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IOE GUIDANCE NOTE ON THE ILO GLOBAL COMMISSION ON THE FUTURE OF WORK'S REPORT

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INTRODUCTION

The purpose of this Note is to provide detailed guidance on the content of the ILO Global Commission on the Future of Work ('Global Commission') Report, by highlighting the strengths and weaknesses of the proposed recommendations and presenting an overall assessment in view of the 2019 International Labour Conference "Committee of the Whole" discussions on the Future of Work. In this note the recommendations have been reviewed considering their possible implementation in the next 100 years and with due consideration of the ambitions of the Global Commission.

This is an initial assessment that will need further reflection and discussion within the Employers' Group and must bear in mind the difficulties of the Commissioners to present concrete and realistic proposals for action, to be applied throughout the globe and at different levels of developments.

It must be acknowledged that important efforts were made to reach this long-term objective. On this basis, it must be noted that some recommendations are practical and forward-looking, while others are aspirational and difficult to implement in the short-term.

As such, the Report will provide the basis for debate in the upcoming "Committee of the Whole" discussions during the ILO Centennial year, in Geneva on 10-21 June 2019. This Committee will discuss how the future of work is affecting the world of work and business, and what is the future role of the ILO within the international arena.

1. BACKGROUND INFORMATION ON THE ILO GLOBAL COMMISSION

The Global Commission Report aims at "*providing recommendations and guidance to orient the actions of the ILO as well as national policies to address the future of work*" ('Report').¹ In doing so, the Report outlines the steps needed to achieve a future of work that provides decent and sustainable work opportunities for all, against the background of rapid transformational change in the world of work, such as technology and innovation, climate change and demographic change. Key issues such as youth employment, skills mismatch, income inequality, gender equality, social protection schemes, the existing digital divide, and the collective representation of work-related interests are discussed.

The Report is the result of 16 months of intense discussions and work by an independent Global Commission, which was established in August 2017 as part of the Future of Work Centenary Initiative launched by the ILO Director-General in 2013.

The Global Commission was comprised of 28 members representing diverse disciplines and social economic sectors and was co-chaired by Stefan Löfven, Prime Minister of Sweden, and Matamela Cyril Ramaphosa, President of the Republic of South Africa. The ILO Chairperson and Vice-Chairpersons of the Governing Body, as well as the ILO Director-General were nominated as *ex-officio* participants. **Mr Mthunzi Mdwaba, the Employers' Vice-Chairperson to the ILO Governing Body**, was one of the *ex-officio* participants. The Commissioners participated and contributed in their personal capacities, not representing companies, trade unions, civil society organisations or international organisations, but merely on the basis of their own knowledge and understanding of the future of work-related issues.

2. THE EX-OFFICIO PARTICIPANTS ARE NOT SIGNATORIES OF THE REPORT

The *ex-officio* participants joined the Commission in their personal capacities, not representing their respective groups. However, their views were certainly influenced by the interests they protect within the ILO Governing Body.

Given the special status of the *ex-officio* participants, it was decided that they would not be signatories of the Report. This was expressed on page 75 of the Report, as follows:

"The Officers of the Governing Body participated in the debates of the Commission at the invitation of the Co-Chairs and the Director-General, taking into account their Governing Body status. Nonetheless, the contributions of all the Commissioners were

¹ ILO Website on the ILO Global Commission on the Future of Work - Five things you need to know: https://www.ilo.org/global/topics/future-of-work/WCMS_578759/lang-en/index.htm

made in a personal capacity and, in the case of those ex officio participants, their opinions did not commit the position of the groups they represent in the ILO. However, in order to preserve the independence of the Commission and having in mind the different opinions and recommendations considered in the draft Report, it was decided that ex officio participants would not be signatories of the final Report.”

3. BRIEF SUMMARY OF THE RECOMMENDATIONS

Based on the overall idea that “Governments, Employers’ and Workers’ Organisations need to reinvigorate the social contract to meet the challenges we will face in the future” (page 23), the Report places people and the work they perform at the centre of public policy and business practice. Thus, it expressed the need to establish a “**human-centred agenda for the future of work**” (page 24).

The “human-centred agenda” focuses on three pillars of action:

*“**First**, it means investing in people’s capabilities, enabling them to skill, reskill and upskill and supporting them through the various transitions they will face over their life course. **Second**, investing in the institutions of work to ensure a future of work with freedom, dignity, economic security and equality. **Third**, investing in decent and sustainable work and shaping rules and incentives so as to align economic policy and business practice with this agenda. By harnessing transformative technologies, demographic opportunities and the green economy, these investments can be powerful drivers of equity and sustainability for the present and future generations.”*

The following table outlines the Global Commission’s main recommendations (page 51):

Table 2. A human-centred agenda

Increasing investment in people's capabilities

1. Recognize a **universal entitlement to lifelong learning** and establish an effective lifelong learning system that enables people to acquire skills, upskill and reskill throughout their life course.

2. Step up investments in the institutions, policies and strategies that will **support people through future of work transitions**, building pathways for youth into labour markets, expanding choices for older workers to remain economically active and proactively preparing workers for labour market transitions.

3. Implement a **transformative and measurable agenda for gender equality** by making care an equal responsibility of men and women, ensuring accountability for progress, strengthening the collective representation of women, eliminating gender-based discrimination and ending violence and harassment at work.

