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Building the future of work together

We need to nurture the biodiversity of the labour market

Darwinism holds the key to adjusting to the new world of work

By Denis Pennel

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"It is not the most intellectual of the species that survives; it is not the strongest that survives; but the species that survives is the one that is able to adapt to and to adjust best to the changing environment in which it finds itself." Origin of Species, Charles Darwin, 1859

The world is facing a work revolution. To survive we need to heed the words of Charles Darwin and adapt and adjust to fit our changing environment.

A flourishing biodiversity

Today's labour markets are characterised by biodiversity. Compared to the 1960s' male and white breadwinner model, the working population has never been so diverse: women account for almost 50% of the workforce in many markets, four generations of workers are coexisting within companies, ethnic minorities, disabled and senior people are engaged in the labour market. These different "*species*" as Darwin might have called them have a multiplicity of expectations as people seek more autonomy, greater flexibility and a better work/life balance.

At the same time we have a diversity of work contracts and types of work – the very '*DNA*' of the 21st century workplace. The on-demand economy requires companies to be more agile and this, combined with digitalisation and public policies to counter unemployment, means that there has been a huge diversification of work relationships and a destandardisation of working conditions.

In Europe, some 35 different contracts are in operation including part-time, fixed-term and training contracts as well as a growing body of freelancers and workers holding down multiple jobs in the gig economy. Globally over 60% of all workers lack any kind of employment contract, with most of

them engaged in own-account or contributing family work in the developing world. Even among wage and salaried workers, less than half (42%) are working on a permanent contract.

Thirdly we have a diversity of eco-systems. Each national labour market has its own complexities and institutions and with social partners playing greater and lesser roles and taking different approaches to issues like minimum wage, role of collective bargaining and hard vs. soft regulation.

Embrace new opportunities

To create labour policies fit for the 21st century, we must respect this fragile eco-system and adapt to embrace it. Biodiversity in the world of work offers opportunities to cultivate policies that nurture and protect all species and DNA and allow them to flourish.

By respecting biodiversity we will *drive inclusiveness and social integration*, boost diverse forms of work and increase employment among vulnerable groups. Yes, some workers will not secure permanent contracts, but many people – eg. students, parents of young children - do not want open ended contracts.

Fostering structures that match supply with demand in the workplace will also *drive up productivity and competitiveness*. Equally, promoting well-regulated and organised flexible forms of work will drive down undeclared work with the result that more workers enjoy *the security of social protection* and governments increase their tax revenues.

The one-size-fits-all approach has gone the way of the Dodo. It no longer meets the needs of companies, workers or society. The same way that intensive, monoculture is no longer the favoured agricultural practice, we have to let go of the idea that full time, open-ended contracts are the only decent norm. The new reality *demands freedom of choice and diversity*.

Nurture this fragile equilibrium

To maintain this fragile equilibrium, we have to give up the winner-takes-all approach and recognise that biodiversity in the labour market is here to stay. Instead of constantly referring to ‘non-standard forms of work’, we must adapt labour market policies to *focus on “endangered species”* – including the long-term unemployed, informal workers, younger workers and the unskilled.

We need to develop a sustainable labour market environment with *a level playing field* for all types of work. Forms of work that differ from open-ended contracts should not cost more or face unjustified restrictions. Nor should they be over-regulated. Cooperation between public and private employment services should also be promoted as a way to implement such active labour market policies and facilitate career transitions.

Future labour markets will need a lot more *intermediation* to simplify their increasing complexity. We will see the emergence of new worker communities through social networks, cooperatives and freelancer unions that act as responsible intermediaries advancing decent, quality work, upholding high standards and delivering tailor-made solutions to both companies and workers.

The employment industry has already implemented such innovative solutions with initiatives like portable and transferable social schemes for agency workers via supplementary sectoral social, training and pension bipartite funds, delivering additional benefits such as access to bank loans and credit as well as specific contracts. These support workers while reconciling flexibility and uncertainty and bringing stability and protection.

Define a new Social Deal

In short we need a whole *new Social Deal* adapted to flexible, project-based models and able to balance freedom, individualism and uncertainty with protection. Rights and social benefits need to be portable and attached to individuals not employers. Funding of benefits schemes needs to be adapted to reflect new, diverse forms of employment and we will need to levy taxes from across society from students to pensioners – maybe even purposing a percentage of VAT to fund social protection schemes. We will also need to reinforce skills recognition and focus on life-long-learning and development.

In the new world of work, labour markets will need to adapt if they are to assure their place among the survival of the fittest.

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