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Building the future of work together

The world of work has become flat

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Today the world of work has become flat. Mega trends such as technology, demographics, urbanisation and globalisation have served to make the world a smaller flatter place, but what does this mean for the future of jobs and the future prospects of workers and companies?

Over the past three decades we have seen a doubling in the global working population. The fall of the USSR and the opening up of India and China to the market economy has resulted in the global working population swelling to almost 3 billion people - from just 1.5 billion back in 1989.

At the same time that the working population has grown, the very way in which work is sourced, intermediated and contracted has become increasingly flat. Migration is higher than ever before. Over one billion people crossed borders in 2009 – that's five times the number migrating in 1980 – and most of them migrated to look for work. While the incidence of people migrating to find work has been growing, we are also experiencing the reverse phenomena where jobs are migrating towards people, with a sharp increase in the off-shoring of labour in recent years.

Shifts of people, work and business from the northern to the southern hemisphere and from West to East are already evident and will accelerate. So will the growth of cities and urbanisation. Over the past 30 years the population living in urban areas has been rising by an average of 65 million people per year – the equivalent of seven cities the size of Chicago every year. Estimations from the World Bank are that 53% of the world population now lives in a city and nearly half of global GDP growth from 2010 to 2025 will come from 440 cities in emerging markets – 95% of them small and medium-sized cities.

In today's digital world, work is no longer a place to go, but a task to be achieved and these metropolises are set to grow and thrive as service-oriented, creative hubs. The globalisation of companies with interconnected global workforces is already a reality. China has become the factory of the world while India serves as its back office.

This flattening world is also impacting the business world¹. As recently as 2000, 95% of the world's largest international companies were headquartered in developed economies. By 2025, when China will become home to more large companies than either the US or Europe, it is expected that almost half of the world's largest companies (those with \$1billion+ revenue) will have their HQ in emerging markets.

So what implications does this have for the workforce of the future? For companies it means they are now fishing for talent in a global pool to meet their staffing needs across the world, and they are increasingly choosing to work with the employment industry in sourcing and recruiting staff in order to be able to match supply with demand on a world scale.

This flat world of work also raises the prospect of social dumping as 'cheap' immigrants flood the labour market and offer skills and flexibility in return for a more competitive remuneration. This will be a challenge for workers and businesses. As developed countries move away from manufacturing economies into ever-increasing service and 'virtual' economies so organisations have access to a larger choice of workers. On the other hand of course it means that developing countries have the chance to access more and wider work opportunities and for their economies and social standards to rise. Over the past couple of decades globalisation has lifted millions of people in Asia out of poverty and driven investment in education. Labour productivity in Asia is growing at twice the global rate and people are being offered social protections that were never before available to them, resulting in the rise of a global middle class (an additional 400 million workers have joined the ranks of the middle-class since 2000.)

To address the potential negative fall-outs of globalisation we must work together to create appropriate international regulation. As jobs and work transcend national borders and legislations so they will need to be regulated at a supra-national or global level in order to offer an agreed level of social protections to all workers. Benefits will need to be tied to people, not to companies or jurisdictions, and to be portable as the workers of tomorrow navigate their working lives in an open and globalised job market that is the brave new world of work.

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¹ See McKinsey 2015 report "*The Four Global Forces Breaking all the Trends*".