

## The Future of Work

### Issues at stake and policy recommendations from the employment industry

*Rapid technological changes, demographics, diversity, globalisation, new production models and the rise of the on-demand economy are some of the structural shifts that are currently reshaping the world of work. As we are at the heart of a paradigm shift, this White Paper identifies key policy issues, provides recommendations and, ultimately, calls upon policymakers to adapt legislation accordingly.*

#### I – Work & society: The end of work as we knew it

While the 20<sup>th</sup> century was largely characterised by the white male breadwinner, diversity is driving today's workforce. It is important to take into account the many kinds of labour markets and working arrangements such as wage earners, self-employment, art-work, family work and teleworking. Being a full time employee should not be seen as the common standard anymore.

**Implications and challenges:** Due to the diversity of the workforce, the one-size-fits-all approach is not applicable anymore. There is an increased variety of employment contracts and conditions that cover a wide range of situations including on-demand, on-call, casual or intermittent, project contracts, job-sharing and voucher-based work.

**Policy recommendations:** A policy environment that promotes a variety of contractual arrangements is a way to increase labour market participation and inclusion. Only a modernised labour market regulation can reflect the changing nature of work and, in particular, the rise of online workers. The full impact of workforce changes occurring due to technological disruption, demographic changes and business innovation should be assessed and taken into consideration. In addition, fostering more flexible and decentralised working conditions could attract vulnerable groups to the labour market.

#### II – Decent jobs for all: Towards a new social deal

We are facing a new industrial revolution where technology and globalised, interconnected service-oriented labour markets are changing the very nature of work. We are moving away from the industrial age into the digital age, which has changed the way we work at its core.

Online talent platforms are creating new avenues for accessing work, building professional experience and reputation and generating income. Many people are freelancing by choice, relishing the opportunity to set their own schedules, choose their assignments and work independently.

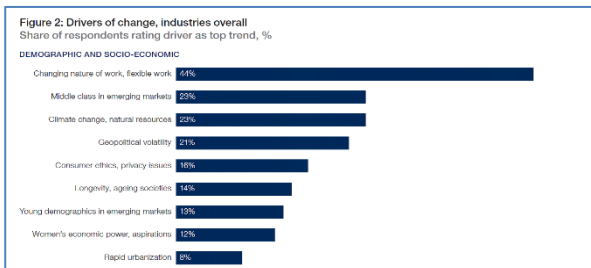
**Implications and Challenges:** The notion of 'working time' needs to be redefined especially because of the increasing mix between work and personal life. Digitisation and an expanded international division of labour mean we are more interconnected than ever. Communication and enhanced coordination processes within groups which are active worldwide but also between different companies, are more common today.

Technology offers a tremendous opportunity for entrepreneurs and society to constantly innovate and start new businesses. However, the nature and speed of technological innovation is creating a major disruption in the world of work.

**Policy recommendations:** Develop portable and transferable social rights in order to compensate for the uncertainty related to the multitude of employment contracts or statuses. If the digital revolution makes alternative working models and employment relationships more commonplace, policymakers will need to consider designing a system of more portable benefits.

### III – The organisation of work and production: Towards extended companies

In order to respond to the rise of the on-demand globalised economy, production patterns have been reorganised to gain flexibility and agility. A newly emerging model of industrial production involves short runs of mass-customised goods and services, the global fragmentation of value chains and the blurring of boundaries between producers, sellers and consumers.



**Implications and Challenges:** The value of workers is no longer tied to processes that can be automated but to non-repetitive and interactive contributions that are related to humans. Post-industrial economies do not need physical strength. Instead, they need ability to cooperate and adapt to new and diverse situations. Workers have a series of specialist skills which they use in carrying out a project or series of tasks.

