

5 March 2021

Future of Work: *Getting the Right Balance*

by IOE Secretary-General Roberto Suarez Santos



A powerful
and balanced
voice for business



A powerful and balanced voice for business

1920

Established for nearly one hundred years...

150 +

We have more than 150 employer and business organisation members...

140 +

in more than 140 countries spanning the globe...

50 million +

We represent the interests of more than 50 million companies...

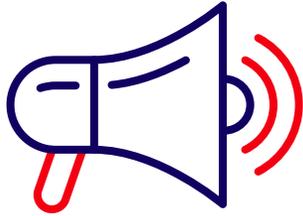
100s of millions

that employ hundreds of millions of workers...

1

We are one global employer community...

What we do – Expertise. Advocacy. Service.



- **Promote** and **defend** business interests at the United Nations, the International Labour Organization, G20, B20 and more

- Our vision is to **create a sustainable economic environment around the world**, promoting free enterprise that is fair and beneficial to both business and society

Expanding influence: engaging with a larger number of stakeholders. SDGs



Some of our partners



International
Labour
Organization



Society 5.0 for SDGs



European
Commission



EPIC

Equal Pay International Coalition

EQUAL PAY FOR WORK OF EQUAL VALUE



IOM • OIM



United Nations
Human Rights

OFFICE OF THE HIGH COMMISSIONER FOR HUMAN RIGHTS



ARGENTINA 2018
BUSINESS 20



Global Business Alliance
for 2030



G7 2018
CHARLEVOIX



FRANCE
BIARRITZ
2019



GENERAL ASSEMBLY



SOCIAL & HUMAN
CAPITAL
PROTOCOL

Social & Human
Capital Coalition



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



unicef



OECD



Global Forum on
MIGRATION & DEVELOPMENT



WORLD BANK GROUP

BUSINESSEUROPE



UN DESA



ALLIANCE



ISO



BAPA+40

UNITED NATIONS CONFERENCE
