

THE FUTURE OF WORK

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THE BASICS

- National / local labour markets (LMs) are each unique
- Heavily shaped by combination of geography and history, including acts of entrepreneurs, national legislation, labour relations, etc
- Compare for example Netherlands vs Belgium, or within Belgium Flanders (agriculture-based light industry, North Sea ports) vs Wallonia (mining-based heavy industry)

TRENDS IN LABOUR MARKETS WORLDWIDE - 1

Since 1960s rapidly growing mobility of capital: multinationals relocate (offshore) labour-intensive processes (electronics, textiles, garment, footwear) to countries with pools of cheap labour, first to Mexico, Puerto Rico, East Asian countries

In 1990s development of global value chains (GVCs), four catalysts:

- Decrease of tariff barriers, advances in ICT and transport
- Integration of China (from 1980 on) and India (from 1991 on) in liberalized world economy, 'doubling of the global workforce'
- Development of Free Trade Zones (FTZs) / Export Processing Zones (EPZs), in 2015 85-90 million workers
- Global buying strategy of US retail giant Walmart

TRENDS IN LABOUR MARKETS WORLDWIDE - 2

Direct employment in foreign affiliates of MNEs remains relatively small (2007: 57 million, 2017: 73 million), continues to focus on limited amount of countries. Yet:

- Outsourcing to formally independent suppliers grows quickly, also some 70 million workers; most suppliers remain dependent, some 'lead firms' develop in own right (Foxconn in electronics, some 20 firms in textiles and garment)
- Both forms of outsourcing have considerable effects on wages and working conditions globally, not least by threat of relocation → *job insecurity widespread*
- Poorest countries are less integrated in GVCs (global value chains), but ambitious administrations still favour attracting investment in low-wage industries (f.e. Ethiopia)

Yet, remind: agriculture still employs largest share of workers worldwide, nearly 70% directly dependent on agricultural employment

MAJOR CHALLENGES AHEAD

General

- ILO, UNCTAD, WTO: persistent poor-quality employment and in-work poverty as general challenges for developing and emerging countries.
- More specific challenges: 1. persistent gender disparities; 2. lack of employment opportunities for youth; 3. effects of aging population

Poor quality employment and vulnerability → *importance of decent work agenda*

- Globally, progress in reducing vulnerable employment (=share of own-account workers and contributing family workers) has stalled since 2012.
- 2017: 1.4 billion or 42% of workers estimated vulnerable. Increase in particular in Sub-Saharan Africa but also in Latin America.

In-work poverty

- Decrease of share of workers in poverty slows down. Problems concentrate in Sub-Saharan Africa and South Asia.

CHALLENGES : GENDER

- Women less likely to participate in paid work: ILO calculates global LM (labour market) gender gap at 26%points. Worldwide gap decreases slightly, in spite of larger decreases of gaps in education of girls and young women.
- LM (labour market) gaps remain wide in Northern Africa, Arab states and Southern Asia.
- Jobs for women in traditional industries often not guaranteed. *F.e. garment industry, share of women in India according to ILO 22% (brands: 35%), Pakistan 28% (brands: 8%)*
- Generally, gender gaps in job quality are persist worldwide persistent: dubious roles of hiring and promotion practices

CHALLENGES: YOUTH, AGING POPULATION

Lack of employment opportunities for youth

- “Pervasive poor-quality employment in the context of growing and young working-age population” (ILO): acute challenge in Northern Africa, but also in Sub-Saharan Africa