4. Strengthen social protection systems to **guarantee universal coverage of social protection from birth to old age** to workers in all forms of work, including self-employment, based on sustainable financing and the principles of solidarity and risk sharing.

Increasing investment in the institutions of work

5. **Establish a Universal Labour Guarantee** that provides a labour protection floor for all workers, which includes fundamental workers’ rights, an “adequate living wage”, limits on hours of work and ensuring safe and healthy workplaces.

6. **Expand time sovereignty** by crafting working time arrangements that give workers greater choice over scheduling and working hours to balance work and private life, subject to the company’s needs for greater flexibility, as well as guaranteed minimum hours.

7. Actively **promote collective representation of workers and employers and social dialogue** through public policies.

8. **Harness and manage technology in support of decent work** and adopt a “human-in-command” approach to technology.

Increasing investment in decent and sustainable work

9. Create incentives to **promote investments** in key areas for decent and sustainable work.

10. Reshape **business incentive structures to encourage long-term investments** in the real economy and **develop supplementary indicators of progress towards well-being**, environmental sustainability and equality.

4. GENERAL COMMENTS ON THE REPORT AND RECOMMENDATIONS

- The Report captures the **positive tone and aspirations** of the Global Commission well by setting out very ambitious goals and recognising the remarkable opportunities that advanced technologies offer.
- It sends a very clear message on the urgency of change and the need to act in a way that encompasses the vastly divergent realities of working life across the globe, as well as addresses the challenges brought by the transformations in the world of work.
- The Report fully **embraces the diversities in the forms of work** and no longer uses the term of “standard/non-standard” forms of work. This is a milestone to be recognised. The Report addresses its recommendations to Governments, Workers’ and Employers’ organisations, companies, individuals and the civil society in general. The audience is clear; however, the recommendations require actions mainly from Governments and companies, thus leaving aside all other stakeholders in what would have been an occasion to develop their own responsibilities and play an active role in the future of work.
- Following a brief introduction on “**a human-centred agenda for the future of work**”, the Report focuses on a set of recommendations that is divided by its three pillars for action, namely:
 - investing in people’s capabilities;
 - investing in institutions of work; and
 - investing in decent and sustainable work.

However, the content is **unnecessarily long** and longer than the suggested length of 20 pages.

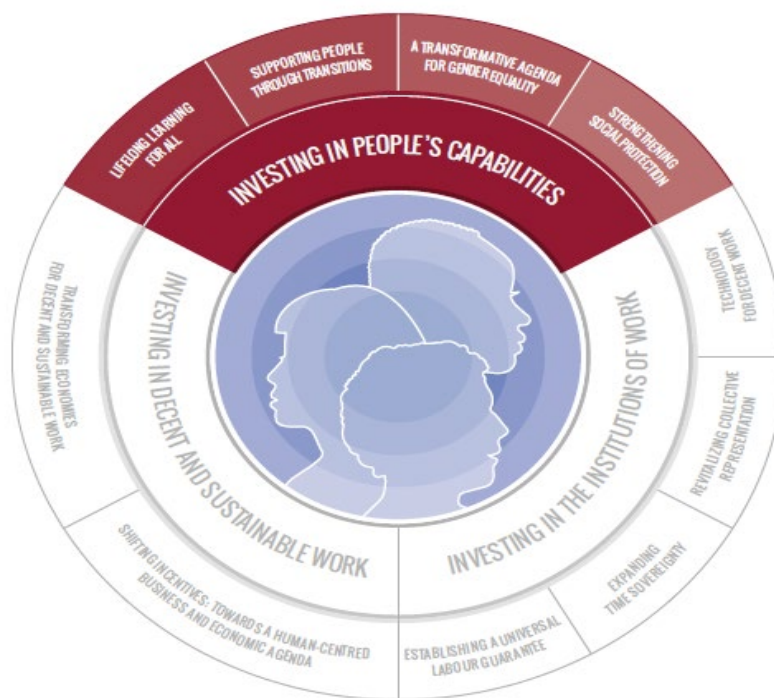
- **Some recommendations are not as clear, specific, realistic and concrete as expected.** Some recommendations are practical and forward-looking, while others are purely aspirational. In some cases, it is questionable whether the Governments, Employers’ and Workers’ organisations can have the ability to implement such proposals.
- The recommendations focus solely on human beings and the status of the worker, while the scope should cover all actors involved in the world of work. In particular, **the Report fails to fully acknowledge the value that the private sector adds to the world of work in spite of concrete suggestions and texts offered by Mr Mthunzi Mdwaba on this very important aspect.**
- There are no **concrete recommendations aimed at improving the business environment or promoting business dynamism and investment.** Each recommendation should have mentioned and considered how the business community could contribute and be part of the solution.

