Agenda Item 8

INCLUDING YOU IN A NEW WORLD OF WORK

BACKGROUND PAPER
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FOREWORD

One of the key themes for the 4th UNI World Congress in Cape Town will be the future world of work.

UNI Global Union has teamed up with researchers at the New Economics Foundation to study the future labour market in order to help people understand, anticipate, prepare for and gain advantage from coming changes. This was a collaborative effort engaging UNI Global Union affiliates and key commentators on the world of work.

It is not our aim to predict exactly what will happen to the jobs of the future, but rather to use strategic insights and global lenses to understand the trends of the future labour market and how these might impact on our affiliates.

For seven long years our unions have grappled with the ramifications of the financial crisis. Over 30 million jobs were lost and public finances were severely weakened as the financial crisis became an economic and social crisis. Time spans for problem solving shrunk. Doubts about the ability of leaders to deal with the crisis fuelled uncertainty. As financial market sentiment plunged, leaders were often relieved to see out the day, the week or the financial quarter. The fear of imminent economic collapse stole people’s attention from a world that was changing around us.

The purpose of this report is for us to look at the bigger jobs picture, the forces impacting labour markets and how we as a trade union movement shape them.

We see significant demographic changes, a shift in economic power, dangerous climate change, growing inequality and what has been termed a second machine age.

We are in a new wave of technological change that will have a profound impact on the world of work.

We are already in the age of the services economy where the overwhelming number of current and future jobs are to be found.

UNI Global Union and its affiliates are constantly engaged in the quest to identify the most important ideas and innovations shaping the most successful organisation and to share these with our members and key stakeholders across our sectors and groups around the world. As a thought-provocateur this report seeks to complement the work of our affiliates and to challenge the wider labour movement to seek a response and recognise that we have the power to change the world around us.

This report sets out a bold theory of change which envisions a core role for UNI Global Union to be on the front foot in leading the case for an alternative economic approach; to build the labour movement through union growth, and to inspire, lead and exchange information on new union innovations on structure, services and engagement.
I hope that you are encouraged by what you read within this report and that you engage in the debate at Congress, in your sectors and groups, but also within your own trade unions.

Philip J. Jennings
UNI General Secretary
INTRODUCTION

This report provides detailed background to complement Motion No. 13: *Including You in a New World of Work* for UNI Global Union’s Congress 2014. It paints a picture of the current labour market across the globe and what the trends we are seeing and experiencing mean for the shape of work and labour markets, and for trade unions, up to 2050. The report provides an analysis of critical overarching themes, such as technological change, economic inequality and demographic shifts. It also reviews where the jobs of tomorrow are expected to be and how trade unions can shape their mission for success in the 21st Century.

There can be no doubt about the scale of the challenge that the labour movement is facing. From concerted pressure on trade union presence by employers and governments around the world, to ongoing deterioration of unionisation rates, unions are at a point where fresh thinking is essential for survival and success. Innovative practices within the grain of the current system to protect and expand the right to organise and do the best for workers now need to go hand in hand with a new mission for achieving a good deal for workers. In the long-term this means building a vision for the economy and society that workers and communities can rally around for a healthier, fairer, more sustained future. Networks are starting to build internationally for putting a new economics agenda on a firm footing.¹ Trade unions must be at the core of this and lead the way for the workers of today and tomorrow. This is a project that calls for determined, long-term investment of time and energy but it can and must start now by facing the challenging questions required for a new vision and action to meet it.

¹ New Economics Foundation is currently convening a European New Economics Research and Policy Network
OUTLINE

The analysis presented in this report is intended to provide global and regional context to help UNI Global Union affiliates, and the labour movement, situate the opportunities and challenges they are facing and to inform their perspectives and ambitions for the future.

The report brings together primary and secondary research conducted over the past year. The descriptive review of trends and challenges draws on the latest information available from a range of organisations including the International Labour Organisation, International Monetary Fund, World Bank, Organisation for Economic Cooperation and Development and McKinsey Global Institute. International data-sets and official modelling of population and employment projections by the World Bank and ILO have been used to make projections about the scale of the jobs challenge over the next decade. Key national and international sources have been used in an indicative review of where the jobs of tomorrow are likely to be across sectors.

A wealth of information for the motion Including You in the New World of Work was gathered through consultation with UNI Global Union affiliates via surveys and interviews between July 2013 and March 2014. The insights obtained through this primary research have substantially deepened the analysis of how major trends in the labour market are playing out in different regions and sectors and for different groups of workers.

Affiliates were also consulted about the type of innovations they are adopting to strengthen and increase their influence and about the long-term goals they would like to see for their trade union, the labour movement as a whole and UNI Global Union. Drawing on this feedback along with interviews with policy-makers, academics and opinion-formers a strategic map has been developed that depicts the potential for a visionary path for the labour movement seeking to achieve positive change for workers and their communities. This is a path designed to show how trade unions can be on the front foot in shaping the world of work as it should be, not just responding to it as it appears.

The report begins with a brief overview of the world economic context in the 21st Century (Section 1) before moving onto three main sections as follows:

- **Section 2: Trends and challenges shaping the jobs of tomorrow**: this sets out an analysis of: firstly, global factors driving change in the labour market and workforce; and secondly, consequences for the future world of work. This section also offers an analysis of the outlook for UNI sectors, industries and groups of workers in light of the major global trends discussed.
- **Section 3: Projections for the world of work**: here we look at regional prospects on population and economy to predict where the jobs and conversely jobs-gap are likely to be out to 2030
- **Section 4: Making it a new era for the union movement**: we provide a pathway to a long-term ambition for the labour movement and pose critical questions for the movement

We conclude the report with a synthesis of our findings.
EXECUTIVE SUMMARY

Work is being redefined the world over as a range of forces impact on the shape of the labour market. Job insecurity and poor quality work are key emerging characteristics for increasing numbers of workers up and down the hierarchy – albeit the less well-qualified and lower-skilled bear a particularly heavy burden. Skills mismatches are part of the story for the future world of work as the global knowledge economy develops rapidly but to overplay this issue is to skate over the economic and corporate structures which fail or refuse to see the value of creating and rewarding decent work for all.

The world economy remains weak. Despite some gains this year further recovery is likely to be uneven and subject to considerable risks. Economic woes are compounded by the spread of armed conflicts and instability with troubles in Africa, Eastern Europe and the Middle East dominating the headlines.

Inevitably governments are taken up with immediate political and economic issues, but there are deeper challenges that threaten economy and society. The systemic impacts of an aggressive neoliberal framework of economic management are evident in the high levels of inequality, in the unfolding crisis of unemployment especially for youth, in the looming climate change threat, and in the devastating financial crash of 2007/8. The vested interests that keep the show on the road despite these evident failures are hugely powerful but loss of trust in leaders and businesses to do the right thing means there is potential for a new agenda to develop.

A number of mega-trends are driving change in the labour markets. Key groupings are as follows:

- Weak and uncertain economic performance
- Demographic shifts
- Technological transformation
- Footloose capital and dominant business models
- Environmental stress

The consequences of these trends for workers encompass:

- A major jobs gap
- Polarisation of work
- Increasing poor job quality
- Skills demand and matching people and jobs

Taking a sample of available forecasts for some of the key economies shows that the jobs of tomorrow will strongly shift in favour of services over manufacturing. The fastest growth in job availability will tend to be for better qualified, but low-skilled work will also be a source of employment such that the issues of poor job quality and polarisation look set to feature strongly in the future world of work. For the major economies of the USA and EU the sectors that are predicted to grow most include business and professional services, distribution and transport, and health and social care.
The challenges in working lives today and the predictions for the jobs gap and the jobs of tomorrow show that there has never been a greater need for union mobilisation to redress the imbalance of power between workers and employers. But trade unions are under attack. These realities mean there is a struggle ahead. To win that struggle for workers, society and our planetary support systems must require trade unions to frame a fresh and inspiring ambition together. As part of the work for the theme of Including You in a New World of Work the views of affiliates were sought as to the long-term goal for the labour movement. A majority of responses favoured: a new economic model putting decent work, fair shares and sustainability at its heart. The map for working towards this aim (theory of change) depicts a pathway of intermediate objectives and offers a tool for unions to consider in their strategy and planning processes (the complete map appears on page 55, with accompanying explanations on subsequent pages).

The theory of change envisions a core role for UNI Global Union under three headings:

1. To be on the front foot in leading the case for an alternative economic approach
2. To build the labour movement through union growth
3. To inspire, lead and exchange information on new union innovations on structure, services and engagement

The map helps articulate concepts of best practice and a model for building progress but deep questions for unions’ survival persist and require serious reflection and debate. We propose six headline questions for the labour movement as follows:

1. **How can trade unions grow fast enough and become powerful enough to have meaningful influence on working conditions?**
   *How can the challenge be described and the mission clearly set out?*

2. **In light of the pace of change in the labour market today and going forwards, is the structure of trade unions fit for purpose in the 21st Century?**
   *Are the organisation, management and processes of trade unions that were developed for the 20th Century still relevant in the new world of work?*

3. **How can trade unions mobilise politically in order to achieve sufficient good quality jobs?**
   *What are the opportunities for traction on a full employment guarantee, an increasing wage share and a fair distribution of prosperity?*

4. **How can ordinary people be protected if technology causes the world of work as we know it to collapse?**
   *Can a new framework be achieved which frees people from toil and improves wellbeing?*

5. **What happens to workers and the economy if trade unions decline or disappear?**
Could trade unions really be extinguished? How far can an agenda for ever-increasing labour market flexibility go if there is no effective countervailing force? What are its implications?

