



The Future of Work: A Global Deal

A new contract for the global workforce

Context

The global workforce is around 3 billion people. The world economy depends on their labour and their families and communities depend on the income from that labour.

However the right to work, and the dignity of that work, are being undermined by a loss of values, the denial of fundamental rights and the absence of shared prosperity. This is a result of governance deficits at all levels.

A vastly more unequal world is emerging, where the vested interests of the few are afforded preference over the interests of the great majority. Naked self-interest has been dressed up as economic models, to justify why wealth is not being shared, why natural resources are being exploited unsustainably, why corporations and the wealthy pay no or little tax, and why there is a severe lack of resources for social protection including health and education, especially for the poor.

“Trickle-down” economic theory and more recently, austerity, have failed. Global trade and investment rules have favored finance and capital in developed economies. Global supply chains channel wealth to a handful of global corporations, while workers in those supply chains experience low wages, insecure and unsafe work. A war against unions is being waged, and democracy is being corrupted by concentrated wealth. Indeed, corporations and their associations are buying or bullying legislators and executive branch officials to influence public policy to the detriment of working people.

The result is a global workforce in serious trouble:

- Only 60 per cent of workers are employed in the formal economy and more than 50 per cent of these workers are in insecure work with short-term contracts and often unsafe work;
- Forty per cent struggle to survive in the informal economy - the sector of desperation with no workers’ rights, no minimum wages and no social protection;
- More than 45 million people are in modern slavery/forced labour; and,
- Three quarters of the world’s people have inadequate or no social protection, with insufficient healthcare and no pensions for a dignified retirement.

Global GDP has trebled since 1980, yet the labour income share has declined. There are now historic levels of unemployment and inequality, which are finally recognised as global risks – though there is little evidence yet of action commensurate with the size of the problem.

THE FUTURE OF WORK STARTS NOW

With the world economy fragile, and working families already suffering from insecurity and inequality, there are major questions about the impact of the next wave of technological

change, in particular the organisation of work through internet-mediated platforms and algorithms.

Today, as digital platforms are promoted as the new way to earn income, some old arguments are re-emerging. The propaganda is that the 'gig' economy is exciting and empowering, allowing workers to take charge. At the same time, the 'sharing' economy implies that everyone benefits in a "community-based" means of production and consumption. What is not said of course is that the gig and sharing economy means that workers are expected to give up employment contracts and social security, and can forget the notion of a regular working schedule where work, family and leisure can be balanced. Regulations are deemed no longer relevant, merely because the goods and services are delivered through the mediation of an app or web platform.

Workers providing services via companies like Uber or Upwork are left on their own to pay for their social security, taxes and training – all while they have no control over pricing, working conditions, safety or their personal data. They compete against each other for an irregular and unpredictable supply of work. Those who own the platforms reaping billions from this model, helped in part by cozy relationships with politicians at various levels of government.

Today, online platform work (including on-demand and crowd work) only represents a small fraction of employment activity. But a few major players, backed by billions of dollars in venture capital, have eliminated all responsibilities as employers for the workers they employ today and the many more they plan to use in future. Their vision is of workers as numbers to be fed into algorithms and of the future of work being the informal economy, where employers have no responsibilities and pay no tax. They seek to operate outside of jurisdictions, create monopolies and thereby disrupt key sectors including transport, health, hospitality, financial services, education and others.

The right to a recognised employment relationship is a major battle around the world and workers in platform-mediated jobs are fighting back in many countries. They are organising within and outside existing union structures to demand better working arrangements, fair incomes, collective representation and rights that are denied to them by the absence of the employment relationship. Despite notable progress in a number of places, local organising drives, political campaigns and legal actions by and on behalf of these workers are confronted with a seemingly bottomless pit of money which the major players are ready to use to stop them achieving their rights as workers.

In many countries ITUC affiliates, and their member unions, are actively engaged in organising and campaigning around digital platform work, and developing and implementing strategies on the future of work in general. More contacts and exchange on these issues between unions would be useful to all, and this is an area where the ITUC can provide assistance.

Public opinion is on the side of the workers. ITUC global polling shows that 82% of people agree that companies which provide services via internet platforms should provide their workers with the same rights and protections – sick leave, paid holidays, pensions and union protections, as other workers.

Traditional companies are also starting to outsource work through platforms, encouraging wage dumping and avoiding responsibilities. Some are also investing heavily in the projects

of digital economy players. What is needed now is to stop further precedents for deregulation and precarious work being created, to avoid contagion and a “bonfire of regulations”.