The role of the private sector is referenced in only a few sections, namely:

- *“the private sector has a particular role to play in offering young people quality apprenticeships and their first opportunity to work”* (page 32);

- in order to strengthen digital infrastructure to tackle the digital gap, *“the financing of investment on the scale required can only be achieved through a thriving private sector and the domestic resource mobilization it generates”* (page 48); and
 - *“The investment agenda needs to be underpinned by a supportive business climate and incentives for long-term financing. We therefore call for a better alignment of the enabling environment for business success with the conditions for implementation of the human-centred agenda. The private sector has a critical role in realizing the human-centred agenda to the full”* (page 49).
- **Some recommendations proposed are costly.** For example, those concerning the Universal Labour Guarantee, the universal social protection from birth to old age, and universal entitlement to lifelong learning (*see below for more details*). Although the investment may be necessary, the Report should have included an overall cost-benefit analysis or provided pilot examples where one or more recommendations have been already tested.
 - **Some ideas developed in the Report may pose some challenges to businesses.** For example,
 - the idea that *“two types of change are needed in corporate governance and conduct”,* the first of which is *“to extend stakeholder representation, making corporations more accountable to wider social and community interests. This can involve instituting advisory stakeholder councils or establishing stakeholder representation on financial regulatory bodies, among other measures.”* (page 49)
 - the call for *“Innovative instruments for social and environmentally responsible investment, backed by transparency requirements in company Reporting, and an appropriate regulatory framework”* offering *“real potential to bring to scale the important initiatives already taken”* (page 49). Simpler and smarter regulations have already proven to be more efficient in this regard, thus do we really need more transparency requirements?
 - Despite the adequate recognition of the countless opportunities ahead (page 20), the Report provides only negative figures on the number of people that need an employment, the number of unemployed workers, the number of people in informality, some data about inequality, etc. For each of them, there is a positive side including the creation of new jobs in the last 50 years, the number of people that have been able to escape poverty, the growing middle class in emerging economies, the reduction in working time, and the decrease in the gender pay gap.

5. SPECIFIC COMMENTS ON THE RECOMMENDATIONS



[Image extracted from page 29 of the Report]

1. Investing in people's capabilities

Recommendation 1

“Recognize a universal entitlement to lifelong learning and establish an effective lifelong learning system that enables people to acquire skills, upskill and reskill throughout their life course”.

Brief summary of the recommendation: in order to fully leverage the current transformations, workers should be entitled to both formal and informal forms of lifelong learning. This should encompass the access to basic education from early childhood to professional training for adults. The system would be based on a reconfigured “employment insurance” system or “social funds” that would allow workers to take paid time off to engage in professional training. Skills must be portable through a common skills recognition framework adopted at both the national and international levels.

Whose responsibility is this? How? It is a joint responsibility requiring the active engagement and support of governments, employers and workers. Governments can create the standards for lifelong learning, while employers’ and workers’ organisations can jointly monitor its implementation and quality.

How to finance it? Governments need to find appropriate financing mechanisms, tailored for their country and sectoral context. Employers need to also contribute to its financing, and they can work with workers’ organisations to design relevant frameworks and to arrange funding for these programmes.

Strengths of the recommendation:

This proposal is certainly valuable and has been repeatedly advocated by all ILO constituents, primarily by the Employers' group. Improving the design and delivery of high-quality education for all and skills anticipation is key to ensuring that equal opportunities are given, and that the cause of inequality is addressed. As rightly mentioned in the Report, digital technologies open new possibilities for broad participation in training (page 31). Thus, efficient, personalised and dynamic lifelong learning systems are the only way to facilitate workers' employability and to cope with increased labour market transitions.

The other points of strength lie in:

- The call for a governance of efficient lifelong learning systems based on effective partnerships among governments, employers, social partners, learning institutions and other institutional stakeholders to align educational outcomes with labour market requirements, as well as to monitor their impacts (pages 30-31).
- Work-readiness programmes (including apprenticeships) can be an effective tool for creating employment opportunities and driving economic growth by building the skills that are needed in the labour market.
- The combination of efficient lifelong learning systems and the modernised social protection system that "*enables workers to assume their responsibility to engage proactively in their own learning*" (page 32).

Weaknesses of the recommendation:

While we recognize the need to be ambitious for the next 100 years, we must nevertheless demonstrate pragmatism by devising means to assist those countries that are still making efforts to fulfil the basic right to education. Moreover, the recognition of the need to learn through a lifetime is not a new idea; it is widely supported in some regions of the world. However, there is no country to date that has been able to adequately design, implement, and deliver lifelong learning.

The other points of weakness are:

- With regards to the responsibility of this entitlement, individuals are not just entitled to receive lifelong learning as if it was a right, but it is also imperative that the individual takes his/her responsibility and initiative in the pursuit of knowledge and valuable life skills. Up-skilling and re-skilling should become an inherent aptitude and a change in the mindset.
- The establishment of national or sectoral education and training funds managed by tripartite boards for workers in the informal economy is a proposal that should be supported (page 31). However, implementation will be challenging in countries with high levels of informality (up to 90%), unless some sort of international solidarity fund is set up.
- On the establishment of a common skills recognition framework (page 31) both at national and international level, it remains to be seen how this would be set up and monitored while avoiding excessive bureaucracy.

Recommendation 2

“Step up investments in the institutions, policies and strategies that will support people through future of work transitions, building pathways for youth into labour markets, expanding choices for older workers to remain economically active and proactively preparing workers for labour market transitions.”

Brief summary of the recommendation: Transitions are part of individuals’ lives: from school to work, changes in jobs, moving into retirement, etc. People need more support throughout these life transitions, especially for youth seeking employment and the elderly prior to their retirement, as part of a lifelong active society.

Whose responsibility is this? How? It is a collective responsibility of governments and the social partners. For instance, transition agreements between employers’ and workers’ organisations at the sectoral level could set the basis of support. The private sector has a role to play in offering young people quality apprenticeships and their first opportunity to work. Young people’s work must be rewarded in line with the principle of equal pay for work of equal value. Access and participation in lifelong learning for young people not in employment, education or training needs special attention to ensure social inclusion.

