



## World Employment and Social Outlook: The Changing Nature of Jobs

ILO (Geneva: ILO, 2015)

ISBN: 978-92-129263-0

162 pp.

Notwithstanding the nod to entrepreneurialism that we give at our university, in common with many others, we still tend to imagine that our students will mostly enter the world of work via standard employment – that is, a full-time position for a fixed salary with a single employer. Standard employment of this sort was prevalent in the post-war decades that saw increased levels of relatively equitable growth and stability across most of the western world. Fears that

workers would switch their loyalties during the Cold War to Communism meant that governments and employers were willing to grant some concessions to workers who were able to organize themselves into unions because they had the benefits of stable employment. That system began to break down as a result of the neoliberal revolution of the Thatcher-Reagan-Kohl years and the attacks on unions unleashed by those forces of regression. Opposition to neoliberalism virtually collapsed with the end of the Soviet Union, after which elites across the developed world saw no need to grant any additional concession to working people and, indeed, sought to cancel the concessions that had already been made. The results have been very clear, with hugely increasing inequalities highlighting the lack of basic securities suffered by working people in even the world's richest countries. In the UK, millions are forced to use food banks because of low paid work and callous cuts to the welfare state. In the USA, millions remain with only limited access to affordable healthcare, while reproductive rights are denied to millions of women. Across Europe, the crisis of austerity has been used to persecute working people, particularly young people, with predictably disastrous results. The standard model of employment has been one of the victims of these changes, as politics has combined with technological change and improved connectivity to alter the nature of work in different ways around the world.

The ILO report *World Employment and Social Outlook: The Changing Nature of Jobs* helps to document these changes and highlights the ways in which policies may be used to alleviate some of the suffering caused. It notes that the proportion of people in standard employment continues to decline so that it now represents less than 40% of global employment. In sub-Saharan Africa and South Asia, the proportion drops to as little as 20%. The remaining people are in part-time work, own account work, the informal sector and unpaid family work. People in these categories are much more vulnerable to abuse and external shocks and find it much more difficult to improve their own standards of living. The report notes (p.13) that "Women are

disproportionately represented among those in temporary and part-time forms of wage and salaried employment.” In many western economies, millions of people have been forced out of standard employment and into the dangerous, alienating environment of zero-hours contracts and the so-called gig economy. Social solidarity is one of the victims of these changes and people joining the precariat class (i.e. surviving on the basis of precarious day-to-day living). Western countries now have millions of people living like the peasants described by James C. Scott as living in a world in which water is up to their chins and any false step or ripple from elsewhere leads to potential disaster. This is not only dangerous from a political perspective but makes no sense economically. In most parts of the world, labour productivity is growing faster than wages and this means a demand deficit of as much as US\$3.7 trillion resulting from unemployment and lagging labour incomes and their effects on consumption and government revenue.

Chapter 4 concerns labour regulations, how these have changed over time and what improvements might be made in the light of current developments. The ILO has devoted considerable resources to creating and maintaining a database of labour regulations from around the world and doing what is possible to assess which types of situations. Nevertheless, it certainly remains the case that, irrespective of the ideology behind their formation, labour regulations are among the large class of governmental actions which are not subject to proper review or evaluation.

There is a difference of emphasis between Europe and the emerging economies in terms of recent changes in labour market regulations. In the former, the crisis of austerity has been used as a pretext to reduce protections for workers, generally speaking, while the latter have been more likely to use regulations to strengthen protections (in law, at least) both to promote equity and inclusiveness and also as a means of promoting greater domestic demand and, hence, domestic economic resilience in a world of slow growth and uncertain export prospects

(p.118). The ILO concludes that excessive and insufficient amounts of labour regulation should be avoided and that employment protection law can be positive or negative in impact depending upon the context (p.118). It also noted that the complex interactions between the forces involved mean that short-term changes following the introduction of new regulations will nearly always be mixed in nature. This adds to the difficulties involved in tracking and predicting the impacts of legislation. Under these circumstances, it is almost impossible to make recommendations for labour regulations that cross borders. Increasingly, the development of global supply chains (GSCs), which is the subject of Chapter 5, is changing the nature of employment and as many as one in five jobs is linked to this form of production (p.132). Firms may be involved either directly or indirectly with GSCs, which are becoming more deeply embedded in the economies of both developed and emerging economies. More than half of all jobs in Taiwan are linked to GSCs and so are about one third of jobs in Korea and the EU-27. More women are employed in these jobs than are represented in these jobs than are represented in the overall labour force of such countries. Post-banking crisis, these countries have suffered from lower international demand for imports. Since production of sophisticated products can involve so many different steps, it can be spread across a number of countries and, consequently, it can be difficult to identify exactly what effects are likely to occur in any particular place. The impacts of this form of production may be unpredictable: “The overall gains from this process would outweigh adjustment costs and any income losses, thereby entailing net economic benefits. The distribution of these net benefits, however, depends heavily on policies and institutions. While GSCs can create and destroy jobs, such as wages or the nature of work contracts, in other words, economic benefits do not automatically translate into benefits for workers (p.140).” This is, ultimately, the principal lesson of this report, which has been produced with the customary level of professionalism and authority by the ILO. No individual measure taken by a government can be guaranteed either to improve or even

worsen the situation facing workers and context has become everything.

*John Walsh, Shinawatra University*