

# ***Job creation in the new context of employment***

## ***The role of business***



**ILERA Business Forum, Seoul**

**23 July 2018**

**Roberto Suárez Santos**

**Acting Secretary-General**

# Future of business

- Impact of **digitalisation** on the form and nature of enterprises
- **Easier to create/** lower survival rate?/More **global/more local**
- Fragmentation or concentration of companies: **smaller or bigger?**
- Cluster of business in under-developed rural areas
- Main trends in **business services**. Key for investment
- **Externalization/Outsourcing**: still the trend or reversing?
- Supply chain management: what influence on general operations?social practices/business models in **GSC?**
- The **platform economy** allows faster growth of business but also has **risks of excluding new competitors**



# Future of employment and skills

- Gig economy: freelance? / self-employees?/ tasks/ false dependent workers?
- Flexible contracts/atypical contracts
- Are “freelance”/self-employees increasing in number?
- Is the concept of employer changing?
- Multitasks-multijobs : growing in some countries and sectors
- Increasing inequalities?/more opportunities/more incomes/unemployment?
- Ageing populations/skills shortages?



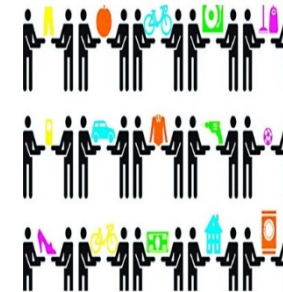
# Is the way we work changing?

- **Working time?**
- Working place?: working at distance
- More autonomy, more horizontal organizations?
- **Measuring productivity:** more sophisticated (privacy?/tensions?)
- **New ways to update skills,** more informal, more customized to individual needs? (MOOCs)
- **Global talent competition**



# Collaborative 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 custom satisfaction
- Affecting a **wide and growing range** of services in very different manners:transport/restauration/hotel/cleaning/social aids/financial investment, etc).
- But just **1% employment** in developed countries. **Data missing** on how they are evolving!.
- **Turnover figures expanding** ( UBER: 4 billion en 2015, Airbnb more tan Hilton in 2016)



# Fears...

- Freedom of association will be weakened
- Collective bargaining will decrease
- Modern slavery (Amazon turk) will grow
- Employment protection will be diminished
- Precariousness will grow
- Inequalities will increase
- More informality
- Social protection schemes will not cover many individuals
- Global supply chains will stimulate irresponsible behaviours



# Artificial Intelligence and automation

“Deep learning”: search engines, suggest responses to messages, web page translation, voice recognition, image recognition, credit card fraud detection, driving vehicles, drones, legal research/market and financial analysis, back office activities, etc

Also software design...!

Automation affect specially:

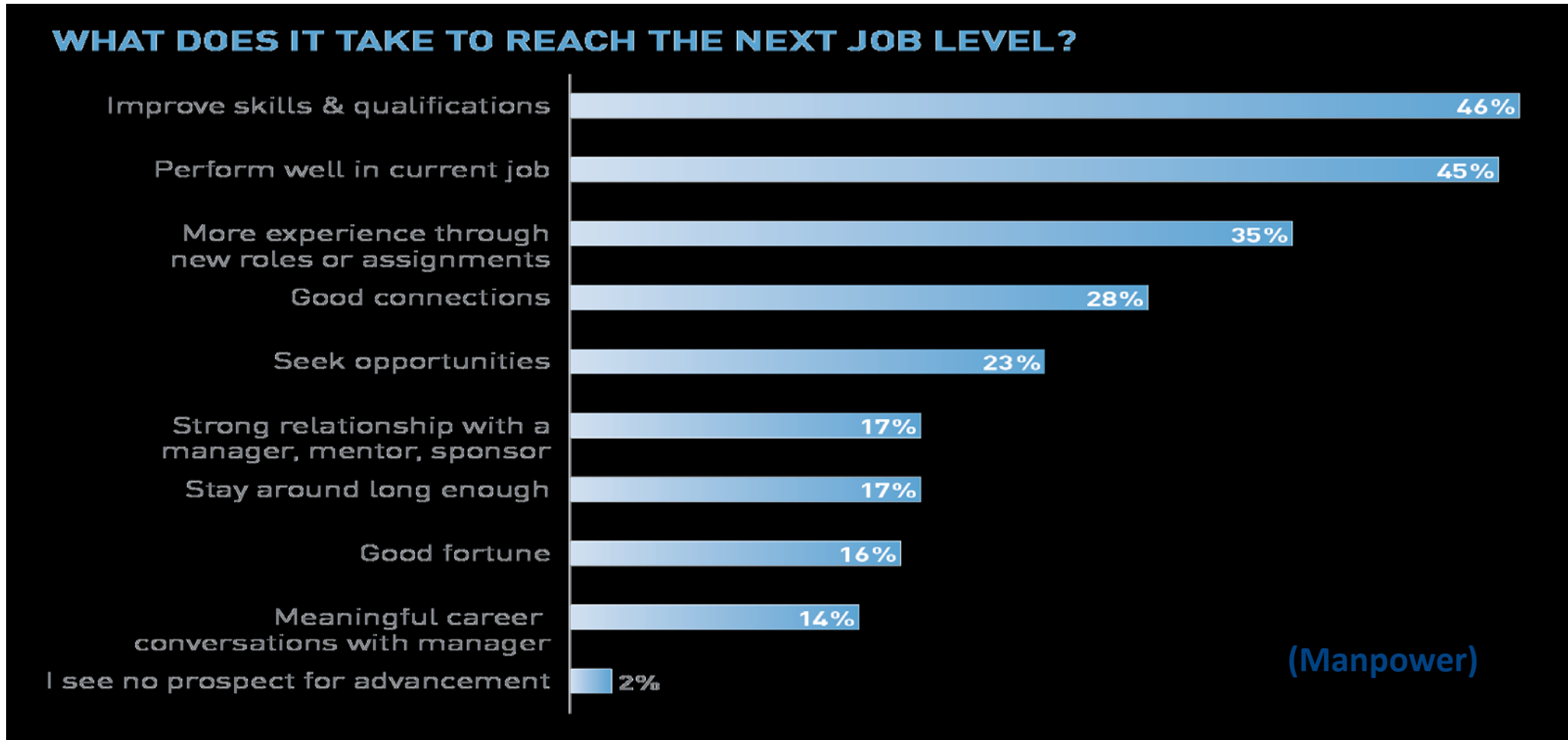
**non-cognitive routine codifiable activities**