6. **What happens to workers if trade unions achieve their ambition?**  
   How can unions articulate their vision for success? What would the world look like?
SECTION 1: ECONOMIC CONTEXT

This section provides a brief initial overview of the state of the world economy from official sources and an analysis of the systemic context in which the world of work has been unfolding.

The world economy remains weak. There was some strengthening in 2013, driven by the more advanced economies which, despite modest growth of an average 1.3%, continue to dominate macroeconomic prospects across the world.\(^2\)

Current IMF forecasts are for further global economic gains in 2014/15, including from trade; however, uneven recovery and fears of deflation in the advanced economies mean that the IMF’s overall outlook for the world over the next decade continues to be dominated by downside risks.\(^3\)\(^4\) What we are witnessing is a major shift in economic power and influence with the growing rise of economies in Asia in particular. This is a shift of historic proportion.

The GDP of developing countries is now at least equal to the developed world. Developing countries’ shares of global exports have grown. Their share of Foreign Direct Investment has grown. It is estimated that China and India will have 35% of the world’s population and 25% of its GDP by 2030.

If we add Brazil, Russia, India and China’s share of GDP, then it is expected to match the original G7 by 2030, this means a fundamental shift in economic influence and power as a new global economic order takes shape.

For different country groupings we can discern the following headlines for the immediate future:\(^5\):

- The advanced economies including the USA, Japan and EU are characterised by patterns which look fragile as growth is being unevenly distributed and public and private debts are at high levels
- In the European Union output is considered to have passed the trough, but the health of different economies within the union is forecast to remain highly variable with Greece, Portugal and Spain still below output levels in 2008. In central and eastern Europe events in Ukraine have led to a more pessimistic view of economic conditions
- Emerging Asian economies with China and India are expected to follow a consistent or slightly rising growth trend in 2014 and 2015
- For Latin American economies a moderate increase in growth is expected over the next two years but tighter funding conditions will impede greater activity
- There is an overall positive picture for Africa, with growth rates rising moderately for both North Africa and Sub-Saharan Africa, although there are now concerns of an emerging health crisis.

\(^2\) IMF World Economic Outlook 2014
\(^3\) IMF (2014) Op cit.
Although governments are focused on immediate issues as recovery remains slow, there are bigger challenges for the world economy in the coming years that have been developing for the past three or four decades. The era of neoliberalism beginning in the late 1970s in the UK and USA took hold worldwide with alarming rapidity and results. The premise that societal prosperity was best achieved through unfettered markets, reduced social provision and trickle-down economics has been shown to be false. The financial crash (which threatens again), the dramatic rise of economic inequality, and an unfolding crisis of unemployment, especially for youth, are the starkest outcomes of this error. That the issue of inequality, with its accompanying risks to economy and society, has been flagged so strenuously by such mainstream institutions as the World Economic Forum reveals something of the depth of concern about the systemic impacts of market liberalisation. Even so, the neoliberal agenda has so far proven extremely resilient as the most powerful economic actors – big corporates and the finance sector – with the strongest political influence have sought and secured a return to ‘business as usual’ following the financial crisis.

The return to business as usual should not be mistaken for being either stable or the inevitable path for the future. Voices for progressive change including trade unions should take heart from the fact that the current paradigm cannot answer to current and future needs and challenges around economic instability, poor work and high inequality because it is core to creating and sustaining these challenges. The fact that the neoliberal project took hold in just a few years is a further cause for optimism because it demonstrates that a turn round can be achieved rapidly if the forces for change can be aligned.

Fundamental to a new progressive pathway for economy and society is reinforcement of the role of decent wages as the backbone of economic prosperity. This directly contradicts the predominant narrative for the imperative of keeping labour costs down in the interests of competitiveness. It also puts the role for the labour movement in the vanguard. Evidence has shown that many economies, and crucially the global economy as a whole, is wage-led not profit-led. This means that a decrease in the wage-share of national income will tend to lower growth. OECD research has shown that the wage share declined in 26 out of 30 high-income countries from 1990 onwards.

Additional global dimensions with highly impactful effects on the global economy concern the levels of armed conflict, the rapidity with which we are now coming up against planetary environmental limits and the threat of health pandemics.

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7 These issues are most recently discussed by the OECD in *Policy challenges for the next 50 years*. July 2014
8 The Bank for International Settlements has warned recently that not only is the world just as vulnerable to a financial crisis as it was in 2007, but now with far higher debt ratios. Reported at: http://www.telegraph.co.uk/finance/markets/10965052/Bank-for-International-Settlements-fears-fresh-Lehman-crisis-from-worldwide-debt-surge.html
Armed conflicts around the world are the result of both political and economic factors. Examples include terrorism and wars in parts of Africa including West Africa which have arisen from, or are associated with, the impact of the oil industry, in Colombia and in parts of India. There are also acute current disruptions in the Middle East and in Ukraine. The implications of war for the labour market include massive population movements, as well as disruptions to business and private sector investment, and government expenditure.

Climate change looms largest of all but the work of Johan Rockstrom and others shows that not only are we exceeding safe boundaries in terms of greenhouse gases but also in terms of biodiversity, nitrogen and phosphorus cycles. The World Bank records that we are on course for at least a 4 degree rise in global temperatures by the end of this century - double the designated ‘safe’ limit of a 2 degree rise. The 2005 UN Ecosystems Assessment report stated that 15 of 25 major ecosystem services were either in decline or in major decline, including pollination systems, fresh water, top soil and fish stocks.

This environmental challenge has serious implications for our economic system and for the future of work. The established route out of unemployment and low wages is to stimulate faster growth through more production and consumption. Up to now this has always implied a greater throughput of material resources, and increasingly intensive application of energy to productive and consumptive processes. Even with the potential for technological advancement, natural resource scarcity and stress in the 21st Century together with depletion of conventional energy sources, mean we do not have recourse to this same pattern of economic management in the medium to long-term.

12 Johan Rockstrom, Stockholm Resilience Centre
SECTION 2: TRENDS AND CHALLENGES SHAPING THE JOBS OF TOMORROW

With profound shifts taking place in the economy, society and the environment there is a remarkable amount of consensus among economists, geographers, sociologists and other thought leaders on the key factors likely to shape the economy going forward to mid-century and their consequences. In broad terms, the picture is of a world economy which is more connected, more unequal and more vulnerable. It is also characterised by rapidly changing events and circumstances in the political economy not least the emergence of new conflicts and tensions.

This section lays out two sets of trends: firstly, the predominant drivers of change in the labour market; secondly, the consequential challenges for the future world of work. This analysis draws on sources including the McKinsey Global Institute, OECD and ILO. Although clear trends may be deciphered there are of course strong overlaps and inter-linkages between them. The analysis here cross-refers as appropriate.

Following the discussion of trends, a summary of the results from primary research with UNI Global Union affiliates is provided and compared with the identified trends from the literature. Affiliates’ insights provide an important practical dimension to the analysis and help reveal what these trends mean for UNI sectors and affiliates today and going forward.

Lastly, in this section we suggest some critical questions that arise for the union movement as a result of the assessment of headline trends impacting on the labour market.

1. Key Drivers of Change in the Labour Market

Lower Economic Growth

Key statistics

- Following the contraction of world GDP in 2009, global growth has been on a downward trajectory for the four years from 2010 when it was 4.1% to 2013 when it registered 2.2%.\(^\text{16}\)
- GDP growth is predicted to fall from an annual average 3.6% in the 2010-2020 period to an estimated 2.4% in 2050-2060.\(^\text{17}\)
- Trends in ‘shifting wealth’ from high-income to BRIICS economies are predicted to continue but convergence between high-income and most other countries looks unlikely up to 2050.\(^\text{18}\)

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\(^\text{16}\) World Bank Data. GDP Growth (annual %) Available at: http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?display=graph

\(^\text{17}\) OECD press release (2nd July 2014) Global growth to slow as wage inequality rises over coming decades, says OECD. Available at: http://www.oecd.org/newsroom/global-growth-to-slow-as-wage-inequality-rises-over-coming-decades.htm

Where there is growth this will be driven by technological change and innovation which, unlike during the mechanical revolution, will create fewer jobs as a share of GDP growth.\textsuperscript{19}

As noted in the previous section many commentators are predicting a low-growth scenario into the future. Even in China the rate of GDP growth is likely to fall. Meanwhile rising interest rates, ageing populations in the West as well as environmental concerns will hinder growth globally. In the past, economic growth has been vital for job creation, so many conclude that a low-growth scenario will undermine employment levels. The ILO predicts that on current trends for growth unemployment will rise by 13 million to a total level of 215 million globally by 2018.\textsuperscript{20}

The issue of technological change is discussed in detail as topic 4 below but it is relevant to mention it here because a new era of technological innovation presents a paradox in relation to growth. In the first place, new technologies have somewhat unexpectedly raised labour productivity only slowly in contrast to previous episodes of technological change.\textsuperscript{21} Secondly, new technologies are rarely job-rich.\textsuperscript{22}

It is also worth noting that historically certain sectors have been creators of more jobs than others – for example growth in industrial and agriculture sectors have tended to create more jobs than in services – but in most regions it is the service sector which is predicted to grow fastest.\textsuperscript{23} Together low growth, new technology and a falling share of industrial production in overall output point to fewer job opportunities across the global economy. Section 3 on projections for the future world of work explores the prospective jobs gap over the next decade and provides a summary review of which industry sectors are expected to create the job opportunities for the future.