The concentration of economic power by collecting and manipulating massive amounts of data is already underway, with some companies systematically collecting daily data on hundreds of millions of people – more than any government. With the ‘internet of things’ connecting billions of sensors and learning systems based on big data, these new data monopolies are also preparing the total surveillance workplace as the basis for the economy of the future. The power they already wield poses a major challenge for social and economic justice, and new rules and regulations around data are needed to ensure that technology is deployed in the interests of the many rather than the very few.

Unions know that technology itself is not the issue - innovation will be successful or not on its merits. Societies will embrace the incredible potential of scientific advances in health and many other areas. Workers too will embrace its potential, whether the safe application of robotics, nano- and bio-technology or the myriad of other transformative developments where this improves lives, jobs and a sustainable future. Their unions have been involved in shaping technological change and bargaining on skills development and productivity gains for decades. They will need to be at the table when discussing industrial transformation at the policy level and when developing employment and safety standards, including fair wages and social protection, as well as training packages for the introduction of new technologies at the workplace.

Key questions are how can workers in traditional jobs keep on working under the same conditions and how can those who will increasingly have to, or choose to, rely on platform enabled task work be supported by rights, employment protections and benefits that ensure decent work.

While the next wave of technology will indeed be radical in impact it will not create vastly different areas of the economy. Industries will graft on new technology and new business opportunities will emerge but workers will still work in construction, manufacturing, agriculture, retail, hospitality, services and other sectors of our economies.

GOVERNMENT RESPONSIBILITIES

The major issue is in whose interests technology is being deployed, in such a way as to create an imperative to deregulate labour markets. This is tied to new business models that need to be subjected to competition, taxation and investment standards to prevent excessive market power and potential risks for the global economy as a whole. Similarly, regulatory frameworks around data and on the use of algorithms must be suitable, to protect workers and the public in general.

The ILO is focusing on the future of work up to its 100th anniversary in 2019. Many unions are grappling with the immediate and anticipated challenges of how the next waves of technology will impact their sectors, and how they will organise, bargain and negotiate in a changing environment. Companies around the world are rolling out developing and implementing digital strategies, many of which pose the most fundamental questions about the future of work.

Until now however, governments have been slow to focus on the need for regulation to ensure that all of society benefits from the next wave of technological innovation. The private sector is defining which direction work, and societies themselves, will take as the pace of change accelerates and the scale of change widens. In a re-run of the conditions that led to the 2008 financial crisis, the private sector is telling the world that technological evolution is too complex and difficult for governments to understand and regulate. Unregulated deployment of algorithms enabled banks and finance to obscure their vulnerability, yet governments are all too ready to fall into the same trap in the “digital economy”. Lobbyists, often drawn from government, are being deployed on a vast scale to undo or forestall regulation, in particular in three key areas where regulation could get in the way of the grand plans of the “gig” and “sharing” economy companies – employment law, data law and taxation.

Governments in many richer countries in fact are heading in the wrong direction, with the Trade in Services Agreement which they plan to finalise in December 2016 setting the conditions for “Uberisation” of large parts of the service sector, while imposing on themselves heavy restrictions on their own scope for regulation.

Governments must be made to recognise that they have to answer the questions of “what is a business” and what conditions must businesses meet to fulfill the conditions for a social license to operate, and then put the necessary regulations in place. The alternative is a rapidly escalating informalisation of the world of work, with devastating consequences.

The central challenge is how can technology best be harnessed and what new policy prescriptions do we need to ensure that the world realises:

- Full employment and decent work;
- Sustainability;
- Safe Work;
- Social protection; and,
- Inclusive growth.

When job displacement does occur, answers need to be found on where other jobs will be created, and how work and wealth will be shared more equally.

FULL EMPLOYMENT & DECENT WORK

The replacement of jobs by technology is not new, though it will be faster and deeper in the years to come. The potential of job creation needs to be harnessed, while risks coming from the next production revolution need to be anticipated and addressed. The latter will only amplify today's underlying problems. The projection of 5 million jobs replaced by 2020 is a serious matter, with more than 200 million already unemployed - 30 million more in OECD countries than before the financial crisis. With massive exclusion of young people from the labour market, the challenge to create jobs generally is a top priority issue. Defining the areas of investment necessary to create jobs, and the conditions under which those investments are made, is urgent.

The ITUC supports infrastructure investment as both necessary for societies, communities and economies, and as the largest medium term-multiplier of jobs. Investment in enabling green infrastructure will assist to mitigate climate change and support sustainable industrial development.

Investment in the care economy will help fill the growing needs of demographic change and also stimulate growth while supporting equality and opportunities for women.

Investment in broadband infrastructure and education and training systems both in industrialised and developing countries will help bridge digital divides and prepare workers for large-scale technological change.