Effects of aging population

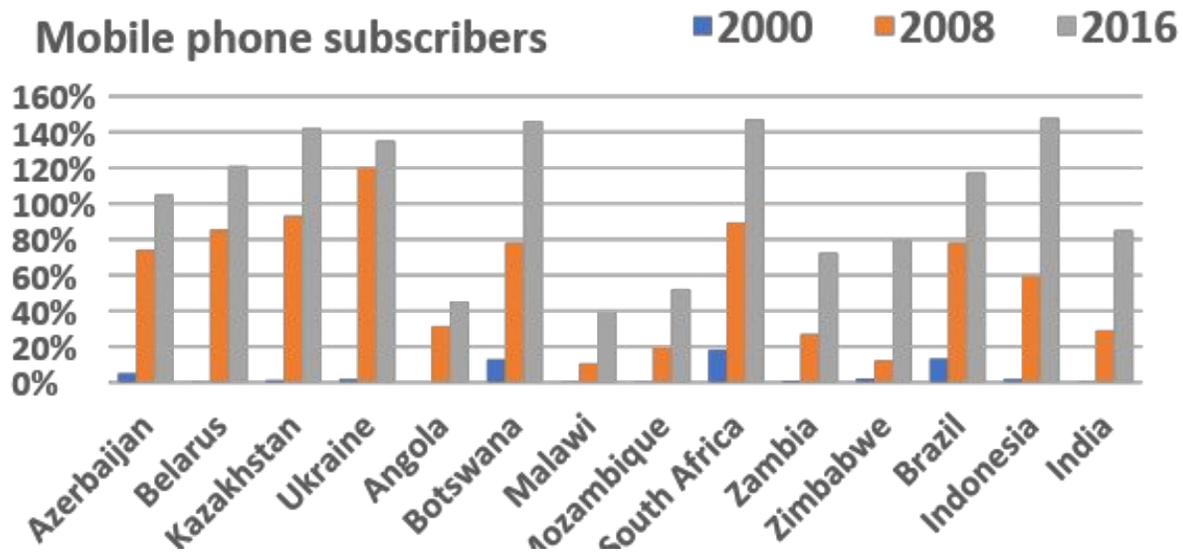
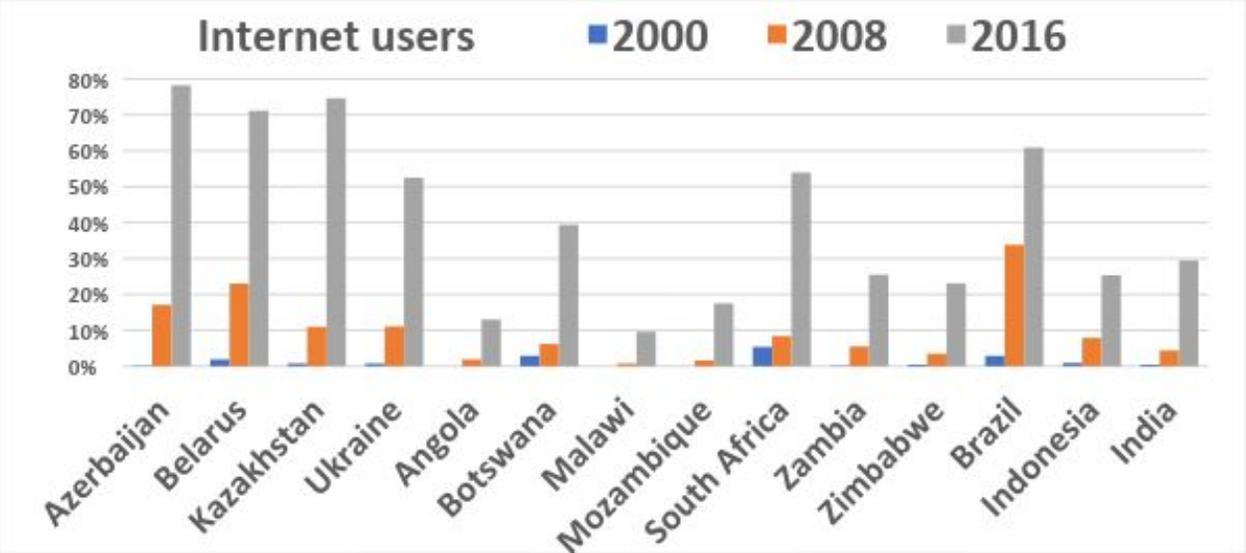
- Several challenges resulting from aging: keeping retirees out of poverty; safeguarding decent work for ageing labour force; helping older workers adapt to changes; old-age dependency ratio increases: *“who cares?”*