Financial Uncertainty

Key statistics

- Domestic credit provided by financial sector was 166.6\% of GDP in 2013.\textsuperscript{24}
- Foreign direct investment, measured by net inflows, reached US$1.437 trillion in 2013.\textsuperscript{25}
- The ratio of yearly foreign exchange market turnover compared to merchandise exports had reached about 50 in the 1980s and has doubled again since. The current ratio of around 100 implies that only about 1\% of foreign exchange trading is actually related to merchandise trade.\textsuperscript{26}

The growing size and influence of the financial sector will result in a number of outcomes that will affect the macro-economic environment and therefore the labour

\textsuperscript{19} Brynjolfsson, E & McAfee, A. (2014). The second machine age: Progress, and prosperity in a time of brilliant technologies. New York: W. W. Norton & Company
\textsuperscript{20} ILO (2014) Global Employment Trends 2014
\textsuperscript{23} IFC (2013) IFC jobs study: assessing private sector contributions to job creation and poverty reduction. Available at: http://www.ifc.org/wps/wcm/connect/0fe6e2804e2c0a8f8d3bad7a9dd66321/IFC_FULL+JOB+STUDY+REPORT_JAN2013_FINAL.pdf?MOD=AJPERES
\textsuperscript{24} World Bank Data, Financial Sector. Available at: http://data.worldbank.org/topic/financial-sector
\textsuperscript{25} Ibid.
Financial integration and openness of developing countries are on the rise both in terms of capital flows and cross-border holdings.

Financialisation has been linked to ‘speculative and excessively liquid financial flows that create debt-laden balance sheets, overly short-term perspectives, volatility and mispricing of important asset prices, including exchange rates, and subsequent misallocation of resources and unstable economic growth.’ In short, financialisation results in asset bubbles which threaten economic growth and labour market prospects. This has not only left the global economy more fragile but has been followed by a rise in the rentier economy, where money is made from existing assets, such as housing, as well as financial products rather than productive investments in new jobs and innovation. As the ILO points out, accommodative monetary policy that could benefit productive activity and work has instead been increasingly benefiting asset markets. In many economies near record levels of share buybacks and dividend payments have been underway which benefit shareholders and lead to even more concentration of rewards to those at the top.

The on-going dominance of financial markets is serving the real economy and workers poorly by making our economies and labour markets more uncertain and fragile. Short-termism, unrealistic profit and return expectations continue to drive business behaviour to such an extent that wealth accumulation rather than wealth creation is becoming the focus.

Demographics

Key statistics

Overall labour force:

- The global labour force currently comprises 3.1 billion people worldwide. This is likely to rise to 3.5 billion by 2020 as the working-age population grows in developing countries.
- In both advanced and emerging economies the number of people of prime working age, 25 to 59 years, is at an all-time high: 608 million and 2.6 billion, respectively.
- In advanced economies the population of prime working age is expected to have peaked in 2013 and to decline thereafter to 533 million in 2050 and 504 million in 2100. In emerging economies, however, the number of people of prime working age will continue rising, reaching 3.7 billion in 2050 and 4.1 billion in 2100.
- On current trends, Europe will face a labour shortage of 8.3 million by 2030 as a result of the ageing population. Other large economies such as Japan, Russia, Canada, South Korea and China will also have more people at retirement age than are entering the workforce.

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29 Ibid.
31 Ibid
Conversely, Brazil, Mexico and Indonesia may benefit from a demographic dividend, a surge in productivity and growth as those workers join the labour pool (depending on job growth).

Women and young people in the labour force:

- The UNDP has found that women perform 66% of the world’s work but earn just 10% of the income and own only 1% of the property.\(^{32}\)
- The global rate of female participation in work has fallen slightly over the past decade from an average of 51.9% in 2004 to 50.5% in 2012. This compares with the male participation rate of 77.8% in 2004 and 76.8% in 2012.
- The female participation rate tends to be at, or above, 50% in more advanced economies, but also across sub-Saharan Africa. It tends to be below 50% across countries in North Africa, the Middle East and India.\(^{33}\)
- Women also fare worse in terms of unemployment with the rates for women and men at 6.4% and 5.8% respectively in 2013.
- There is a labour market crisis for young people with 74.5 million people aged 15–24 unemployed worldwide in 2013. This represents a rise in the youth unemployment rate from 11.6% in 2007 to 13.1% in 2013.\(^{34}\)
- Higher income countries have a particular youth unemployment crisis with rates averaging 25% for young men and women in the European Union.\(^{35}\)

Demographic change is the strongest overall trend shaping the labour market of the future. It is affecting the world as a whole. However, there are significant differences in demographic trends between and within continents and countries. More working-age people in low and medium income countries will require job creation of 600 million by 2020 just to keep the employment to working age population ratio constant to pre-recession levels. Almost two-thirds of these will need to be in South Asia, East Asia and the Pacific. The rest need to be created in Sub-Saharan Africa (approximately 120 million), Latin America and the Caribbean (approximately 55 million), as well as the Middle East and North Africa (approximately 40 million).

In high-income countries, as well as in Eastern Europe and Central Asia, big shifts are unfolding towards declining working-age populations. This shrinkage will create labour shortfalls as well as increased demand for care workers. A need and expectation for a longer working life, partly in response to demographics and partly in response to the challenge of retirement funding, is raising the age of retirement in a number of both high income and lower-income countries.

The issue of longer working lives was highlighted by a number of affiliates in their responses to UNI Global Union’s survey and this was related to a displacement of opportunities for younger workers. Where opportunities for young people arose to replace retirees they were doing so at discounted pay.


\(^{34}\) ILO (2014) Op cit.

\(^{35}\) Ibid
The retirement age has been steeply increased so that we have more elderly people still at work thus preventing younger ones entering jobs, so that the provisions for the younger generations are very bad. [Temporary and Agency Workers, Europe]

Although some affiliates, for example in Africa, referred to good opportunities for young people in their markets, more spoke about the challenges of youth exclusion from the labour market, reinforcing international evidence on the situation facing young people as they approach and enter the workforce.

The trade union also recognises that many of our young workers remain at temporary levels for inordinate periods of time and with such a status they are most vulnerable [Americas]

As the key statistics above indicate, gender imbalance remains a predominant concern across economies and has been especially highlighted by a report from Oxfam International which finds that, on current trends, it will take another 75 years before the gender pay-gap closes across the G20. The report also finds that, depending on the country context, an extra 20-60% would be added to the GDP of individual G20 countries if the hidden contribution of unpaid work - such as caring for children or carrying out housework - was recognised and valued.

Not only is the core economy of unpaid work (caring for family and relatives) under-valued but women predominate in vulnerable paid employment and have been disproportionately affected by the global downturn. These issues arose in UNI Global Union’s survey of affiliates and in responses given during the follow-up interviews, although in fewer numbers than might have been expected given detrimental segregation of the labour market on gender-lines (see graph showing the aggregation of affiliates’ responses on page 34). This is possibly because affiliates who highlighted concerns about precarious working conditions were implicitly referring to gender imbalances since women are more likely to work in the informal sector, be subject to precarious terms, and be low-paid.

It is possible that as women comprise an increasing share of the overall workforce, especially in high-income countries, there will be additional pressure to close the gender pay gap faster. However, some affiliates were sceptical that this would happen because of the precarious, and often part-time, nature of the roles that women occupy.

In addition to changes in the composition of populations there are important changes to the population profile by income level. The size of the middle-income group in developing and emerging economies has increased from 263 million in 1999 to 694 million in 2010. This is a major achievement in a growing number of Latin American and Asian countries. This trend has also spread more recently to some countries in Africa and the Arab region. However, a vulnerable “floating group” – those just above the poverty level – increased from 1,117 million in 1999 to 1,925 million in 2010, mostly in low and low-middle income economies. This vulnerable group is close to three times the size of the middle-income group.