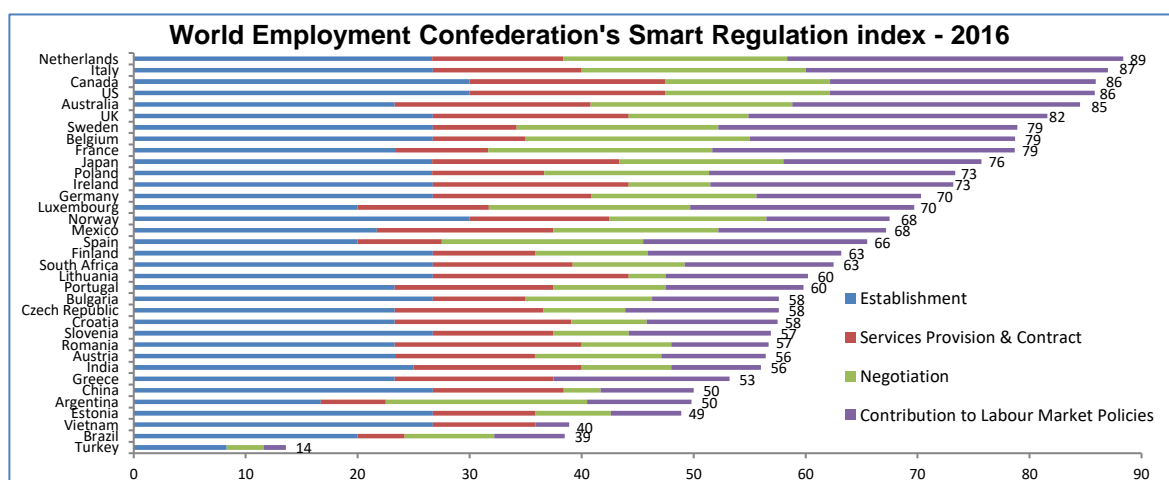
**Policy recommendations:** Policymakers need to ensure that the dynamic potential of the sharing and collaborative economy is not hindered by strict and outdated rules. New enforceable regulations capable of supporting and protecting all stakeholders in the collaborative economy should be created, with the need to eliminate the legal uncertainties that follow the transnational nature of this type of companies. In addition, a level-playing field between labour market intermediaries should be secured and unjustified restrictions hampering the development of business services should be removed.

### IV – The Governance of Work: Simplifying the complexity

For companies, the regulatory environment for doing business is getting ever so complex as they face an increasingly wide and overlapping range of hard and soft regulation. This is creating governance issues for the business world when it comes to labour management, as it is more difficult for companies to get a full understanding of the regulation and ethical principles they have to comply with, especially regarding the management of their global supply chains.

**Implications & Challenges:** Intertwined labour markets request relevant supra-national regulation. In order to reconcile the universal complexity of the labour market, it is clear that, while respecting national differences, international policymakers will have to play a greater role in setting guiding principles and rules in the future.

**Policy recommendations:** In this complex economic environment, policymakers should not add unnecessary burdens and constraints on the business world. On the contrary, they should create easy-to-understand, employment-friendly labour laws. When it comes to the employment industry, research by the World Employment Confederation shows that countries that have adopted smart regulation for this sector are more competitive delivering flexibility and security for both companies and workers.



'The Future of Work' White Paper is available at [wecglobal.org](http://wecglobal.org).

## ANNEX

### List of policy recommendations

#### I – Work & society: The end of work as we knew it

- Recognise that multiplicity has become a key component of labour markets.
- Secure a better measurement of the diversity of working relationships and work patterns to develop fact-based policies.
- Combat unemployment by facilitating access to work.
- Employment regulation should be modernised to reflect the changing nature of work and the rise of on-line workers.

#### II – Decent jobs for all: Towards a new social deal

- In terms of policy, decent work should be addressed beyond the types of labour contracts.
- Modernise social security schemes and implement safety nets for new forms of work and/or make them consistent with the ones already in place for traditional forms of work.
- Develop portable and transferable social rights in order to compensate for the uncertainty related to the multitude of employment contracts or statuses.
- Tax and benefits schemes must also evolve to protect those who lose out from change.
- Policy approach to skills maintenance should be redesigned.
- When it comes to decent work, public authorities' priority should be on fighting against worst labour situations such as human trafficking, illegal work and forced labour.

#### III – The organisation of work and production: Towards extended companies

- Remove unjustified regulatory obstacles hampering the development of business services as a way to enable adaptation to change.
- Ensure that the dynamic potential of the sharing and collaborative economy is not hindered by strict and outdated rules.
- Ensure a level-playing field between labour market intermediaries providing the same services to avoid unfair competition.
- Support three-party work relationships (such as agency work, umbrella companies, pooling of employers etc.) as a way to reconcile flexibility and security.
- Less red tape and more red carpet for entrepreneurship!
- Non-wage costs of labour (social charges) should be reduced and turned into taxes (social VAT) as in many cases it represents an obstacle to employing people.

#### IV – The Governance of Work: Simplifying the complexity

- Policymakers must work towards more resilient and adaptable labour markets that can weather economic downturns.
- Policy action is needed to promote inclusive labour markets that allow underrepresented and vulnerable groups to participate in rewarding and sustainable employment.
- Go for global labour instruments and implement policies that recognise the further integration of emerging economies into global markets and their contribution to the global workforce.
- Encourage greater cooperation between labour market services.
- Need for guidelines on supply chain management, defining how to distribute responsibilities and risks between all parties involved.
- Building closer bridges between education and the business world.
- Organise and promote fair labour mobility.
- Data protection and privacy: Any new regulation should be designed and enforced in a balanced way.
- Broaden the discussion of “labour relations and social dialogue” to recognise and encompass structural on-going changes in the world of industrial relations, including the emergence of a diversity of forms of employment relationships.