EXPECTATIONS according to INTERNATIONAL ORGANISATIONS

- Shifts in employment will accelerate: relocation across sectors and countries spurred by technological progress, by globalisation related to capital accumulation (lower labour share) and by government policies (though may be slowed down by current US policies → trade wars)
- Manufacturing: decline in developed and middle-income countries, limited potential for poor and lower middle-income countries (“premature deindustrialization”)
- Service sector: share continues worldwide to increase , potential for notably women, but also new forms of employment emerging → growth of platform or gig economy, job sharing, on-call work, dependent self-employment: “(....) can also be linked to the worsening of overall working conditions” (ILO): *higher work intensity, lack of careering, lack of access to social protection*

THE PERSPECTIVE OF ONLINE EMPOWERMENT

- Technical conditions for online empowerment improve continuously on a world scale: rapid growth of shares of Internet use and mobile phone subscriptions in the population over 16 of age
- Next slide: graphs on 14 countries (from ITUC/WageIndicator Decisions for Life (DFL) project, 2008-11) over 2000-2008-2016
- Importance of labour market transparency: mission of *WageIndicator Foundation*



Online empowerment helps to solve problems 1

WageIndicator websites help to make more informed decisions. In 2016 alone 40 million visitors used our information to make their lives a bit more easy. A few examples::

- Workers in a garment factory in Indonesia now start their own trade union on the basis of the WageIndicator decentworkcheck (a labour law and wages survey) and factory page(on which they can check how their factory is performing)
- A trade union negotiator from Togo says: finally I understand our own Labour Law regulations. Finally I can debate with colleagues from Senegal and Guinea and compare laws in our own languages to improve them. We could see that our laws are not so bad after all, they can be improved in our system.
- A director of the employers organisation in Uganda tells us: Thanks to your overview of all minimum wages and related regulations in all countries, we can now design our minimum wage structure with a minimal effort. We can even relate our minimum legal wage to the calculated living wages in our regions. So we can be much more precise and accurate
- A trade union negotiator from Ethiopia who wants to improve the labour conditions using Collective Agreements (as changing labour laws goes much too slow): Thanks to the Collective Agreement Database and best examples of WageIndicator we created ONE model only and used it to negotiated in 100 factories. A smart way of creating more quality.
- Our 40 million users per year make it very clear: they check their salary and compare it with what their your peers earn; they check their labour rights and discuss their options at home and at work before making their next move on the labour market.

Online empowerment helps to solve problems 2

Information helps to solve problems, provided it is reliable, relevant, well structured, easy to find and consistent over time. Such are these preconditions built in to the WageIndicator databases:

- Databases structured for Industries, Occupations, Educations, Regions, Countries
- Standardized analyses and presentation of Minimum Wages (and regulations), Labour Law, Collective Agreements
- Websites in major national languages and always in English too for the international use
- Uniform and systematic calculation of wages per Occupation, Industry, Region, Country, Global
- Uniform and systematic collection of prices for food, transport, housing; on local, national, and global levels to come up with living wage estimates for individuals, small/large families wherever they may live and work

To build this infrastructure and to present this information 24/7 on websites means: stay away from whims, fashions, short term projects and politics. WageIndicator is inspired by a long term strategy which bring stability to its systems.

Let's see how online empowerment can work out. From the myriad of decisions individual workers face daily, just imagine a few. You are:

1. A midwife in Malawi. Your London-based family members want you to come over and work in the UK. What do you do?
2. Oldest son in Niamey, Niger. You have 5 younger brothers. Your father pushes you to go to Europe to make money for the family. What do you do?
3. From Western Cape, South Africa. You are harassed by your employer. What do you do?
4. You work for an NGO. They tell you that working time and salary are less important than helping the poor. What do you do?
5. Your son is working 100 hours a week, he is not insured. He gets paid many months later. What do you do?
6. Friends from the US are fed up. They want to work in the Netherlands. What do you do?
7. Your colleague labour inspectors are corrupt. What can you do to improve compliance with the law?
8. You want to become a member of a trade union, or start a union yourself. Which steps do you take?

All these individuals can find relevant information on WageIndicator websites in their own country.

WageIndicator is online in 92 countries.