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36 Oxfam blogs, 14th July 2014, Women won’t be paid as much as men for another 75 years - Oxfam urges G20 to act. Available at: http://www.oxfam.org.uk/blogs/2014/07/75-years
The growth of the middle-income group will have profound impacts on national economies as consumption levels grow. Indeed, many are banking on this emerging middle class to boost levels of economic growth. For the labour market this trend implies more interpersonal service jobs, such as in retail, hospitality and personal care. However, growing consumption is inconsistent with the desire to curb carbon emissions. We return to this point in the climate change section below.

The population trends described in this section point to the urgency of supporting employment creation in developing countries as part of any strategy to address the slow economic recovery that the world is experiencing. This is picked up further in our section below on consequences for the labour market.

As noted below in the review of Section 3 about the jobs of tomorrow, the healthcare, social services and personal care sectors are set to be impacted dramatically by the global demographic changes. In countries with an ageing population profile, elderly care needs will inevitably lead to job creation, albeit with a risk of poor quality. In countries with expanding populations, care for children will grow in order to allow parents to take up paid work and fulfil their livelihood needs. Again, though, experience indicates that child care risks being poorly paid and exploited unless the value of high-quality provision is adequately recognised and protected through employee representation and progressive labour market structures and regulations.

Technology

Key statistics

- Computing power has been doubling every 18 months. Many believe this remarkable progress is likely to continue for at least the next two decades.\textsuperscript{37}
- The internet now has 2.5 billion users. Between 2007-2011 there was a seven-fold increase in total international bandwidth.\textsuperscript{38}
- Data speeds vary considerably between high-income countries and the rest of the world. While emerging countries are progressing, it is estimated that in 2017 networks in North America will still be six times faster than those in the Middle East, Africa, Latin America and Asia.\textsuperscript{39}

The explosive growth in the role of technology at work and in society more generally is a clear reality. Traditional business models have radically altered with the surge in virtual trading of goods and services via the internet and with increasing data and information availability and speed. The technological revolution is neatly illustrated by the way in which customers are less frequently travelling to suppliers for their purchases and service requirements, instead suppliers are transporting goods to customers via distribution networks and conducting service relationships through the internet.

\textsuperscript{39} Ibid.
Many books, newspapers and column inches have been dedicated to predicting the role that technology is likely to play in the future world of work. The big debates are around whether the technological shift is different this time (historically, beyond short term shocks to employment, more jobs have been created than destroyed) with employment being permanently lowered partly because of the way inequality is being rooted so strongly.\textsuperscript{40} Canvassing conducted by Pew researchers revealed a relatively even split in expert opinion between those who believe that new advances will displace more jobs than are created, and those who believe that new ingenuity building on technology will create more jobs than are displaced.\textsuperscript{41}

The following conclusions can be drawn from the literature and existing data:

- Mechanisation has and will continue to result in a cut of middle-level jobs. This includes information processing and routine transactions which can be standardised and scripted. An estimated 47\% of US jobs are at high risk of being computerised within the next two decades, including workers in transportation and logistics occupations, office and administrative support occupations and production workers.\textsuperscript{42}
- A new phase of technological innovation means that even those that involve complex interactions are being strongly facilitated by technology.\textsuperscript{43} Further efforts are being made to disaggregate jobs such that anything that can be automated can be taken off the job descriptions of the most highly-qualified workers such as doctors, lawyers and engineers.\textsuperscript{44} More than this though, technological advance is opening up possibilities for tasks previously thought to require human creativity and responses to be performed by machines.\textsuperscript{45}
- Some jobs will be safe – in particular personal service jobs such as gym instructors, care workers and hairdressers. However, these tend to be low paid jobs and there will be a likely oversupply of people wanting to do this work.
- Technology, and in particular new information technologies are breaking traditional trends in material exclusion – for example, the UN estimate that while six billion people have access to mobile phones, only 4.5 billion have access to working toilets.\textsuperscript{46} However, at the same time quality and speed of access to the internet and other technologies are exacerbating existing inequalities.
- As well as higher returns to for those with advanced cognitive skills, those who are able to get the new technologies or build new IT platforms are likely to receive significant rewards. The Bill Gates and Mark Zuckerberg of the world stand to continue to profit substantially in this winner-takes-all scenario.

\textsuperscript{40} The Economist, 18th January 2014. The onrushing wave: Previous technological innovation has always delivered more long-run employment, not less. But things can change. Available at: http://www.economist.com/news/briefing/21594264-previous-technological-innovation-has-always-delivered-more-long-run-employment-not-less
\textsuperscript{44} Ibid
\textsuperscript{45} The Economist, 18th January 2014. Op cit.
\textsuperscript{46} Bright Simons, 4\textsuperscript{th} July 2012. Africa’s True Mobile Revolution Has Yet to Start. Harvard Business Review, Blog Network
As remarked upon earlier, new technology and innovation is unlikely to be job-rich, creating fewer jobs per dollar invested, than developments in the past.\(^{47}\) As accessibility has increased through mobile phone capability and remote office systems, another implication of technological change is around work-life balance and the increasingly blurred lines between personal and professional lives such that work can take place anywhere, anytime. What it means to be productive in this new world requires rethinking of traditional economic systems. Counting output in high-skilled jobs built to complement technologies will require new metrics and the key question many businesses will face is how to get the growing ‘interaction’ jobs to be more productive.

UNI Global Union affiliates were acutely aware of the role that technology is playing in driving labour market trends, ranking it in the top three trends impacting on their members and the wider workforce (see chart 1 on page 32). This was in terms of both job opportunities and skills, described in more detail below under the heading of Skills Demand. Affiliates in the Graphical and Packaging, Finance, ICTS, Media, Entertainment and Arts sectors spoke especially about the impacts of automation and digitalisation on job prospects.

**Jobs in the financial institutions are under siege - technology is taking away jobs in the coming five years. Things will never be the same.** [Finance, Africa]

As with the trend towards lower economic growth, the impact of technology has far-reaching consequences, touching on almost all sectors and groups to a greater or lesser extent. The Pew research revealed a majority view that further technological evolution will impact especially on health care, transport and logistics, customer service and home maintenance.\(^{48}\)

In Commerce, the industry is adapting to a new combination of physical business, through shops, and virtual business via the internet. Unfolding patterns suggest that customers will visit shops where they will expect to receive a highly personal service combining availability of digital information about their preferences (e.g.: from past shopping habits) with face to face assistance and subsequently on-line purchases. According to research from Deloitte, 2012 on-line sales accounted for 7.7% of revenues for the top 250 retailers with e-commerce capability. This was a 25% year on year increase. This share is expected to keep on growing.\(^{49}\)

**Trade and Capital Flows**

Key statistics

- From 1950-2007 trade grew by an average of 6.2% a year.

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The growth of global value chains (GVCs) has increased our interdependence: between 30%-60% of G20 countries' exports are comprised of imported inputs or are used as inputs by others.

The income from trade flows within GVCs doubled between 1995 and 2009. This income growth has meant job growth in some cases, for example, in Germany jobs associated with GVCs doubled to about 10 million jobs between 1995 and 2012.\(^{50}\)

Positive prospects for jobs cannot be a foregone conclusion from trade. The employment and broader economic implications for Mexico (including on growth and consumer prices) from the North America Free Trade Agreement (NAFTA) have contributed significantly to destructive trends in that economy.\(^{51}\)

Global Value Chains involving different stages in production have become a dominant feature of the world economy, involving countries at all levels of development, from the poorest to the most advanced. The overall income from trade flows within GVCs doubled from 1995–2009. China has experienced a six-fold increase, India five-fold and Brazil three-fold. The production of goods and services is increasingly carried out wherever the necessary skills and materials are available at competitive cost and quality. This growing fragmentation of production across borders has important implications for trade and investment patterns and policies. It offers new prospects for growth, development and jobs. However, there are also potential dangers associated with fly-by-night business patterns, wage pressures and restructuring of economies in response to trade patterns.

Affiliates’ responses to UNI Global Union’s survey revealed a clear concern about the impact of mobile capital and footloose multinational companies on their members and the wider workforce. This was especially the case of Africa where the arrival of multinationals had promised the possibility of helping to increase employment in decent jobs. However, there was too much experience of how the employment created was precarious and with legislative frameworks too weak to tackle this pattern workers were cut adrift. The issue of capital flight as multinationals seek to avoid tax has also been flagged especially in natural-resource rich countries such as the Democratic Republic of Congo.\(^{52}\)

*Globalisation is our biggest impact as the international company will be able to move in and work within the industries in any country.* [Media, Entertainment and Arts, Asia/Pacific]

*We can assume that domestic industries tend to be globalised, namely they transfer their capital abroad.* [Professionals and Managers, Asia/Pacific]

The importance of this issue to trade union affiliates, and the labour movement, is taken up proactively in UNI Global Union’s *Breaking Through* strategy. One interviewee noted that:

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\(^{50}\) World Trade Organisation (2013) *World Trade Report: Factors shaping the future of world trade*


Because legislation is weak global agreements are so important – it’s a way of enforcement outside legislation. [Finance, Africa]

Through the forces of global competitiveness, mobile finance and the strength of large multi-national companies, for example in Commerce, Cleaning and Security, trade and capital flows will be a major driver of change in patterns and standards of employment.