How to finance it? Governments need to increase investment in public employment services (PES) by combining digital services with personal counselling and placement service, by improving labour market information, and by *“making labour market policies proactive”* (page 33). Collaboration between PES and other partner organizations including the private sector needs to be reinforced.

Strengths of the recommendation:

This proposal has some merits for its motivation on life transitions and its focus on youth. Positive engagement with partner organisations and the private sector especially through Employers’ organisations should be encouraged. It recognises the role of the private sector in offering young people opportunities to work, including through apprenticeships.

Weaknesses of the recommendation:

The recommendation may be improved, particularly in regard to the design of such support and its financing. The key to facilitate transitions lies in the labour market policies. Active labour market policies allow for smoother transitions, whereby workers’ mobility prevents higher long-term unemployment.

This recommendation does not explain clearly how labour markets policies can be improved to support effective transitions or how tripartite bodies can successfully contribute in improving the labour markets. Practical solutions or references to lessons learned from concrete examples would add value to the recommendation.

Public employment services alone are not the solution. The recommendation neglects the role of private employment agencies, which have proven to be of enormous help in matching job seekers and job opportunities. Moreover, the new reality of work sees an increasing number of individuals using digital private tools to match job or service opportunities with job seekers.

Recommendation 3

“Adopt a transformative and measurable agenda for gender equality by making care an equal responsibility for men and women, ensuring accountability for progress, strengthening the collective representation of women, eliminating gender-based discrimination, and ending violence and harassment at work.”

Brief summary of the recommendation: Gender equality begins at home. It is necessary to adopt policies that promote equal sharing of care and domestic responsibilities between men and women. This requires establishing and expanding leave benefits that encourage both parents to share care responsibilities equally. Accountability for progress on gender equality needs to be ensured.

Whose responsibility is this? How? Governments, workers’ and employers’ organisations are recommended to actively pursue and support greater representation by women. Pay transparency policies (including mandatory reporting requirements and measures that protect the right of workers to share information) and a range of affirmative action tools (from quotas and targets to equality plans) can help in the fight against gender inequalities. Technology can provide access to further employment opportunities. The ILO is currently engaged in setting an international standard on violence and harassment and its success in this ground-breaking initiative is crucial.

How to finance it? It will require greater investment in public care services to ensure a balanced division of care work, not only between men and women, but also between the State and its private citizens. Access to finance and credit can boost women’s entrepreneurship in the rural economy.

Strengths of the recommendation:

The recommendation to increase investment in public care services is a robust and an important one, if based on a holistic approach. Current research has shown that one of the barriers to employment for women is the lack of access to quality, reliable and affordable child care services. Private sector collaboration (not just “public” care services but privately managed care facilities), flexible forms of contracts, flexible working time patterns will also help. Therefore, the design and implementation of this recommendation is highly encouraged.

Weaknesses of the recommendation:

Concerning pay transparency policies, this is a complex and highly sensitive issue. The proposal is not realistic and lacks consideration of the most successful policies to integrate women into the labour market effectively. The question is how can mandatory reporting requirements protect the right of workers to share information, as well as comply with the confidentiality arrangements between the employer and the worker at the same time? Further research is necessary to see the effectiveness of these policies, including the potential undesired side effects of mandatory reporting such as creating a negative working environment among workers.

In reference to the use of quotas in the pursuit of gender equality, there is a need to carefully evaluate its effectiveness in the workplace. Many experts believe that if this is imposed forcefully, it could result in unintended and unforeseen consequences, which could undermine the credibility and talent of women at the workplace. Evidence has shown that the elimination of barriers to equal access to training and education, and barriers to recruitment and career development opportunities is a more effective approach in the long term. The reality is that in certain countries the quota system has proven to be effective and successful, in the area of sports as an example. In other cases, quotas have had a

negative impact, affecting the credibility of women's talents and skills in the workplace. The Report omits the relevant debates on the effectiveness of gender quotas.

The Report attempts to support this recommendation by mentioning that the ILO is "*engaged in setting an international standard on violence and harassment, and its success in this ground-breaking initiative is crucial*". However, the constituents should determine by themselves if the initiative, or rather the instrument, is ground-breaking in a sense that it becomes ratifiable and implementable.

Recommendation 4

"Strengthen social protection systems to guarantee universal coverage of social protection from birth to old age to workers in all forms of work, including self-employment, based on sustainable financing and the principles of solidarity and risk sharing".

Brief summary of the recommendation: The future of work requires a strong and responsive social protection system based on the principles of solidarity and risk sharing, which provides support to meet peoples' needs over their life cycle. Universal social protection from birth to old age should include a social protection floor that provides a basic level of protection, complemented by contributory social insurance schemes that offer increased levels of protection. It should cover all workers in all forms of work.

Whose responsibility is this? How? The responsibility is placed uniquely on the Governments. The international community can also support countries in developing their social protection systems.

How to finance it? It could be self-financed by individuals through encouraging a lifelong active society whereby older workers continue working and contributing to the system. Additionally, the Government could expand the fiscal space by reallocating public expenditure, increasing tax revenues and expanding social insurance coverage and contributory revenues. Contributions from employers for social insurance are crucial.

Strengths of the recommendation:

The motivation and the aim of this recommendation are worthy of support, but special attention needs to be given first and foremost to the development of more modernised, viable and sustainable social protection systems.