ON SOUTH-SOUTH COOPERATION

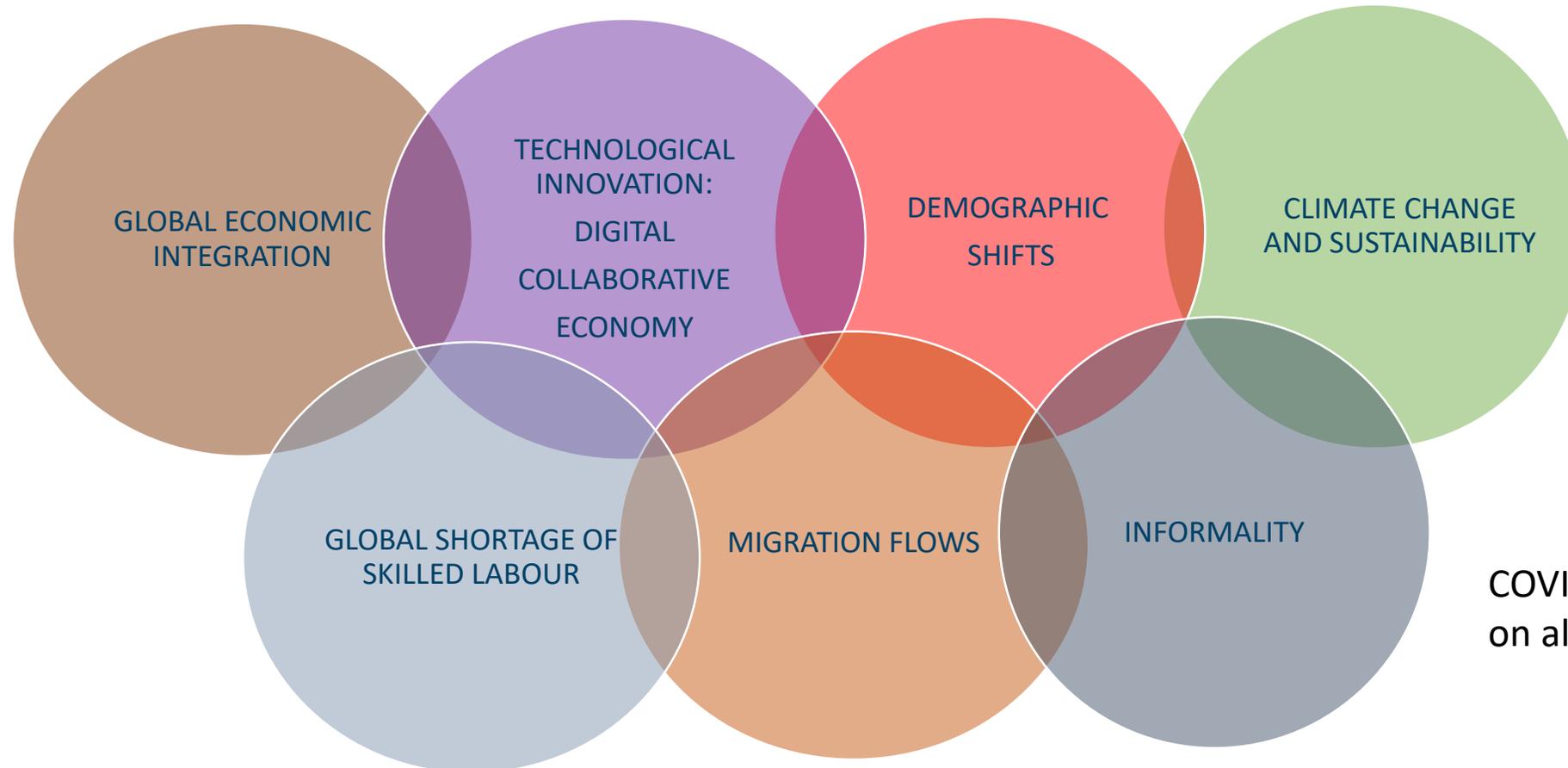


Trade with purpose



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New scenario? Speed of change



COVID-19 has impact on all these elements

Job losses/Job creation/transformation

Pre-COVID discussions around:

- More jobs/employment/tasks? More unemployment? (5.1 millions of job losses?)
- Wage stagnation/income inequalities increasing
- Skills polarization?
- Income convergence among countries?



With COVID:

- **According to ILO 7th Monitor (Jan 2021)** - 8.8% of global working hours were lost, equivalent to 255 million full-time jobs.

2020 OECD Employment Outlook

The number of hours worked has plummeted

Comparison of change in total hours worked during first 3 months of COVID-19 crisis with those of the 2008 crisis*



* Average of selected countries - Australia, Canada, Japan, Korea, Sweden, US.

Many people worked from home during the COVID-19 lockdown



2 out of 5 workers were able to work from home in April 2020 across the OECD.

* Average of selected countries for April 2020 - Australia, Austria, Canada, France, Germany, Italy, New Zealand, Poland, Sweden, the UK & the US.

Automatization

- Number of affected jobs high in developed economies (35% UK, 49% Japan, 47% USA). Not necessary low qualified jobs but routine jobs
- 9% of Jobs will disappear/transform radically in OECD countries
- Sectors: transport, administrative tasks, **services**
- Qualitative element : Speed of change -> **now accelerated by Pandemic**

“We’ve seen **two years’ worth of digital transformation in two months**. From remote teamwork and learning, to sales and customer service, to critical cloud infrastructure and security.”