Retail is marked by a shift to global brands and retailers acting at the global level will now set the rules of the game for employment in the industry. As retailers compete on the world stage, and without a global mechanism to check their behaviour, competitive pressure will increase the shift to precarious, temporary and poorly paid work. Some retailers will seek a high road employment strategy as a means of competitive advantage and differentiation but without concerted external pressure the risk is that they will remain in the minority.

Urbanisation

Key statistics

- In 2008 the population living in urban areas exceeded those living in rural areas for the first time.
- By 2050 an estimated 70% of the world’s population will live in urban areas.\(^{53}\)
- The number and size of mega-cities will grow creating strong employment poles.
- By 2030 an estimated two billion people will live in urban slums.\(^{54}\)
- Alongside urbanisation the employment share in agriculture worldwide has fallen by more than one-third since the early 1990s.\(^{55}\)

Big cities and growing urbanisation will be a key part of the landscape going forward. This will push issues around inequality and ghettoisation further up the agenda and rural areas will risk lagging further behind.

Affiliates who mentioned urbanisation particularly spoke about the migration of young people to the cities:

There will be greater movement of the younger working population from rural to urban industrial centres. [Graphical and Packaging, Asia/Pacific]

As urbanisation gathers pace the possibility is that industries associated with property management requirements will benefit. The potential impact on associated job creation risks being marred, however, by low pay and poor, contingent conditions for workers in large parts of the world where unionisation is low.

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Mobility and Migration

Key statistics

- In 2013, the number of international migrants worldwide reached 232 million, up from 175 million in 2000 and 154 million in 1990. Between 1990 and 2000 the international migrant stock grew by an average of 1.2% per year. During the period 2000 to 2010 the annual growth rate accelerated and reached 2.3%. Since then, however, it has slowed, falling to 1.6% per year during the period 2010 to 2013.56
- The OECD predict that large flows of students from emerging to high-income countries will be crucial for productivity growth in emerging economies and, hence, convergence with advanced economies.57

The push and pull factors that dictate levels of migration will shift in the future. Research has consistently found an inverted u-shaped relationship between country development stage and emigration levels – that is, as a country develops, emigration initially takes off until the difference in wages and living standards between home and source countries significantly shrinks.58 Based on this known trend, NEF forecasts found that a number of key migrant ‘exporter’ countries will hit peak levels of outward migration by 2035.59 This ‘peak’ has significant implications for high-income countries. It happens at the same time that there is projected to be increased need for labour flows to several high-income countries due to an ageing population. In this situation there may be competition between developed nations to attract migrants. This competition among developed nations for migrants will be compounded by the rise of countries such as India, China and Brazil. It is likely that development in these countries will divert migrants away from the UK and other high-income countries. Instead of the current reluctance to welcome migrants to high-income countries there is likely to be a fight for the best talent. Those who are highly qualified and able to develop or complement new technologies will profit most from the evolving labour market. Mobility for this group is likely to be high as different countries fight for more qualified workers to fill a growing skill gaps.

Mobility will also be affected by new technologies that will allow more remote working and ‘virtual’ workplaces.60 This will result in flexibility for both workers and employers with potential negative and positive consequences for workers who may find themselves increasingly atomised and isolated from other workers.

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In terms of migration patterns UNI Global Union affiliates were especially focused on the migration of jobs with reference to outsourcing and offshoring in the relentless drive to cut costs.

*Trying to compete with emerging economies so that pay is kept low means it’s a race to the bottom.* [Multi-sector, Europe]

With respect to the movement of people, UNI Global Union affiliates were more likely to flag immigration than emigration of workers.

*We will need immigration. The struggle will be to ensure these immigrants have the same rights of employment as citizens rather than as contingent ‘guest workers’* [Finance, Americas]

*Migration will increase the workforce* [Finance and ICTS, Europe]

*Companies will rely heavily on foreign labour as opposed to indigenous labour which may be expensive to train or manage.* [Graphical, ICTS and Media, Entertainment and Arts, Africa]

### Business Models and Practices

Key statistics

- Multinational and subsidiary sales as a share of world GDP have more than doubled in the last two decades.
- Across economies, small and medium sized enterprises (SMEs) are a major source of job creation and growth. In 2010, SMEs accounted for more than 60% of GDP and provided more than 90% of employment in both developing and advanced economies.

The section above on trade and capital flows highlights the issue of mobile capital and production chains. The footloose nature of big businesses can be considered a manifestation of the fundamental change in business models and practices which have increasingly delinked the life of a business from the lives of its workers. Part of this is associated with dramatic technological shifts (as described under heading 4 above) which have increased access to data and changed the way distribution networks operate. It also reflects the fierce drive for flexible employment models as part of the competitive corporate race for cost-cutting and profit maximisation. The internationalisation of business over the past two decades and the accompanying rise of multinational firms has transformed the landscape of industrial and services production and delivery.

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The implications of an intense flexibility focus on job quality are discussed more fully in the section below on the challenges for the future world of work. In summary changes to business models have driven the disaggregation and individualisation of working lives. This can be seen as a physical phenomenon – as many more workers operate remotely from one another; and as a human phenomenon – as workers are expected to take responsibility for their own individual training and development, or ‘offer’ to employers, and for bearing the risks of the ebb and flow of work reflecting what has been described as “just in-time” employment patterns. The change in business models and practices is seen in the huge surge in self-employment; temporary, agency and contract work; part-time and zero-hours contracts. The growth of franchising has been used as a device to put distance between the effective owner who sets the contractual parameters and those employed.

Alongside the relentless drive to lowest cost and short-term profit maximisation by large firms, small firms which provide the major source of employment growth in low-income countries are much more likely to go out of business, posing another threat to stable jobs. This is indicative of the fact that, due to various constraints including access to finance, small firms are unable to grow into larger ones in low-income countries. Going forward, key institutions are emphasising the growth of SMEs and the private sector more generally. This is coupled with a push, especially in high-income countries, for the public sector to be downsized. This will run contrary to growing demands on public services due to an ageing workforce and a growing middle-class with greater expectations of high quality public services. Governments are being asked to do more with less.

Several UNI Global Union affiliates working in the postal and telecoms industries commented on privatisation and re-organisation of work.

*Telecoms is the same size as before in terms of workforce but it’s organised differently – in smaller company units. [ICTS, Europe]*

**The State**

**Key statistics**

- The share of GDP going towards income support for those out of work fell from 0.84% in 2004 to 0.79 in 2011.65
- Contracting out of public services in the UK, including health and social care, criminal justice and employment services, reached a value of £79 billion in 2007/8.66 This rose to £93.5 billion by 2012/1367 and is expected to exceed £100 billion by 2014/15.68

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As the role of the state is delegitimised through constant attacks on provision of social welfare and criticism of the taxation system, and as social safety nets are undermined, workers increasingly bear the burden and risks of an economy based on gain-making for the elite. Working people are faced with less access to affordable, high-quality public services, less access to rights of citizenship for migrant workers in a global economy, and greater cost increases following privatisation of necessities including power, water, food, and heating. This increased precarity, coupled with state failure to intervene on behalf of working people, and the political alignment with flexible labour markets, is resulting in disenfranchisement and a lack of political engagement among working people.

Pressure from the business community for the state to stay back, or roll back further, is likely to intensify. Executive attitudes were revealed in a KPMG survey showing growing concern among business leaders over the potential governmental impact on the commerce sector. The executives highlighted the uncertainty of the policy and regulatory environment but also the potential for healthcare reform and labour and immigration laws to impact on their businesses.69

Firms may lobby to reduce state impositions on them but at the same time corporations are benefiting from the trend of marketisation with the replacement of publicly-run services with privately delivered ones. Governments are deregulating many industries and allowing the private sector to compete with public agencies and state enterprises. The often quoted rationale for this is the efficiency gains from competition and the “discipline” of the market, but there is an absence of any framework for assessing the social and economic impacts.70 Meanwhile, the trend is transferring public funds into private profit in the hands of a minority.

Climate Change

Key statistics

- Average surface air temperatures have warmed 1.4°F since the beginning of the 20th Century with most of that warming since the 1970s.
- The global average sea level has increased 20-25cm since 1870. This trend is projected to increase. By the end of this century, sea levels worldwide could rise 60-90cm or more, depending on the melting of ice sheets in Greenland and Antarctica.
- The effects of climate change are not uniform across the globe. Some regions will become more prone to drought, such as the American West Coast and the Middle East. Droughts will be more frequent and longer in duration putting areas already prone to wildfires even more at risk.71
- There will be a dramatic rise in people living in flood plains.72 Small island countries like Nauru and archipelagos like Indonesia and others throughout

the Pacific and Oceania are threatened with the complete submersion of their country.

- OECD predicts that unless CO2 emissions are reduced, climate change could curb global GDP by 1.5% by 2060 and almost 6% in South and South-East Asia.