Once such modernisation is achieved, ways could be explored to support individuals who need better coverage without creating a strain on sustainability or incurring unnecessary costs.

Weaknesses of the recommendation:

The financial solutions provided to implement this recommendation are not ideal. The problem of sustainability, as correctly mentioned in the Report (page 36) is not minor and long-term solutions need to be found. The first option of supporting the elderly to work longer, is not a strong one and will not be able to address the problem in the long-term. The second option of expanding the fiscal space is also not self-sustainable.

The employers' contributions are certainly key to the functioning of the system, but they are not the only ones. Public institutions should make their own contributions, and the workers too.

The Report suggested that "*countries at different levels of development have successfully developed their social protection systems, adapted to national and regional context, extending coverage to vulnerable workers in the informal economy*". However, this fact is not convincing as the Report does

not substantiate it with the details of such systems or identify any specific countries. On this specific point, the Report fails to highlight how the development of social protection systems must necessarily follow periods of sustainable growth and sound macroeconomic policies able to attract investment. It also fails to highlight the role of the second and third pillars (private pension funds) as one of the possible ways to improve social protection system sustainability.

2. Investing in the institutions of work

Chapter 2 focuses on the strengthening and revitalization of the institutions governing work, as a consequence of the transformations under way. *“These institutions are designed to address the inherent asymmetry between capital and labour”* and include *“laws, regulations, employment contracts, employers’ and workers’ organisations”* (page 38).

Recommendation 5

“Establish a Universal Labour Guarantee that provides a labour protection floor for all workers, which includes fundamental workers’ rights, an “adequate living wage”, limits on hours of work and ensuring safe and healthy workplaces”.

Brief summary of the Recommendation: *“[T]he employment relationship remains the centrepiece of labour protection”.* *“At the same time, all workers, regardless of their contractual arrangement or employment status, must equally enjoy adequate labour protection.”* (page 38) The Guarantee includes:

- a. fundamental workers’ rights including freedom of association and the effective recognition of the right to collective bargaining and freedom from forced labour, child labour and discrimination; and
- b. a set of basic working conditions namely (i) “adequate living wage”; (ii) limits on hours of work and (iii) safe and healthy workplaces.

Whose responsibility is this? How? This is not mentioned in the Report. Thus, the responsibility presumably lies on the Government to adopt relevant laws and regulations. The social partners can also raise the labour protection floor through collective agreements.

How to finance it? This is not mentioned in the Report.

This recommendation is the most concerning given its complexity and ambitious nature. It is formulated in such a way that on one side it reinforces the employment relationship (*“the employment relationship remains the centrepiece of labour protection”*), but simultaneously departs from it (*“at the same time, all workers, regardless of their contractual arrangement or employment status, must equally enjoy adequate labour protection”*).

Strengths of the recommendation:

It is difficult to find any strengths in this recommendation, apart from its shared objective of strengthening workers’ minimum protection.

Weaknesses of the recommendation:

There are difficulties in properly implementing this proposal, starting with the term “guarantee”. Who can provide such a “guarantee” when there is no guarantee for businesses to survive and provide jobs? The fact that the average company lifespan is rapidly shrinking, from 90 years in 1935 to around only

18 years today, where, in order to be successful, businesses have to be more agile, innovative and responsive needs to be considered. It is more and more common for businesses to undergo restructuring as customers' expectations are growing and changing rapidly and global competition is fierce.

Although the implementation of a "living wage" is contained in the ILO Constitution, it is problematic because:

- there is yet to be an internationally agreed definition of what constitutes 'living wages';
- 'living wages' consistently refer to wages that allow workers to meet their own and their dependents' basic needs, which may include items such as housing, food, child care, education, transportation, health-care, taxes, savings for emergencies and other basic necessities. Therefore, 'living wages' depend on a highly uncertain measure of a perceived 'good' standard of living;
- SMEs will have difficulties paying 'living wages' to workers if it is set unrealistically high and may consequently have to offset employment rates and job creation.

An indication on how to implement the concept of a living wage may be found in footnote 41 of the Report, which reads:

"The ILO Minimum Wage Fixing Convention, 1970 (No. 131), provides for a minimum wage, taking into consideration: (a) the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits and the relative living standards of other social groups; and (b) economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment".

Living wage is a different concept from "minimum wage". However, the latter has a proper definition and can be implemented. The high value of this concept, compared to the other one, lies in the fact that this Convention allows for proper equilibrium when setting minimum wages, by considering simultaneously both "social criteria" (workers' and their families' needs) and "economic criteria" (productivity and the ability of enterprises to pay).

The rest of the Report positively reflects this view by referring to "minimum wages" instead of "living wages" (page 44).

On setting limits on hours of work, excessive working hours indeed put a strain on health and productivity and therefore should be discouraged. However, reducing the number of working hours may have repercussions on workers' productivity. This in turns reduces competitiveness of the businesses and consequently adversely affects the economic growth. Recent evidence shows that reductions in working hours have not necessarily worked well.² Further study is needed to see the viability of this recommendation.

With regards to the Universal Labour Guarantee as a "pathway to make the transition from the informal to formal employment", due to the costs of implementing this recommendation, it is important to see whether least developed and developing countries with higher levels of informality

² What is the French economic problem?, BBC News, April 2016 <https://www.bbc.com/news/business-36152571>

would be able to tackle the problems associated with the informal sector by implementing the Universal Labour Guarantee.

