed in this context, according to panellists, is realigning control and responsibility in global supply chains (GSCs). Regulatory frameworks and laws need to be revised to allow companies to keep the beneficial aspects of globalization and at the same time meet their obligations to workers. This could be done either by centralizing and realigning responsibility to business enterprises or by decentralizing control and responsibility, and bringing power down to the local level. Some attempts are being made to enhance the role of intermediaries, such as in Indonesia or Latin American countries, where governments are in the process of regulating these intermediaries, who act as links between multinationals and local firms and allow them to exercise control over local firms. Some other examples of similar measures may be found outside the GSCs (e.g. cooperatives), but these need to be supported politically as they entail difficult issues of implementation. Both options, centralization and decentralization, represent a huge challenge and require the backing of governments.

This strategy has to be adapted to the specific supply chain, as GSCs have different characteristics in different sectors and regions. For instance, in the agro-food or mining sector, the main issue is control over primary resources, while in the automotive or electronics industry the way in which control is exercised depends on the localization of resources, the ownership of resources

and the nature of competitiveness in the market. Therefore, there is no one strategy that fits all.

A second implication of shifting employment to third parties is that labour laws and social protection are set at the national level, and the terms and conditions of employment differ widely along the supply chains for workers in different economic structures, with different employment situations. There is a need to reflect on the possibility of creating new forms of responsibility, taking into account the different actors involved and their possible levels of control. The best alternative is to combine centralization/decentralization and private/public enforcement. In this respect, it was suggested that the ILO could play a pivotal role in ensuring the effectiveness of legal enforcement mechanisms.

Providing protection to the workers in global supply chains

Shifting employment to third parties can also result in a lack of protection for the workers (self-employed, independent, informal, etc.), and the question of how, then, to provide them with adequate social protection is a concern. There was a debate about whether concrete actions have been taken to formalize the economy, and an acknowledgement that, although some steps have been taken, much more needs to be done.

In this context, there was some debate with regard to the provision of social protection for these workers. Those in favour of the extension of social protection to self-employed and informal workers argued that these workers

face more precarious labour market conditions and greater risks in terms of occupation and safety. Moreover, excluding these workers would create incentives to hire people through such informal arrangements. Others argued that the self-employed voluntarily choose to be autonomous workers, and therefore should not lay claim to collective social security arrangements. However, two alternatives – not mutually exclusive – emerged for extending social protection to the self-employed: to expand social protection to include self-employed and informal workers; and to ensure that commercial contracts contain clauses requiring that certain protection standards are also applied to the self-employed. The discussion on non-standard forms of work, self-employed and informal workers also raised questions about the tripartite structure as a relevant model; the general view that emerged was that there is no need to alter it.

Challenges faced by trade unions

While there are still aspects of traditional employment forms present in the new forms of employment – for example, control and dependency dynamics between employer and employee have not disappeared – a number of new aspects in these relationships need to be considered. Trade unions need to rethink the traditional negotiation paradigm and develop new forms of collective bargaining, where negotiations occur between the union and a workplace rather than a specific employer or sector. To cope with the changes in a globalized labour market, it is necessary to adopt a concerted approach among unions. A joint trade union is deemed to have more bargaining power with multinationals and to be more capable of empowering the powerless. Moreover, greater efforts should be made to transfer part of the benefits of globalization from enterprises to workers. There have been instances in the past, as in the case of the Netherlands, where trade unions negotiated with employers for part-time contracts that included the precondition of equal treatment and equal access to the social security system, which was integrated into the arrangements. A number of important experiments are currently under way to integrate these changes into the system and several newly emerging organizations are attempting to devise efficient ways to effect this.

Addressing governance gaps

To regulate GSCs that transcend borders and multiple regulatory systems the issue is identifying an appropriate mechanism. Rules alone are not sufficient – it is essential to have enforcement measures in place. Within GSCs, some suppliers deliver to several companies at the same time, and putting pressure on such suppliers could have a greater impact on several brands with consequences for the whole system. Consumers also have an important role to play in promoting fair working conditions for all, including the self-employed. Consumer demand for “fair” products can put pressure on companies and pave the way for sustainable working structures. Joint efforts between different actors can also help in achieving better working conditions. For example, the Fair Wear Foundation, working together with brands, factories, trade unions and non-governmental organizations (NGOs), shows how coordination can be effective in promoting changes in labour conditions in the supply chain. Similarly, to guarantee that a product has been produced according to certain fairness standards, the multitude of national certifications could be replaced with one single international certification, one set of certification rules and one single institution in charge of inspection and certification.