And while youth employment is equally dependent on investment in jobs, there are school-to-work transition measures, and especially vocational education and training, that can be implemented. Apprenticeships and paid internships can both stop the wage theft of growing "intern volunteerism" and provide valuable skills development for full entry into the labour market.

Beyond questions of the ethical use of technology or issues of health and safety for workers and the public the essential questions are how to create employment and how to include women and young people. And the imperative is to ensure those jobs are decent jobs; safe and secure with minimum living wages, collective bargaining rights, social protection and legislated employment protection.

SUSTAINING AND CREATING JOBS

Restoring labour market rights and justice will help generate economic demand and jobs. A minimum living wage in all nations would be a start. Rebuilding collective bargaining to ensure decent wages and productivity sharing would be a huge kick-start to the economy and would reduce inequality and thus economic and social risk.

Substituting workers with technology is a result of choices made, too often by employers alone. But where it does occur, it doesn't have to automatically mean overall job losses. New jobs will be created, although potentially not enough. Reducing working hours, with workers getting a share of the productivity gains to maintain living standards, is part of the solution. Workers will need training for different tasks in their existing jobs, including managing the technologies introduced. There will be job creation in new sectors, while some existing sectors will grow. Investment, social dialogue and information sharing will be crucial, so workers are ready to transition into new jobs. New job arrangements and job sharing must also be considered.

Further, labour laws need to keep pace with new forms of work. In some cases, dependent self-employed workers have found themselves in legal trouble when they have attempted to take collective action. Competition laws, which should be more vigorously employed to break up the concentration in many industries, have been used to prevent the collective action of workers, claiming that these workers were engaging in a cartel to fix prices. This is an absurd outcome.

Unions have always supported the concept of guaranteed income for those not in work, through social protection including unemployment benefits, disability provisions and pensions. Some are arguing for a guaranteed basic income, and the trade union movement will need to give this issue consideration as well.

The deregulation agenda being pushed by digital platform companies, amongst others, has broad ramifications across the world of work. An area of great concern is occupational health and safety, where currently regulations, inspection and enforcement are very often weak or even non-existent. The levels of occupational disease and trauma today are already a global scandal, and retaining and expanding occupational health and safety protection must be central to trade union efforts to shape the future of work. This should involve campaigning for action by governments, as well as for initiatives such as the Bangladesh Accord, built through social dialogue and industrial relations.

The ITUC Frontlines and Priorities provide vehicles for action on the future of work:

- taming corporate power in supply chains challenges the failed model of global trade which to varying degrees is increasingly incorporating digital technology into production, transport and logistics and retail practices;
- climate action will require digital platforms for efficient deployment of energy and industrial transformation of all industries but the transition must be a just transition.
- the Count us in Program with its priority for women's participation is central to both equality and economic productivity. Technological change, properly deployed, can help deliver real change to the inclusion, and the incomes, of women.
- the economic and social policy settings of our global coherence work provide the foundation for decent work and a framework for harnessing the potential of technology for the good of all.
- the imperative to organise is fundamental to achieving a future of work that ensures the twin global ambitions of the SDGs (zero poverty) and the Paris Agreement (zero carbon).

THE TIME HAS COME FOR A NEW GLOBAL DEAL

The ILO's Future of Work initiative has four pillars:

Work and society

Decent jobs for all

The organisation of work and production

The governance of work

These are a useful framework for the ILO process itself and for broader actions that the trade union movement will need to take. Our strategy should involve action across several fronts – organising workers, ensuring that governments accept the need to regulate, bringing legal cases under existing laws, demanding social dialogue, and negotiating and bargaining for outcomes that will harness the potential of technological innovation for all, rather than the very few who are reaping the benefits today.

One of the ways towards realising these ambitions is through the initiative launched by the Prime Minister of Sweden “A Global Deal: Enhanced Social Dialogue for Decent Work and Inclusive Growth” (see 16GC/E/6.2). Action in support of the Global Deal will help expand and deepen social dialogue, which is a crucial element in ensuring that the future of work is not decided by corporations alone.

Social dialogue works. Governments, unions and business must use that instrument to ensure that the future of work is founded on decent work, where universal rights are respected and the following ambitions are realised:

- Job creation
- Minimum living wages and prosperity shared through collective bargaining
- An end to the oppression, corruption and profiteering from denial of core labour standards
- Guarantees of freedom of association and collective voice to ensure social dialogue and collective bargaining
- Government and corporate accountability for rights in supply chains through mandated 'due diligence' and application of the rule of law
- Gender equality and inclusion of women, young people, migrants and refugees in the labour market
- Family-friendly practices and workplaces
- The elimination of forced and child labour
- Safe work

- Universal social protection
 - Education and training, including apprenticeships, to help equip workers to shape the future of work and to adapt to change.
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