Finally, the Universal Labour Guarantee is also proposed as a solution to low productivity, due to its ability to generate a more productive workforce. However, this statement is unconvincing and unsubstantiated since there is no direct correlation between a living wage with higher levels of productivity.

Recommendation 6

“Expand time sovereignty by crafting working time arrangements that give workers greater choice over scheduling and working hours to balance work and private life, subject to the company’s needs for greater flexibility, as well as guaranteed minimum hours”.

Brief summary of the recommendation: technologies have the potential to transform the working time into either excessive hours or inadequate hours. Workers need greater time sovereignty. Making a choice on working time will improve their health and well-being as well as individual and firm performance. Reducing working hours but at the same time increasing productivity is also important because of its ability to increase income.

Whose responsibility is this? How? Governments, employers and workers adopt working time arrangements, subject to the company’s needs for greater flexibility. Social dialogue would be of additional support.

How to finance it? There is no information about this.

Strengths of the recommendation:

The proposal is highly appealing but difficult to manage.

Weaknesses of the recommendation:

Working time flexibility and working time pressure highly depend on the nature and scope of the work. There are some professions or industries which require steady and reliable working hours, whilst others do not. There is a need to balance work flexibility and quality outputs to ensure job security. Productivity and competitiveness are inseparable elements in order to have a strong, stable and healthy economy and labour markets. This is especially pertinent now, where modern times dictate an increase in competition, not just at the domestic level, but especially at the global level, due to the development of the digital economy.

Recommendation 6 does not seem to contemplate this nor consider successful examples where the reduction in working hours has improved productivity and increased individuals’ incomes and welfare (page 40).

Recommendation 7

“Adopt public policies that promote collective representation and social dialogue”.

Brief summary of the recommendation: Governments, workers’ and employers’ organisations are parties to the social contract and are responsible for its design and delivery through social dialogue. Collective representation of workers and employers through social dialogue is a public good that lies at the heart of democracy. It should be encouraged and promoted through public policies.

Whose responsibility is this? How? There are many options available to strengthen the mechanisms of dialogue and partnership at company level through consultations and information arrangements, through collective bargaining and tripartite social dialogue.

A specific role must be played in wage-setting institutions where wage policies need to be revitalised, through an appropriate application of statutory minimum and collectively bargained wages.

How to finance it? There is no information about the financing of this proposal.

Strengths of the recommendation:

The recommendation repeats a message often shared by the ILO Constituents within and outside ILO debates. At national level, social partners sometimes struggle for their own survival and to play an active role in the establishment or revision of national social policies.

The global decrease in workers’ representation is concerning also for its main counterpart, employers’ organisations.

The recommendation’s strong focus on the fact that other organisations cannot substitute workers’ and employers’ organisations is of high value (page 42).

Weaknesses of the recommendation:

Two main weaknesses are found in this recommendation:

- The “intrusion” of the global commission report into wage policies, whose revitalisation should be based on an “appropriate application of statutory minimum and collectively bargained wages” (pages 42-43) is not appropriate. Such a recommendation directly contradicts the voluntary nature of collective bargaining, as contained in ILO Convention 98.
- The call for the recognition of collective bargaining for “self-employed workers” disregards the debates within the ILO and in many European countries about the status of self-employed workers and their entitlement to collective rights. It is therefore overall not a well thought-out and well-motivated recommendation.

Recommendation 8

“Use technology in support of decent work and adopt a human-in-command approach to technology”.

Brief summary of the recommendation: technology has a great potential in advancing decent work. However, the final decision affecting work shall be taken by human rights, not algorithms. Technology may benefit labour administrations, companies and social partners to monitor workers. However, at the same time, technology in the form of digital platforms makes it more difficult to monitor legal compliance. It is recommended to set an international governance system for digital labour platforms that sets and requires platforms (and their clients) to respect certain minimum rights and protections (page 44).

Whose responsibility is this? How? Governments, employers’ and workers’ organisations shall monitor the impact of new technology on work.

How to finance it? There is no information about the financing of this proposal.

Strengths of the recommendation:

Thriving in the future of work means grasping the full potential of the opportunities given by technology in terms of business models and working conditions. This recommendation wants to highlight this, but with a specific focus on the human-in-command approach to technology.

Weaknesses of the recommendation:

The human-in-command approach to technology needs to consider that algorithms are made and controlled by human beings. Thus, humans are accountable for the way they deploy and use technology. For any design flaws or tendencies in digital technology, the humans deploying them are responsible for the functioning and outcomes of their technology. Like any other technology used in the workplace, workers and supervisors must exercise diligence and undergo necessary training, which may require certain levels of digital literacy.

With regards to technology at the service of labour administration (through blockchain technologies, for instance), it is unclear why the same cannot be applied to the digital labour platforms? An application should help labour administration control working conditions and also workers working in digital platforms.

Thus, the recommendation to set an international governance system for digital labour platforms that sets and requires platforms (and their clients) to respect certain minimum rights and protections seems completely out of context and is not properly explained. It raises more questions than answers, especially with regards to its feasibility. For instance, who will be responsible for setting this international governance system? And to monitor it? Will governments agree on such a governance system? Under which framework? Which minimum rights and protections are referred to? Would they be transnational rights and protections?

