



Remarks by Mthunzi Mdwaba, IOE Vice-President to the ILO, on the Future of Work Remarks delivered during the September 2017 UN General Assembly in New York

It is important to mention that at this stage, there is not much evidence of what we are looking at and what will happen, but there is a **lot of speculative conjecture**.

I will be sharing with you our employers' perspective and ideas we shall be taking to the Global Commission on the Future of Work to share and distill with others. As you might be aware, the Global Commission was born out of a need to celebrate the centenary of the ILO in a manner befitting and that defines the world of work and the relevant role to be played by the ILO as we go into the next 100 years of its existence.

It is our view that we need to be looking not only at the risks and challenges of technological change, but also at its huge opportunities. We must neither be scared, nor defensive about the impact of technological change on employment. In 1844 in Silesia, Germany the weavers revolted against the emerging textile factories and burned them down. History tells us again and again that we cannot stop progress, but that we can frame it. The DG of the ILO, Guy Ryder is quoted as saying that “we must create the future we want.” I want to add to this, that **we must be decisive and act** - rhetoric on its own will not create the future we want. 40 years after the weavers' revolt in Germany, a social security system was established. We do not want to wait another 40 years for change, but to become active in shaping the future now. We must adapt or else go the route of the dinosaur, and die.

Thus, we should take a **comprehensive approach** to ensure that we fully harness the potential of change. We all know how difficult change is, how we all think we are open-minded with regards to change, but in reality we are terrified to varying degrees. The IOE has been intensively working in this area and we have agreed on specific policy recommendations on the future of work after intense discussions. The context is that while the ILO is made up of 187 Member States, the IOE covers 143 of those and has a membership of 158 Employer organisations and has been around since 1920, which makes it a year younger than the ILO.

Let me highlight five areas of critical policy action to be successful in anticipating the future of work:

1. **Education and training systems**, which provide individuals, in close cooperation with business, with the new skills required in the changing world of work

We need much more ambition in our educational policies. The education sector should work much more closely with businesses to ensure that programmes are continuously updated according to real business needs. This is very often not the case due to inexplicable prejudices and obsolete frameworks. We know that we have enormous employment challenges, due to many factors, including recent demographic trends. We have in many regions, including Africa or Latin America, a strong demographic “bonus” of young people. But we clearly risk not being able, for example, to count on enough skilled STEM specialists (in Africa or elsewhere) who will make a difference to attract investment and create new job opportunities in the future. And we know for certain that many of these young people are either not being equipped to deal

with the growing demands of soft competences, such as creativeness, innovation, communication capacities, among others. The same applies to vocational training, or rather the lack of emphasis and attitudinal change that is urgently required towards promoting this means of learning. We need to act now to change this.

Institutions and international organisations should provide more real-time, holistic, and dynamic information and data of employable skills for the future. Policies should be quickly modernised and remodeled in a coherent manner to shift from stimulating not only formal ways of learning but also accessible, informal and online ways of updating competences. Apprenticeship programmes and frameworks need to be expanded. Attitudes will also have to change too. Individuals cannot just wait for a disruption to change their lives: we need to stimulate them to change their mentality. More than ever, together with business and institutions, they will have to assume their crucial responsibility to continuously update and anticipate new skills requirements. Closely linked to the need for anticipation of skills, is to harness the momentum of the digital era: many economies will have to radically improve access to both internet and new digital tools as drivers of income opportunities. Too many countries (South Africa included) are lagging behind. There exists an opportunity to make a quantum leap.

2. Job transitions. Active policies.

The previous economic crisis has shown us how critical it is to avoid structural unemployment to enable job transitions and mobility. Before disruptive changes in labour markets arise, we need to assure effective and smooth transition pathways. Active labour market policies need to work: better measuring its effectiveness and impact will be critical. Public institutions are often too reluctant to properly assess its real impact. Having the courage to identify not just what works but also failures will make a difference in the way we tackle the future. We still do not understand either why collaboration with the private sector in active policies is so restricted in many countries. Private employment agencies have proved to be of enormous help in supporting job seekers. And it is not a secret that right now in many countries young and not so young people use social media and virtual means when looking for new income or job opportunities. Public policies cannot continue ignoring this. The ostrich approach of burying the head in the sand has never worked for advancement.