**...not just industry: service sector**



# “Learnability”: attitudes and capacities to learn





# Anticipating skills

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

Health sector and social services

Big data, management and network security

Green economy and energy sector

Robotics/nanotechnology/ 3D printing

Cognitive skills: analytical thinking

Socio-emotional: Creativeness/innovation/social skills/communication



# Cognitive/Social Skills??

- **Critical Thinking**
- **Collaboration/leading by influence**
- **Agility/adaptability**
- **Initiative/Entrepreneurship**
- **Oral and written communication**
- **Curiosity/imagination**

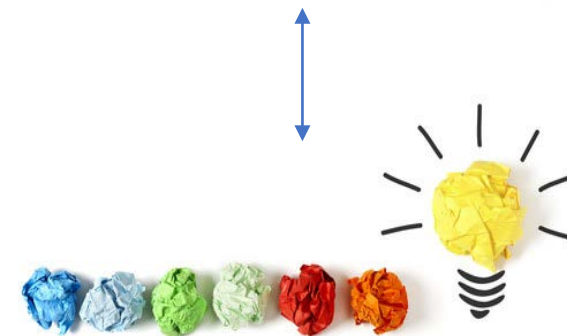


**Early childhood development**

# Stem/social/soft skills?

Fabiola Gianotti, a particle physicist and the Director General of CERN. (Large Hadron Collider as well as other Big Science projects:

“We need **to break the cultural silos**. Too often people put science and the humanities, or science and the arts, in different silos. They are the highest expression of the curiosity and creativity of humanity,”. “): music is as important as maths”



# Action on Skills development:

- Effort to **include skills development (STEM and social skills)**
- **Youth need to embrace STEM** field (both men and women!) and digital economy. **Change attitudes**, also from adults
- **Partner with innovative** and technologically-advanced labs
- Innovation: reskilling and upskilling employees. **Informal and digital learning**
- **Efficient PPPs** to improve the quality of TVET programmes, including apprenticeships
- **Avoid protectionism** !: open economies succeed
- Boost **skills mobility** in a systematic way





# Thank you



[suarezsantos@ioe-emp.com](mailto:suarezsantos@ioe-emp.com)

**Contact us:**

[www.ioe-emp.org](http://www.ioe-emp.org)

[ioe@ioe-emp.com](mailto:ioe@ioe-emp.com)



# Future of business/employers organizations?

- Will it be affected too as the **concept of dependent employment**?
- **More service-oriented**, Challenges: competition with their own members/non-lucrative role
- Enlarging the scope of their membership to new kinds of businesses.
- Why an EOs is **representative**?
- **Reputational areas of growing interest/risk**: business and human rights, CSR.
- Changes in **industrial relations**, globally: Online global campaigns/ supply chains
- But **Lobby** will remain as well as **institutional representation**
- EOs are not companies, either



# Is it a global phenomenon?

- **New opportunities** in developing countries
- **Global talent competition**
- **Informality**/new forms of work
- Phenomenon of “**reshoring**”. The work which can't be automated is not decentralized outside
- Crucial: **level of qualifications** in new areas
- Essential: **solid and stable institutions**
- Level of connectivity/access to new technologies