3. Investing in decent and sustainable work

Recommendation 9

“Create incentives to promote investments in key areas for decent and sustainable work.”

Brief summary of the recommendation: Investing in the care economy, which could generate 475 million jobs globally by 2030, would address the rapid population ageing in many countries and opens the way for progress toward gender equality. To mitigate climate change, carefully designed adaptation strategies hold the potential for net positive employment impact through a just transition for all actors in the world of work. For example, by strengthening land tenure rights, empowering women, improving access to credit and insurance and establishing measures for fair and stable agricultural prices for food security. There is an urgent need to promote access to clean, affordable and renewable energy in rural areas.

Whose responsibility is this? How? Transforming the care economy depends on public investments in quality care services, decent work policies for care workers, support of unpaid care workers wishing to return to paid employment and revaluing and formalising paid care work. Micro, Small and Medium-Sized Enterprises are important partners in designing local adaptations to climate change. Government initiatives to provide small-scale subsistence farmers with access to credit may help exploit value chain opportunities. High quality physical, digital and social infrastructures, including excellent public services are fundamental investments.

How to finance it? The financing of investment can be achieved through a thriving private sector and the domestic resource mobilisation that it generates. External sources of financing both official development assistance and foreign direct investment have catalytic roles to play. Multilateral or national development banks and blended finance initiatives can alleviate constraints on infrastructure investment.

Strengths of the recommendation:

The recommendation recognises the role of Micro, Small and Medium Sized Enterprises as important partners in designing local adaptations to climate change. National Adaptation Plans (NAPs) are traditionally based on state-driven policies, therefore this recommendation to engage Micro, Small and Medium Sized Enterprises is seen as an innovative approach.

Weaknesses of the recommendation:

This recommendation highlights the need for more investments in the care economy, green economy and rural economy. However, it fails to answer and capture the essence of the title, which is to ‘create incentives’ for the mentioned ‘thriving private sector’. There are no clear incentives for entrepreneurs, for instance by promoting an enabling business environment, which is essential for industrialisation and business expansion.

Revaluing and formalizing care work may sound theoretically appealing as it can generate up to 475 million jobs, but the reality would mean fundamentally shifting how families and cultures are organized. For example, an “employer” providing compensation to a father who takes care of his elderly mother and referring that as a “job”.

In reference to transitioning to a green economy, experience has shown that this transition is challenging, takes time and needs smart policies to avoid unintended consequences. This point should have been mentioned in the Report.

Recommendation 10

“Reshape business incentive structures to encourage long-term investments in the real economy and develop supplementary indicators of progress towards well-being, environmental sustainability and equality.”

Brief summary of the recommendation: This recommendation calls for a supportive business climate and incentives for long-term financing, aligning business success with the human-centred agenda. The private sector has a critical role, especially in innovative measures that require enterprises to account for the impact of their activities on the environment and communities. As financial market conditions pressure businesses to meet short-term financial targets and shareholder expectations, enterprises can find it difficult to engage in long-term planning and investment strategies that would ultimately be more conducive to their competitiveness, growth and success. The proposed market-based incentives include: 1) extending stakeholder representation for instance by instituting advisory stakeholder councils and making corporations more accountable to community interests; 2) ending the requirement for quarterly financial reporting; and 3) providing incentives for long-term shareholders and a more inclusive bottom line reporting.

There are strong concerns about the concentrated power among technology companies and the recommendation supports international efforts to promote more competition for innovation and enterprise development better suited to social goals.

Whose responsibility is this? How? The investment community and particularly pension funds have a key role to play, by scaling up innovative instruments for social and environmentally responsible investment, backed by transparency requirements in company reporting and an appropriate regulatory framework. The recommendation calls for other progress indicators to supplement the GDP, including those that track the impact on the environment, unpaid work performed in households and communities (including unpaid care work) and access to education, health and housing.

How to finance it? The effective application of fair fiscal policies is key to financing investment for decent and sustainable work. Tax systems need to be equitable and consistent with the promotion of decent work, economic growth and enterprise development; and the tax take needs to be sufficient to meet the ambitions of the human-centred agenda. This should also apply to highly digitized business models, which also provide opportunities to tackle the digital divide.

Strengths of the recommendation:

This recommendation seems to partially recognise the role of the private sector and the advantages of creating a supportive business climate. This is seen as a positive general approach.

The recommendation also highlights the need to consider other progress indicators to supplement the GDP. It is generally agreed that relevant and accurate data add great value to policymakers, and consequently enable policymakers to make better decisions with regards to the effective allocation of

resources and priorities. There needs to be further reflection on how to practically include unpaid care work as one of the other indicators of progress.

Weaknesses of the recommendation:

It remains to be seen if an extension of stakeholder representation in corporate governance will be beneficial to companies. Problems may arise as a result of stakeholder mismatch due to conflicting interests, over-regulation of company activities that undermines the company's independence, and misunderstandings of the company working culture.

Regulatory frameworks and transparency in reporting may in theory align companies with the human-centred agenda. However, this may prove to be counterproductive in efforts to “*encourage long-term investments in the real economy*”. Simpler and smarter regulations have proven to be more effective in the long-term.

In reference to the strong concerns on the concentrated power among technology companies, competition laws and policies are adopted to prohibit abuse of a dominant position or market power. However, being dominant in a market is not prohibited in itself. Therefore, healthy competition among technology companies should be encouraged, as it also contributes to innovation development.