- As discussed earlier in the report, climate change and associated resource shortages will be a fundamental factor in determining the future economy and society. Building on interviews with FTSE 250 and Fortune 500 companies about major trends in the global business environment, a report by Hay Group identified the environmental crisis as one of the top six trends.73

On the flipside, the growing impact of climate change and the need to meet carbon reduction targets will create more high-skilled green jobs, such as those in retrofitting and clean energy. As the ITUC puts it:

All jobs must be cleaner and decent work must be at the heart of this transformation.

ITUC calculations are that investment of 2% GDP each year for 5 years in just 12 countries could generate 48 million new jobs.74

We can create 48 million green and decent jobs over five years in just 12 countries. Imagine what we can do in 24 countries, imagine in 50 countries, how many hundreds of millions of jobs that would create [Sharan Burrow, General Secretary, ITUC]75

Although few affiliates specifically mentioned the environmental limits we are coming up against those who responded to the UNI Global Union survey clearly saw the coming role for unions in this space, as summed up in the following quote:

The environment is a political task for unions. This problem is a problem for everybody. It’s about the survival of mankind. [Multi-sector, Europe]

Adaptation to climate change will require investment by governments and firms in order to reduce fossil fuel and carbon costs. There is a jobs dividend to be gained in industries such as Engineering and Construction, industries which are typically well-remunerated in more advanced countries, but vulnerable where standards are relatively lax or unenforced. Broader environmental management and scientific roles will also increase if the required investment comes through.

2. Challenges for the Future World of Work

The trends defining and shaping the labour market will have a number of key consequences for the labour market. The top four – the jobs gap; polarisation of jobs; impacts on job quality and vulnerability; and skills demand – are explained below.

75 Ibid.
A Jobs Gap

Key statistics

- Almost 202 million people were unemployed in 2013. This is 5 million more than in 2012 and represents a growth rate of 6.0%.\(^76\)
- Unemployment globally is projected to rise to 215 million by 2018, and in 2014 the overall rate will rise to 6.1%.\(^77\)
- The highest unemployment rates are observed in North Africa and the Middle East. In 2013 they stood at 12.2% and 10.9% respectively, similar to levels in 2012.\(^78\)
- The bulk of the increase in global unemployment is in East Asia and South Asia, which together represent more than 45% of additional jobseekers. They are followed by Sub-Saharan Africa and Europe. By contrast, Latin America added fewer than 50,000 unemployed people to the global number – around 1% of the total increase in unemployment in 2013.\(^79\)
- To absorb new workers and maintain a pre-recession employment-to-population ratio of 61.2% the ILO predicts that 600 million jobs will need to be created by 2020.\(^80\)
- The Gallup Under-employment Index in 2011 stood at 19% of the global workforce – including those unemployed (7%) and those who had part-time jobs but wanted more hours (12%).
- In OECD counties part-time and temporary employment among prime-age workers has risen 1.5-2 times as fast as total employment since 1990.\(^81\)

The jobs gap is the difference between the number of people looking for work and the number of jobs available. The ITUC and Oxfam are strong in the view that women’s participation in the labour force is key to future growth and job creation.\(^82\)

As mentioned above in the section on demographics, women’s labour force participation could add between 20%-60% to national GDP with knock-on effects on job creation. As noted in the section above, green investment also needs to be leveraged not just for sustainability but also for jobs.

The data on the jobs gap is explored in more detail in section 3 below.

Polarisation

Key statistics

- The shrinking middle in OECD countries: in Spain, the size of middle-income group declined from 50% in 2007, to 46% by the end of 2010. In the USA, the richest 7% of the population saw their average net worth increase during the first two years of the recovery from 56% in 2009 to 63% in 2011. The

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\(^{77}\) Ibid.
\(^{78}\) Ibid
\(^{79}\) Ibid
\(^{82}\) Interview with Sharan Burrow and Oxfam (2014) Op cit.
remaining 93% of Americans saw their net worth decline. These trends are fuelled partly by long-term unemployment, weakening job quality and workers dropping out of the labour market altogether.

- Approximately two-thirds of countries with available Gini coefficient data experienced an increase in income inequality between 1990-2005.83 Similarly, the income gap between the wealthiest and poorest 10% of income earners increased in 70% of countries.84

One of the most obvious impacts of the expected labour market trends will be growing income inequality. The deterioration of the position of low and middle-income workers is growing while the workers in the top 10% and at the very top of the earning spectrum are taking the lion share of national wages. African affiliates spoke of how the differences between the top earnings of CEOs and the bottom earnings of ordinary workers can be as big as 1000 to 1. Union affiliates in Nordic countries also referred to how high-pay was becoming a growing concern for the Scandinavian public. This reflects how those countries which could be described as demonstrating the ‘gold-standard’ on wage distribution are nevertheless at risk of seeing eroded standards of fairness and efficiency.

It is no surprise that income inequality came out as the top wider economic trend affecting affiliates' members in the UNI Global Union survey responses (see chart 2 on page 33). Some affiliates expected their members' pay to improve or stay the same. This was mainly the case in some emerging economies such as India and Nigeria and in particular sectors within those countries including Graphical and Packaging, Post and Logistics, and Commerce. Many more, however, flagged downward pressure on ordinary wages as employers sought to reduce costs, and as unionisation and collective bargaining were under increasing pressure.

*Pay for skilled specialised jobs will increase, pay for unskilled jobs will decrease.*

[Finance, Europe]

*A part of the labour market, mostly well-educated and well-off, will have relatively strong job security, high competence and high salaries. The second part of the labour market and this is the biggest part of our membership will go in the opposite direction* [Property Services, Europe]

UNI Finance is increasingly characterised by a sharp distinction between higher-paid, highly-skilled roles in innovation and lower-paid positions for customer service workers where many of the processes are automated.

Nowhere is the problem of polarisation of pay more obvious than in large multinationals across sectors where we are seeing runaway pay for top executives alongside poverty pay for those who work in shops, restaurants, production chains etc.


Alongside extremes of income inequality, there is a growing recognition of the role that wealth inequality plays in entrenching divisions within and across generations. Not least, this recognition has been promoted by Thomas Piketty’s bestselling book *Capital in the twenty-first century*. In the case of the UK, for example, wealth has been concentrating among the top 1% and 10% of the population since the 1970s having been on a gradually reducing trend since the early 20th Century.

**Job Quality and Vulnerability**

Key statistics

- Vulnerable employment – that is self-employment or work by contributing family workers – accounts for almost 48% of total employment, which increased by 1% in 2013.
- If the pre-crisis trend in the share of wage employment had continued there would be 30 million more workers in wage versus vulnerable employment as there are in 2014, and this gap is expected to grow to 60 million by 2018.
- In 2013, approximately 375 million workers (or 11.9% of total employment) are estimated to live on less than US$1.25 per day and 839 million workers (or 26.7% of total employment) are on US$2 a day or less. While this a dramatic fall from the early 2000s, when the same figures were 600 million and 1.1 billion respectively, the rate of reduction has been falling, reducing by only 2.7% in 2013.

Growing numbers of small businesses, self-employment and informal work will leave many workers unprotected and living on the edge. The resilience of local economies will also be affected by climate change induced natural disasters.

The precarious nature of work is becoming ever more apparent. Commentary received from UNI Global Union affiliates across the world reinforced the analysis of organisations like the ILO that workers are facing a crisis not only of job insecurity and potential unemployment but also of job quality, such that even where unemployment has not risen the number of poor quality, precarious jobs has. This is reflected in the way in which casual, contingent working and piecemeal contracts for all sorts of workers across the globe was the most frequent concern for UNI’s affiliates. In Africa the informal economy makes up a large share of activity and these workers are not unionised for the most part. The following quotes from affiliates in each major regional grouping illustrate this troubling reality:

*Job security is declining day by day [ICTS, Asia/Pacific]*

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86 Ibid.
87 Ibid.
88 Ibid.
89 Ibid.
Jobs in our area are mostly informal and there is no employment stability. [Media, Entertainment and Arts, Americas]

Traditional employment relationships with regular pay are gradually losing ground. [Commerce, Europe]

Organisations favour contract workers more than permanent. [Finance, Africa]

UNI Global Union affiliates also highlighted the trend to vulnerability as a risk across UNI sectors since the ties between employers and employees has weakened.

It has been the ambition of employers and governments to withhold ever more security from workers.

Temporary and agency work is also expanding world-wide, reinforcing the trend to vulnerability for ordinary workers who face a revolving door of work and worklessness, with little financial security from working periods, to see them through times of unemployment.

It is clear that vulnerability is not just a problem for lower-skilled, less well-remunerated workers although they are the least well-cushioned against it for sure. Professionals and Managers are also under pressure from multinationals who put workers into world-wide competition with one another. For Professionals and Managers vulnerability can play out through the increasingly difficult balancing act of their personal and professional working lives.

