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Building the future of work together

Labour markets need to offer access for all if they are to be fit for the 21st century

By Denis Pennel

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Structural shifts in our economies are having a profound effect on labour markets. They are bringing about changes in the way that work is classified, protected, organised and distributed.

The emergence of global supply chains has led to greater outsourcing and project-based work while digitalisation has blurred the boundaries between work and leisure and allowed us to work from literally anywhere. Combine these with a rise in individualism and constantly evolving skills needs and the result is a labour market landscape that is very different from even 10 years ago.

While these changes bring many opportunities, they also of course, bring challenges. The World Employment Confederation has made a series of policy recommendations on actions needed to create labour markets that are fit for purpose in this brave new world of work. Paramount among these is the need to secure, equal and full access to labour markets through diverse forms of work.

In order to maximise labour market participation and get as many people into work as possible, we need to break down the barriers to entry and create diverse and inclusive labour markets that cater for a workforce that has never been so diverse. This includes young people under 25 years of age who are just establishing themselves in the job market, the long-term unemployed, ethnic minorities, disabled people, older workers, informal workers and migrants.

The starting point for this is the effective matching of workers and work. Workers today have a variety of expectations: full time work, part-time work, self-employment, work combined with skills training – the list goes on. Companies too have diverse needs and require the flexibility to staff up and down in line with the ebb and flow of the business cycle or projects to conduct. Hence

they are increasingly looking to employ people under a range of different contracts and to also supplement their labour requirements with agency workers and outsourcing.

Many countries today have more than 30 different work contracts operating alongside one another and the challenge arises as to how to classify these new forms of work relationships.

The rise of the gig economy has created debate around what differentiates employees and the self-employed and we are seeing legal challenges to these definitions across a range of geographies.

Governments need to set in place appropriate regulation to ensure fair competition between these diverse forms of work and to create a level playing field of basic rights and protections for workers, regardless of their contractual relationship. Labour market policies need to prioritise those individuals who are the most vulnerable and who need the most protection. We must secure safe and healthy working conditions for all of these workers while also making provision for them when they are sick or out of work, and when they retire and go on pension.

Meanwhile, with the rise of online and remote working, spurred by new technologies we are seeing an increased need for workers to be organised and represented. In many cases people are joining forces to create informal groups and networks of suppliers and partners that work together in attracting and retaining clients. Networks such as LinkedIn, Upwork and Task Rabbit connect people instantly and act as labour market intermediaries matching workers with work. These networks and platforms play an important role in promoting work but we also need governments to take up their responsibility and to stimulate job creation by the establishment of stable, business-friendly labour laws that can be adhered to by all.

As we all live longer and work longer so we are looking for a different type of working rhythm and a greater engagement and satisfaction from the work we do. In the years ahead not only will workers experience a greater of variety of contractual relationships throughout their working lives, but they will also need regular training and upskilling to keep up with new technologies and systems. They may even find themselves pursuing multiple different career paths. Governments need to recognise that this is not a flash in the pan, but a situation that is here to stay. They must embrace and foster this diversity by setting in place systems that are designed to support people from the beginning of their working lives through to retirement and beyond.

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