3. Innovation frameworks, with clear, adaptable and consistent regulations; and entrepreneurship

Leveraging digital technologies will help companies to compete, innovate and become more productive...and yes, productivity gains must be shared. It is also critical in this context to always ensure that productivity and wages track each other at all times as we work on competitiveness. In this context, I pause to take this opportunity to check how many in the room know that October is productivity month?

However, I need to highlight that this will not be a magic formula, as the digital economy also requires a strong 'analogue' foundation of regulations and institutions that create a vibrant business climate. In many developed and developing countries, we are still far from modernising excessive regulatory burdens, including fighting against corruption or looking at obsolete employment protection and administrative regulations. And we see little progress in many regions: regulations are not stimulating innovation, rather the contrary, nor are they

supporting transitions towards formality, which continues to be regrettably a huge challenge in most of developing economies. We need the courage to tackle reforms in legal and institutional frameworks with ambition.

Promoting and enabling entrepreneurship, especially for young people and women, is also of crucial importance, not least because entrepreneurs are job creators.

Entrepreneurs are also wealth creators fuelled by technology, globalisation and the rise of emerging markets. Female entrepreneurs are drivers of positive social change in many rural economies. But future entrepreneurs need easy, accessible and timely information and advice, good and responsive business skills. We cannot be more emphatic on the importance of reviewing the myriad of incorrectly-oriented policies that still inhibit start-ups and young firms to grow and survive over the medium and longer terms.

4. Diverse forms of Employment. Need for serious assessment of how the employment in the digital economy is evolving and a fresh look at social protection schemes

In this debate on the FoW, we too often hear about the fear of the new realities of employment. Diverse forms of employment should be considered as a leverage towards inclusion, rather than an obstacle. They are bringing incredible new opportunities of employment specially for young people and women, both in developed and developing economies. They act as the entry into the labour market rather than a source of “precariousness” and they are not jeopardising fundamental principles and rights, rather the contrary. Perceiving diverse forms of work as a risk will be highly counter-productive and experience shows that.

But we also need a proper assessment of how the digital economy is developing and how it is affecting employment. Perhaps the concept of employment is also changing and we will be witnessing a reality of more self-employed, free-lancing and individuals doing tasks rather than having jobs. It is very often the case that we refer to the future without all the needed solid evidence. For example, curiously we still do not have enough reliable comparable data on how employment linked to the platform economy is evolving. We need international organisations together with national institutions to make a serious effort to follow up on this trend.

Based on a proper analysis we can take a fresh look at existing frameworks, including social protection systems. And perhaps we need the courage to explore new ways to support individuals who will need better coverage without creating strains on sustainability or incurring unnecessary costs.

5. Freedom of Association for the individual in the new realities of work. Social dialogue in the future

The way people communicate and group themselves is also changing. The digital economy is also bringing many more possibilities for individuals, not just in terms of new incomes but also to protect their rights and express dissatisfaction. We can recognise changes in industrial relations, due to these new ways of communicating and grouping. But Freedom of Association will not be at risk because of the new realities of work, as we often hear.

It is therefore difficult to predict how social dialogue will evolve. Social Dialogue is expressed in diverse ways depending on the country and is already evolving as a result of several factors, among them being the economic and financial crisis of 2008.

However, it is very likely that social dialogue will need to consider and anticipate new themes linked to the new reality of work. This could involve the social partners (and governments) having to look, for instance, at the way employment as such is changing, at how working time patterns are evolving or at how individuals communicate now with management.

At the same time, electronic means of communication and interaction, such as social media, are already providing individuals with new ways to express their satisfaction, dissatisfaction, claims or proposals. Workers' representation in the workplace has already been adapted to be more spontaneous and virtual interactions are a way of gaining traction for their representative role.

These reflections should be taken on board when tackling the future of social dialogue. Our organisations must change to remain relevant. However, the essence of tripartism should be preserved as a basic tool to assure social stability and economic prosperity. Questioning now the crucial role of employers and workers organisations or weakening their functions by opening the door to new non-representative organisations will be the wrong approach towards tackling the future.

I trust this will give you something to ponder...thank you.