Many Professionals and Managers work in an isolated way. They have no boundaries between their private and professional lives. Negotiated agreements on working hours don't make sense anymore because work is autonomous and we can work all the time with Blackberrys and PCs. These are real challenges. [Professionals and Managers, Europe]

The box below sets out a working definition of good quality work. Referring to such a definition helps to see how far many workers are from a good job.
**Box 1. What is a good job?**

The New Economics Foundation (NEF) defines a good job as one that:

1. Provides a decent income: enough to participate actively in society and to pursue a fulfilling life.
2. Provides reasonable levels of job satisfaction, and the opportunity for career progression.
3. Is reasonably secure.
4. Does not require you to leave your community to get it.
5. Does not require long working hours.
6. Does not threaten environmental sustainability.

Other researchers on job quality tend to prioritise features 1-3 and 5 (see note 1 below), partly because these features are most strongly related to higher personal well-being (see note 2 below). Feature 4 relates to spatial inequalities. Environmental sustainability (Feature 6) is most affected by the pattern of sectoral growth.


**Skills Demand**

**Key statistics**

- There was an increase of 245 million graduates in the workforce between 1980 and 2010.91
- An estimated 36% of employers worldwide find it difficult to fill positions because of talent shortages in their markets.92
- In 2011, almost 26% of employers in Europe reported having difficulty filling jobs because of a lack of suitably qualified applicants with a particularly shortage of technicians and engineers.93
- By 2020 it is estimated that both high and middle-income economies will have considerable skill mismatches. The USA for example is likely to fall short of 1.5 million workers with college or graduate degrees while having an over-supply of those with only high school diplomats to the magnitude of 6 million workers.94

The difference between the graduate and non-graduate unemployment rate is growing significantly. For example in the USA the jobless rate for graduates rose from below 2% in 2007 to nearly 5% in 2010, but rose from 5% to over 11% for non-graduates.\(^{95}\)

The McKinsey Institute believes that advanced economies need to raise the number of young people completing tertiary education 2.5 times as quickly as they are currently doing as well as guiding more students to job-relevant training.

Global productivity growth (measured as growth in output per worker) in 2013 was at its second lowest rate in the past decade at 1.4% year-on-year.

The need for more highly qualified workers sits alongside a growing number of jobless young people. There is a clear contradiction where unemployed young people represent a source of untapped talent. Training and education will become key, as will considering how decent incomes can be gained by those who do not have the skills most cherished in the 21st Century. Shortages of highly skilled workers will be a further drag on business growth and will affect migration flows.

Overall there are both clear concerns and opportunities for UNI Global Union and the labour movement more generally. At the same time, more advanced technology and demands for a greener economy are producing new opportunities and policy gaps that point to the need for a more engaged and influential union movement.

There is potential for job growth across UNI sectors especially in Care, Commerce, Finance, ICTS and Media, Entertainment and Arts sectors just as more women and young workers are available for work, and the demand for professionals and managers increases.

These trends mean that UNI Global Union is well positioned within key growth areas.

UNI Global Union affiliates referred to the changing skills profile of jobs as the second biggest issue facing their members after the increase in the precariousness of work. Affiliates’ descriptions of the nature of changes to skills profiles followed certain themes:

1. Specialisation of tasks;

2. The need for workers to be ready to develop their skills and competencies in new directions particularly in response to technological change. *The idea of lifelong employment is changing as people might have to cross their skills over to different roles* [Multi-sector, Asia/Pacific]

3. The dichotomy between de-professionalisation of some roles, for example in retail and management, and increasing status of other roles, for example in IT. *De-professionalisation in the sense of employers attitude that work can be done by anyone* [Professionals and Managers, Asia/Pacific]

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(4) Problem of a skills shortage to match employers’ demands. *We are likely to hit a snag as skills will not be there to manage the advanced technologies.* [ICTS, Africa]

As noted earlier, demand for high skills characterises sectors such as ICTS, Finance and Media, Entertainment and Arts but will also increasingly characterise healthcare and social assistance (see section on Predictions for the Jobs of Tomorrow). Highly educated workers will stand to gain in these sectors and they will be expected to maintain and grow their skills, adapting as necessary to the demands of the market. Although pay will be high for the highly-skilled, the different nature of the relationship between employer and employee carries the risk that jobs will not carry the same security as they would have done in the past.

3. **Summary Presentation of Survey and Interview Responses**

A short survey was sent to all UNI Global Union affiliates in September 2013. Seventy-one responses were received. A series of in-depth interviews were also conducted with 36 affiliate unions. The respondents and interviewees combined represented affiliates whose total individual members account for more than 50% of UNI Global Union’s total membership. Detailed analysis of the responses revealed a number of clearly identifiable headlines about the prospects for jobs across sectors and the trends impacting more widely. These findings are illustrated in the following two charts.

**Chart 1: Responses to question 2: What do you see as the future prospects for jobs in your sector? How do you see the jobs in your sector changing over the next 5-10 years?**

![Chart 1: Responses to question 2](image)

Note: In both charts the Y-axis shows how many affiliates mentioned each factor.
Chart 2: Responses to question 3: In the wider economy, what labour market trends will have the biggest impact on your members and the workforce of tomorrow?

Grouping the categories from these two questions appropriately allows us to draw out six main concerns:

1. Precarious working and flexibility
2. Technology and changing skills profile
3. Economic inequality, pay and collective bargaining
4. Job opportunities and the impact of migration of jobs and people
5. Mobile capital and footloose multi-nationals
6. Demographics and the changing workforce – ageing, youth and gender

These headlines fit well with the drivers and consequences identified and discussed in the foregoing parts of this section. The table below summarises how the main categories of responses shown in the charts above relate to the drivers and consequences described in the earlier parts of this section.
### Table 1: Main Drivers of Labour Market Trends and Consequences in Literature and Interview Responses

<table>
<thead>
<tr>
<th>Drivers and Consequences</th>
<th>Categories from Question 2</th>
<th>Categories from Question 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Economic Growth and Financial Insecurity</td>
<td>Affiliates did not expressly highlight issues of lower economic growth but the impact of financialisation was being experienced through the erosion of rewards to workers in strong favour of profits</td>
<td>Demographic trends</td>
</tr>
<tr>
<td></td>
<td>Ageing and increasing retirement age</td>
<td>Youth unemployment</td>
</tr>
<tr>
<td>Demographics</td>
<td>Ageing and increasing retirement age</td>
<td>Demographic trends</td>
</tr>
<tr>
<td></td>
<td>Gender imbalance</td>
<td>Youth unemployment</td>
</tr>
<tr>
<td>Trade and Capital Flows</td>
<td>Mobile capital and footloose MNCs</td>
<td>Mobile capital and footloose MNCs</td>
</tr>
<tr>
<td>Urbanisation</td>
<td>Urbanisation was mentioned by some affiliates especially in Asia Pacific as part of the migration trends their economies were experiencing</td>
<td>Migration patterns</td>
</tr>
<tr>
<td>Mobility and Migration</td>
<td>Outsourcing of job roles Change in the workplace including more home working</td>
<td>Migration patterns</td>
</tr>
<tr>
<td>Technology</td>
<td>Changing skills profile of work</td>
<td>Technology</td>
</tr>
<tr>
<td>Business Models and Practices</td>
<td>More precarious work Downward pressure on pay More outsourcing of job roles Change in the workplace</td>
<td>Technology</td>
</tr>
<tr>
<td></td>
<td>Technology Mobile capital and footloose MNCs Precarity</td>
<td>Precarity including</td>
</tr>
<tr>
<td></td>
<td>Mobile capital and footloose MNCs Precarity</td>
<td>of wages and cost of living</td>
</tr>
<tr>
<td>The State</td>
<td>Precarity including of wages and cost of living</td>
<td></td>
</tr>
<tr>
<td>Trade Unions</td>
<td>Pressure on unions / collective bargaining</td>
<td></td>
</tr>
<tr>
<td>Climate Change</td>
<td>Climate change and other environmental pressures were raised by three interviewees who recognised the role for unions in this space; nevertheless climate change appears to be a major omission for many</td>
<td></td>
</tr>
</tbody>
</table>
4. Challenges and Questions for the Union Movement

Drawing on the discussion of trends and consequences above we outline a selection of key questions for unions to consider.

**Economic performance**

1. Do unions need to adapt their approach and narrative in response to a more persistent low-growth scenario for the world economy?
2. How can unions respond robustly to financial uncertainty / financialisation across their sectors?
3. How can unions and others gain ground on achieving the fundamental of a greater wage share?

**Demographics**

4. What will be the impact of ageing and migration on union membership?
5. What should unions’ offer and vision be for young people and professionals?
6. How can unions accelerate equal recognition for female workers and the elimination of the gender-pay gap?

**Technology**

7. What are the best and worst possible scenarios for the new world of work?
8. How can unions use these scenarios to be ready to position themselves for unfolding events even in the face of uncertainty?
9. How can technology be harnessed to help deliver a new economy that puts workers and fulfilling lives before profits, and distributes the new prosperity fairly?

**Business models and job quality**

10. How can a shift in the value systems of business be achieved to recognize the shared space in the economy between businesses and workers?
11. What would a sustainable business look like?
12. What should good quality work look like in the twenty-first century?
13. What do optimistic prospects look like for reducing informal and vulnerable work?