Some expressed the view that the need for international framework agreements appears even more pressing in a world where capital is extremely mobile and moves across borders, while labour remains within the national boundaries. Some concrete steps have been taken to improve working conditions; however, there are still aspects of globalization that must be addressed in order to achieve decent working conditions for all. In this context, international organizations can play a crucial role by promoting internationally recognized standards and instruments to deal with globalization. The ILO’s instruments are relevant to achieving better working conditions in a globalized labour market, where new technologies will continue to transform the workplace. The ILO strives to ensure that all forms of work are decent and, in order to be fully effective, governments should ensure that ILO instruments are translated into their respective national laws and practice.



Governance of work¹³

The discussion on governance of work focused on two key issues: (i) How can society respond to the erosion of the established frameworks, norms and institutions in order to regulate work? and (ii) Do we need new or different governance structures to regulate work effectively? The panellists for this session included Jennifer Bair (University of Virginia), Richard Hyman (London School of Economics), Kamala Sankaran (University of Delhi), Roberto Pires (Instituto de Pesquisa Econômica Aplicada), Luc Cortebeek (Workers' Group of the ILO) and Roberto Suarez Santos (International Organisation of Employers).

Employment relationships in a changing world

It is important to establish, at the onset, that there is no predetermined future for the world of work and there are choices, some of which

may be more effective than others. In order to discuss the future, there is a need to reflect on employment relationships from a historical perspective, especially the ILO's Philadelphia Declaration of 1944, which states that "labour is not a commodity", and to consider the views of others. Karl Polanyi, in the same year, in his book *The Great Transformation*, argues that labour is a fictitious commodity and this premise helps to explain three phases of employment relationships. The first occurred during the nineteenth century, when in some countries there was an expansion of industrialization with commoditization of labour. The second took place during the twentieth century, when there was a shift towards the regulation of labour's commodity status in order to restrict the impact of market forces. The third is manifest in the current deregulation, in which labour is governed by market rules that become more and more influential.

13. See http://www.ilo.org/global/topics/future-of-work/WCMS_541636/lang--en/index.htm for the online discussion.

Should governments do more to regulate non-standard forms of employment?

82%
YES

10%
NO

8%
NOT SURE

An overwhelming 82 per cent responded that there is a need to regulate non-standard forms of employment, which would require effective national regulation. This is because the employment relationship will continue to be important in the future and it is necessary to address the rights of workers in all forms of employment.

In this context, the key challenge for the employment relationship is how to reduce the impact of marketization. There is a need to examine whether what we actually require is a system of new mechanisms or simply to rediscover old mechanisms to link work, consumption and social welfare. What will emerge if traditional employment relationships disappear? Although there is a move towards deregulation, there is potential for the revitalization of old instruments. For example, labour inspection has been reinventing itself to play a new role, as is the case in Latin America. This could be adapted to a form of “regulatory acupuncture”, which is a strategy to select critical areas where pressure can be applied, for instance in GSCs. At the same time, if labour is treated as a commodity, then, following Polanyi, society could see a “countermovement”, which could take a variety of forms. In this regard, we could analyse whether the current populist upsurge in the world might be a Polanyi type of response.

It should also be borne in mind that the world is diverse and change is never isolated. While informalization of labour can be an issue in some parts of the world, in others more than 50 per cent of workers are own-account and unpaid family workers, the majority of whom are among the ranks of the precariously employed. In the garment industry (e.g. in GSCs), workers are sometimes forced to become home-based workers, without any labour regulations to protect them. While they are statistically captured as own-account workers, their household members, who contribute to production as unpaid family workers, are neither accounted for nor protected. In developing countries, there is no erosion of

rights; on the contrary, in the absence of any regulatory system, there is a need to build the appropriate regulatory frameworks.

In order to ensure the protection of workers, there could be a move to establish state-funded regimes that go beyond the employment relationship and provide protection to all those who work. One possible solution is citizens’ income, as discussed earlier, but there are questions regarding whether it is economically affordable, socially just and politically feasible. Despite these reservations, it is important to recognize that this option offers one way of dealing with the commodification of labour and the reduction of market forces. The alternative is to have a rights-based regime, but inescapable questions arise about who would define the rights, and how they would be defined and interpreted. Some might be sceptical of this idea, since it could be considered to give too much power to judges, as was observed in the European Court of Justice. It should be acknowledged, notwithstanding, that it ought to be possible to include within the coverage of social protection those who are outside the employment relationship.

Innovative approaches for protecting informal and non-standard workers

The past decade has seen some progress towards evolving a rights-based approach to social protection. Indeed, there is no other way, apart from the formalization of the informal economy, even though it will be difficult. When non-standard forms of employment become the norm, it is imperative to reflect on the framework within which such employment will be governed. There

are some innovative initiatives on private governance, such as the recently adopted legislation in France, which obliges large employers to report on due diligence with respect to human rights in GSCs. Similarly, during Brazil's carnival, precarious/temporary workers on very short-term service contracts were provided with basic guarantees through the negotiation of a commercial contract, where a semi-legal approach was adopted, without formalizing the work. In addition, there is a need to reassess the limits of private governance, such as corporate social responsibility and corporate codes of conduct, and to see how it can complement rather than replace public governance.