- **Microsoft CEO Satya Nadella**



Future of Remote Work

- Only 18% of workers across the globe work in occupations and live in countries with infrastructure that would allow performing work from home (ILO 2020):
 - EU (37%)
 - U.S. (56%)
 - LATAM (23%)
 - Eastern Europe (18%)
 - Sub-Saharan Africa (6%)
 - South Asia (8%)
- 25%-30% of current teleworkers will continue doing so in a way or in another



Skills for the future

“STEM”: Engineering-mathematics-technology (14 of the 35)

Creativeness/innovation/social skills/strategic approaches/analytical thinking/ communication

Health sector and social services

Green economy and energy sector

Big data/ IT security/Robotics/nanotechnology/ 3D printing



Importance of human & social skills



Top 10 skills of 2025

- Type of skill
- Problem-solving
 - Self-management
 - Working with people
 - Technology use and development

-  Analytical thinking and innovation
-  Active learning and learning strategies
-  Complex problem-solving
-  Critical thinking and analysis
-  Creativity, originality and initiative
-  Leadership and social influence
-  Technology use, monitoring and control
-  Technology design and programming
-  Resilience, stress tolerance and flexibility
-  Reasoning, problem-solving and ideation

Source: Future of Jobs Report 2020, World Economic Forum.

(WEF)

New business models

- Right now, most successful business models are **digital**
- **Growing and dying fast**
- **Start ups growth** is increasing both in developing and developed countries
- Also **easily leading to large/huge digital emporiums/firms**: barriers to competition
- Digital and technology means now **higher access to new customers, most importantly, to global** markets
- Business models within platforms are evolving fast to meet the demand



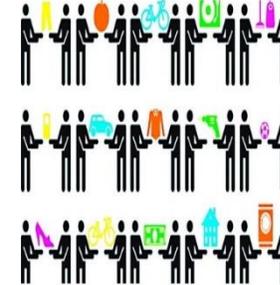
Platform Economy

- **SMEs benefit** from location-based platforms
- **Women** more likely than men perform professional services (e.g. legal services, translation, writing)
- ‘Complementing income’, ‘flexibility’ and ‘**better pay**’: main motivating factors
- Competitive programming platforms **improve skills and career opportunities**
- 1/3 of online web-based platform workers: platform work **main income source**
- In developing countries, **earnings in the app-based taxi and delivery sectors tend to be higher than in the traditional sectors**



Platform Economy

- New (small) companies which cross easily borders
- Difficult to control/Regulation?/do they increase informality?
- They create **big networks** and **new incomes**/new services
- Improve **quality** of services: better follow up of customer satisfaction
- Affecting a **wide and growing range** of services in very different ways: transport/restauration/hotel/cleaning/social aids/financial investment, etc
- But just **1% employment** in developed countries. **Data missing** on how they are evolving! (ILO WESO report big margin of error: 0.3-22%)
- **Turnover figures expanding** (Airbnb more than Hilton in 2016)



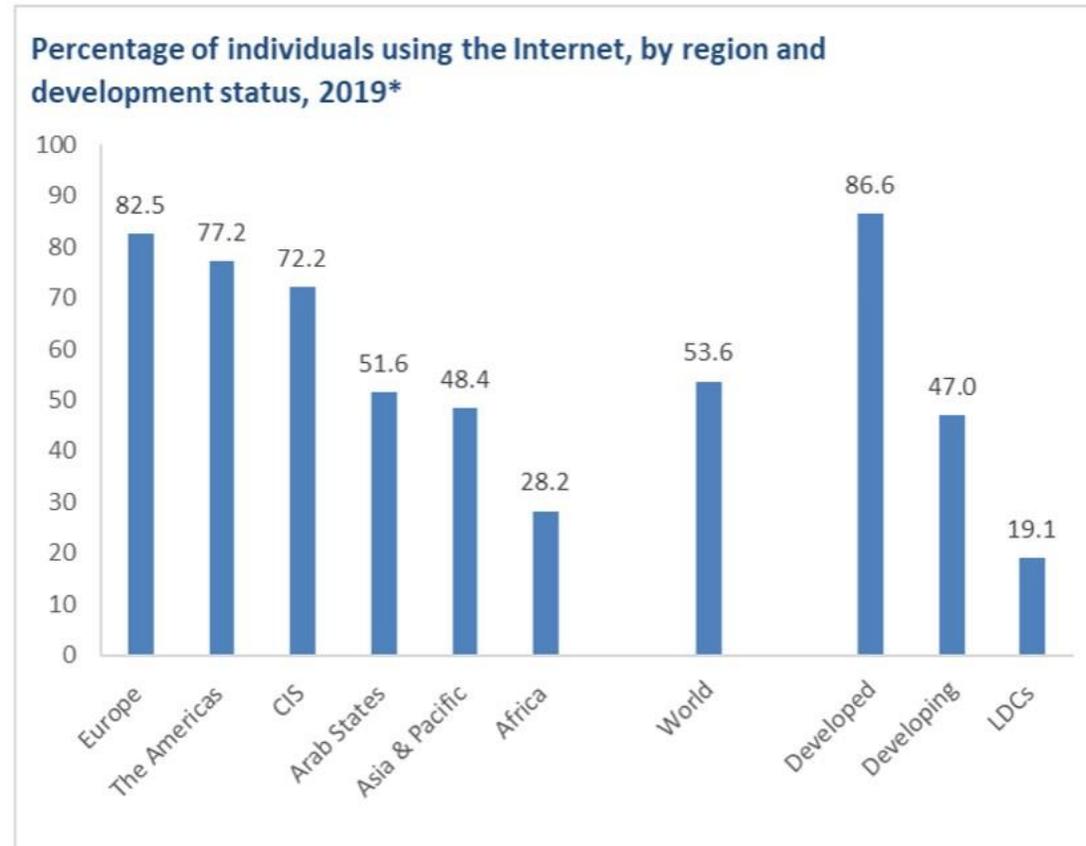
Classical employment relationship at risk?