6. TAKING RESPONSIBILITY AND THE FUTURE ROLE OF THE ILO

This part of the Report refers to those required to take responsibility and act.

All stakeholders are called upon to take responsibility, even if the recommendations mainly require action from the Governments and companies. This is a clear failure of the report, since it does not encourage everyone to play an active role in the future of work.

The reference to “*solidarity among people, generations, countries and international organisations*” is simply aspirational.

Final recommendation

The final recommendation is contained in this Chapter (page 55):

*“We recommend that all countries **establish national strategies on the future of work**, relying for their development on existing institutions for social dialogue or, as necessary, establishing new ones. These strategies should put into action the recommendations in the report, responding to specific national circumstances”.*

With regards to the responsibilities of the ILO, it is recommended that:

- The ILO is the focal point in the international system for the development and comparative policy analysis of national future of work strategies (page 55);
- The ILO promotes coordination among all relevant multilateral institutions in framing and implementing the human-centred agenda (page 55);
- The ILO improves its understanding on the changes and establishes an innovation laboratory on digital technologies that can support decent work. “*The lab would pilot and facilitate the adaptation and adoption of technologies to support employers, workers and labour inspectorates in monitoring working conditions and provide training and support on how to analyse and use the data collected*”.

Such recommendations, and especially the first one, express a call for the ILO to receive a broad mandate, but necessarily need to respect the tripartite nature of the ILO and the way in which decisions are taken. The International Labour Conference in June 2019 will be able to discuss these recommendations as well as other relevant proposals, in order to establish what is the role and future work of the ILO for the coming years.

Considering those decisions are based on consensus, it will be necessary to have the three constituents aligned on the content of the document which will be the outcome of the discussion.

Constituents, for instance, may wish to develop a specific **roadmap for the ILO**, to be again revisited in 2030 (in line with the 2030 Sustainable Development Goal Agenda) and with more defined ideas on how the ILO should reassert its role and strengthen its leadership in global policies within its mandate.

Among other themes, the ILO could be requested to focus on:

- **Taking an effective global lead to anticipate skills needs and provide critical guidance to Constituents on this area;**
- **Supporting countries to enhance productivity growth, leading to decent job creation and economic growth, and to promote and boost entrepreneurship;**
- **Developing further expertise on job transition support schemes and sharing good practices;**
- **Supporting countries to have efficient and active labour markets;**
- **Better addressing informality on the basis of the ILC Resolution;**
- **Strengthening effective, modern and responsible social dialogue;**
- **Strengthening the development of sustainable social protection systems;**
- **Ensuring the effectiveness, universality and relevance of International Labour Standards.**

7. SUGGESTED POSITION FOR IOE MEMBERS

- Employers' organisations may wish to express their **support** for the *Recommendations No. 1 on lifelong learning (with the remarks highlighted in this guidance note), No. 2 on supporting people through work transition, No. 3 on adopting an agenda for gender equality, No. 4 on strengthening social protection systems, always considering the need for its sustainability first, and No. 7 on the promotion of collective representation and social dialogue*. All of them have points of strengths and weaknesses as detailed above, but overall can be supported.
- Employers' organisations may wish to **take note** of *Recommendation No. 9 on creating incentives to promote investments in key areas for decent and sustainable work and Recommendation No. 10 on reshaping business incentive structures to encourage long-term investments in the real economy*. Both of these have equal points of strengths and weaknesses as detailed above.
- Employers' organisations may wish to state their special **reservations and distance** themselves from the notion of *the Universal Labour Guarantee (Recommendation No. 5) and the concept of time sovereignty (No. 6)*. These two recommendations are the most concerning due to their unrealistic and costly nature. Additionally, the Employers may want to raise their concerns on *Recommendation No. 8 in its proposal to set an international governance system for digital*

labour platforms that sets and requires platforms and their clients to respect certain minimum rights and protections.

- The Employers have repeatedly highlighted **the role to be played by the private sector in the future of work**. This was regrettably not clearly recognised in the Report. The private sector has the ability and potential to contribute to moving those in the informal sector to the formal one through the gig economy; generate production and employment through riding the technological progress; create global networks and platforms; collaborate with universities and other educational institutions to promote innovation; and help develop training methods and curriculum to meet future labour needs and demands.
- On the **future role of the ILO**, Employers' organisations must be clear on the fact that the Global Commission Report and its recommendations cannot pre-empt the discussion in the next International Labour Conference on this same topic. It will be for the tripartite constituents to confirm the recommendations of the Global Commission or to present and develop new ideas for the future work of the ILO.

8. NEXT STEPS

- Employers' organisations may wish to convey the key supported recommendations as well as the ones where concerns have been expressed to their respective governments or at national/regional discussions on the future of work. When expressing their message, they shall keep in mind that this is an initial assessment that will need further reflection and discussion within the Employers' group. Additionally, the difficulties of the Commissioners to present concrete and realistic proposals for action, to be applied throughout the globe and at different levels of developments, must be recognised.
- Employers' organisations may wish to disseminate the Report to their members and partner companies and highlight the key concerns for them as a Group.
- The Employers' Group will have the opportunity to discuss in detail the Report at the next Policy Working Group on the Future of Work meeting which will take place alongside the upcoming Governing Body Session in March 2019.
- The IOE will circulate a document to reflect on the work and future role of the ILO for the Centenary.