However, it is important to acknowledge that the so-called standard employment relationship represents only 29 per cent of the working population. In addition, there are significant challenges involved in discussing informality, societal change, automation, the gig economy, and demographic and migration changes. Some of the new forms of employment, such as the sharing economy, also present challenges with respect to defining the employer, as work and services are provided across borders and are difficult to monitor and control. It is hard to foresee how the situation will evolve as there is currently insufficient comparative data to understand the new processes that are taking place.

The expectation that governments should do more does not mean that there should be an increase in regulatory bureaucracies but “regulatory acupuncture”. From a governance perspective, government actors, such as judges, labour inspectors and health and safety research institutes and inspectors, could act as a bridge to other actors in creating innovative solutions.

Social dialogue is key to shaping the future of work

Regulation should also be improved at the level of the workplace, where several contract statuses coexist and create stress among workers. There is also an erosion of labour relations in the workplace and a trend towards individualization, which harms the governance of the world of work. The question is whether, in current conditions, it is still conceivable to organize social dialogue, social peace and provide guarantees of

occupational safety and health as formerly, and how these institutions should evolve to meet the challenges of the new workplace.

The social partners agreed that it was essential that all changes should be carried out within the framework of social dialogue, and that the representativity of social partners should be considered. Representativity has to be broadened to incorporate transnational companies and unregulated or informal workers within the social dialogue. At the same time, it is essential to ensure that the employer is clearly defined and cannot vanish behind intermediaries. Unions need to adapt to the new challenges and cannot rely on what has been achieved so far. There could be other new forms of organizing, which would benefit both the workers and the employers, and where the dialogue is more democratized. Such initiatives are already under way – examples include the self-employed who organize around certain trades, or young people who use social media to voice their concerns and desires. The digital economy could be helpful in organizing and reaching out to workers, but it is equally important that the leading companies are engaged in a dialogue with the ILO. It is also crucial that European models of social dialogue are replicated in developing countries, taking the national contexts into consideration.

There is also a need to think more deeply about how to make societies more inclusive, and to look at employment in a broader context and make social dialogue more comprehensive. Frameworks must be developed that create a process to allow different actors to negotiate and take into account specific problems in different sectors. New methods for consultation are being developed by trade unions and there is evidence of an increased collaboration with civil society. For example, the Bangladesh Accord on Fire and Building Safety, aligned after the Rana Plaza tragedy, is a binding agreement that includes two global trade unions, more than 2,000 brands, including the largest clothing companies in the world, and Bangladeshi trade unions, among others. The agreement requires the brands to inspect and remediate hazards in occupational safety and health and it affects more than 2 million workers. In the United States, health care was traditionally linked to the employment relationship, so new forms of non-standard employment

What would be the most effective form of support that would strengthen social dialogue in the future?



In response to the interactive poll question: “What would be the most effective form of support that would strengthen social dialogue in the future?”, a sizeable proportion of respondents replied that the solution lay in innovative methods (38 per cent), followed by regulatory support (26 per cent) and support from civil society (25 per cent).

pose a challenge to the existing system. There is a need to change the former way of thinking and to give more consideration to social solidarity.

A shift from the relationship between the employer and the employee towards a stronger relationship between the citizen and the state would also help people in moving from the world of employment

to the world of work. It is important to rethink how to provide universal health care for all those in work, and not necessarily just for those in employment. However, we cannot ignore the fact that it could be difficult to dismantle institutions and make new ones, and we should be careful when deciding what to abolish and what to keep and/or reinvent.

Conclusions and the way forward

Summing up the event, ILO Director-General Guy Ryder said that the future of work must be inspired by considerations of humanity, social justice and peace. Despite the enormity and complexity of the issue, he said it is important to talk about the future of work, the future of our societies and the economic possibilities of our grandchildren. We need to develop a genuinely global perspective on the future of work, which addresses the needs and realities of all member States, and not let our discussions be skewed towards one particular region or another.

He emphasized that “this is a debate that has to make sense not only in Silicon Valley, but in the

Nile valley as well and we haven’t yet embraced that universality”. There has been talk about the paradigm change, about how to move towards a new way of thinking about how we deal with work, what could be the new institutions or new categories of work, and we now need to transform our thinking into results, into concrete outcomes. We need to address the concerns of that young unemployed Bosnian, wondering if there is a future of work for them. Finally, the Director-General remarked that social dialogue is the key to shaping the future of work, and that it needs to be strengthened and improved, to accord with the changing circumstances of the world.