- Gig economy: freelance? / self-employees?/ tasks/ false dependent workers?
- Are “freelance”/**self-employees increasing** in number?
- Is **the concept of employer changing?**
- Multitasks-multijobs : growing in some countries and sectors
- Doubts on collective bargaining arrangements: need further reflection and research
- Pandemic: more workers teleworking (more working outside platforms)



Private-public partnership needed to help bridge digital divide

2019 Estimates	% of households with	
	Internet access at home	a computer at home
Africa	17.8	10.7
Arab States	57.1	51.9
Asia & Pacific	50.9	43.5
CIS	74.2	66.3
Europe	86.5	78.0
The Americas	71.8	65.7
World	57	49.7
Developed	87	82.3
Developing	46.7	38.5
LDCs	11.8	9.5



(ITU)

The way we work changing is changing

- **Working time:** more about productivity and outputs rather than working 9am-5pm
- **Working place**
- More autonomy, less hierarchy
- **Measuring productivity:** more sophisticated (privacy?/tensions?)
- **Data protection**
- Outsourcing/offshoring but also reshoring
- **Global talent competition**
- **New ways to update skills,** more informal, more customized to individual needs? (MOOCs)



Fears

- **Less jobs, worse conditions**, less protection to workers
- **Freedom of Association** will weaken
- Collective Bargaining will decrease
- Modern **slavery** (Amazon turk)
- **Inequalities will increase**
- **More informality**
- **Social protection schemes will not be developed** or will weaken
- **Irresponsible behaviours** of MNE in developing countries (Global Supply Chains)



Innovative solutions?

- Minimum **Universal Income**
- Restriction/ban to the development of the collaborative economy
- Taxing machines
- **Protectionism:** Trade, Social Clauses
- Global Supply Chains: demonizing them



Getting the Right Balance



- 1. Private sector led economic growth is the best path to sustainable and inclusive recovery**
- 2. Focus on business continuity and recovery**
- 3. Ensure an enabling environment for business development and resilience**
- 4. Ensure actions to protect and promote productive employment and incomes**
- 5. Innovative solutions that include transitions from informality to formality**
- 6. Importance of strategies for safe and successful return to work**
- 7. Invest in skills and life-long learning, with active involvement of employers' organisations in the governance of skills systems in order to ensure that the supply of skills responds to labour market needs.**
- 8. Build sustainable social protection allowing innovative thinking to lead**
- 10. Determined collaboration between the public and the private sector is more important than ever.**



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Thank you!

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