Environment

14. What can / should unions’ position be on protecting planetary boundaries in term?
15. How can the relationship between the environment and work be recast for the common good?
SECTION 3: PROJECTIONS FOR THE WORLD OF WORK

Forecasting the Jobs Gap

There are a handful of existing forecasts of the likely jobs gap, that is the difference between the number of people looking for work minus the number of jobs available. The ILO predicts that we will need 600 million new jobs to be created by 2020 if we are to keep up with demographic change and maintain a global employment-to-population ratio of 61.2%. While this figure usefully provides a job creation target it is our understanding that this figure misrepresents the true size of the jobs gap figure because:

1. It lacks ambition in that it seeks only to maintain current levels of employment. There is clear well-being evidence to show that employment is central to human happiness and we know also that high quality jobs are the proxy of good growth. We believe that we should consider a full employment scenario where 75 or 80% of the world’s working age population are employed. This will help achieve wider societal goals to bring more women into the labour market and address youth unemployment.

2. The figure does not consider how many jobs will be created between now and 2020 and so ignores the ILO projections that employment growth is likely to fall.

3. It would be helpful to get a regional breakdown as we know that demographic pressures differ significantly by region.

To address these shortcomings we conducted a short and simplified modelling exercise drawing on UN population figures and ILO labour force participation projections up to 2030. Our assumptions overlap with those of the ILO who make assumptions about productivity growth, migration, job replacement levels and impacts of technology.

We chose to forecast up to 2030 primarily because of data availability, but also because on-going technological and political change makes it futile to look any further. In addition, some see 2030 as the point at which climate disasters will become commonplace and resources will reach an impasse.

RESULTS

Chart 3 depicts the labour force participation rate (LFPR) across regions. Overall the LFPR is predicted to decline between now and 2030, although this trend varies by region. East Asia and developed and European states will see a greater decline whereas the Middle East and African nations are predicted to experience overall growth in labour market participation. However, participation rates in MENA countries are particularly low making it an area that needs to both catch up with other regions as well as absorb new entrants.

**Chart 3: ILO Labour Force Participation Rate Projections 2010-2030**

*Source: ILO*

Results of our forecasting exercise show that to maintain and reach employment levels of 75% around 1.8 billion jobs would need to be created between 2015-2030. To reach a full employment level of 80% more than 2.3 billion jobs would need to be created between 2015-2030.

Table 2 and Chart 4 summarise the results by region. Countries in the Asia Pacific region need the greatest number of jobs created – this is perhaps no surprise given the size of the region, relatively low current levels of labour market participation, and population growth forecasts. In contrast, higher rates of participation in Latin America and the Caribbean, with lower relative increase in the population mean it has a more modest jobs challenge. Population decline in both non-EU and developed economies also present less overwhelming prospects for these higher-

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99 US billion
income countries. However, these forecasts do not consider the size of the jobs task if technology does indeed result in a dramatic fall in job opportunities as some foresee.\textsuperscript{100}

The jobs gap in all regions does present a challenge to the discussion regarding skills, migration and demographic change in the previous section. If rich countries are also likely to have a shortage of jobs existing populations may well react badly to incoming migration, no matter what their skill level. This anti-immigration sentiment is already becoming clear across Europe.\textsuperscript{101}

Table 2: Size of the Jobs Gap if Aiming for 75% and 80% Employment 2015-2030

<table>
<thead>
<tr>
<th>Region</th>
<th>75%</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>400,000</td>
<td>508,000</td>
</tr>
<tr>
<td>Asia &amp; Pacific</td>
<td>940,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Europe (non-EU and CIS)</td>
<td>80,000</td>
<td>105,000</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>150,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Developed economies and EU</td>
<td>190,000</td>
<td>250,000</td>
</tr>
<tr>
<td>World*</td>
<td>1,800,000</td>
<td>2,300,000</td>
</tr>
</tbody>
</table>

Source: Author’s calculations based on ILO employment forecasts and UN working age population forecasts

* The total global figure does not sum the regions exactly because of some missing employment forecasts for small nation states in the regional breakdowns.

\textsuperscript{100} Cowen, T. (2013). \textit{Average is over: Powering America Beyond the Age of the Great Stagnation}. New York: W. W. Norton & Company

\textsuperscript{101} Dumalaon, J. Korolyov, A. and Jones-Berry, S. 31\textsuperscript{st} March 2014. \textit{Immigration Backlash is on the Rise in Europe}. USA Today. Available at: http://www.usatoday.com/story/news/world/2014/03/31/europe-anti-immigration/5706575/
Predicting Where the Jobs of Tomorrow Will Be

Making predictions about where the job opportunities and major areas of employment will be in 10 or 20 years’ time cannot be precise since exact economic and political developments, technological evolutions and potential shocks are unknown. Nevertheless an understanding of underlying trends and reflections of those trends across geographical regions and employment sectors can help analysts to extrapolate meaningful insights and a framework within which to assess developments as they occur. This analysis can help trade unions to prepare for the challenges of a future world of work.

A review of available official and academic sources reveals a number of national level employment predictions. While it is beyond the scope of this report to provide a comprehensive collation and analysis across sources, there is value in considering key examples which are a reference point for global considerations about where the jobs will be in the future world of work. This section reviews estimates which are readily available for the United States of America from the Bureau of Labor Statistics (BLS) and the European Union from the European Centre for the Development of Vocational Training (CEDEFOP), with additional summary findings included for Africa, China, India and the UK.

Headline Trends

For high and medium-income countries the evidence from the BLS and CEDFOP reinforces the reality of the shift to services taking up a greater share of output and...
employment over time as compared with goods production, with this trend expected to continue out to 2020 and beyond.

Alongside this overarching trend, it is predicted that there will remain a drive to low-cost (low-wage) production of mass-produced items such as clothing – with expanded supply chains in the drive for efficiency and cost control – but increasing complexity and specialisation of manufactured goods will drive growth in hi-tech domestic production which will require high-skilled workers and greater geographical concentration of complementary innovation, production and retail functions.\(^\text{103}\) This trend will become more widespread as countries like China, and others in South-East Asia, see some wage increases and account for a greater share of global consumption rather than production. Nevertheless, commentaries are clear that the trend to reduced global employment in manufacturing is set to continue as technology and processes evolve towards less labour input.\(^\text{104}\)

**Evidence for the USA\(^\text{105}\)**

For the USA the relative expansion of the services sector is expected to continue with its share of overall output rising to 69.4% in 2022 from 68.3% in 2012. Conversely, the goods-producing sector is expected to return to growth in nominal terms but will account for a reduced share in overall output at 24.5% in 2022 compared with 25.4% in 2012.

In headline terms, official estimates are for total employment in the USA to rise from 145 million to 161 million workers, a net increase of 15.6 million or 11%, between 2012 and 2022. The health care and social assistance sector is predicted to account for almost 33% of the jobs growth, with professional and business services adding a further 20-25% of the total. In terms of goods-producing sectors, employment in manufacturing is expected to decline slightly but construction will add more than one million more jobs by 2022.

Table 3 lists the biggest employing sectors in order of scale of employment in 2012. According to the BLS projections for 2022, health care and social assistance, as well as professional and business services, will have risen to be the top employing sectors, overtaking state and local government. Construction will also surpass other services and wholesale trade sectors in terms of employment share.


\[^{104}\] Ibid

Table 3: Employment by Industry Sector 2012 and 2022

<table>
<thead>
<tr>
<th>Rank of industry sector in 2012</th>
<th>Jobs in 2022 (in thousands)</th>
<th>Change 2012-2022 (in thousands)</th>
<th>% share of industry sector in total employment in 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>State and Local Government</td>
<td>20,032</td>
<td>929</td>
<td>12.4%</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>21,413</td>
<td>3,483</td>
<td>13.3%</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>21,966</td>
<td>4,994</td>
<td>13.6%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>15,966</td>
<td>1,091</td>
<td>9.9%</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>15,035</td>
<td>1,289</td>
<td>9.3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>11,369</td>
<td>–550</td>
<td>7.1%</td>
</tr>
<tr>
<td>Non-Agriculture Self-Employed and Unpaid Family Workers</td>
<td>9,343</td>
<td>528</td>
<td>5.8%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>8,537</td>
<td>751</td>
<td>5.3%</td>
</tr>
<tr>
<td>Other Services</td>
<td>6,823</td>
<td>649</td>
<td>4.2%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>6,143</td>
<td>470</td>
<td>3.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>7,263</td>
<td>1,622</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Looking at official employment projections by occupation, the eight occupational areas set to add most to the employment numbers – each adding more than one million jobs by 2022 – will be health care practitioner and technical roles; health care support workers; personal care services; office and administrative support; construction and extracting occupations; food preparation and serving; education and training, and sales related occupations. In some cases, for example in healthcare, these areas will see the greatest rate of growth as well as growth in absolute numbers. In other industry sectors, which are already sizeable areas of employment, such as sales related occupations, the rate of job growth is more subdued. Table 4 shows occupational areas by rate of job growth.
Table 4: Employment by Occupation, Rate of Increase

<table>
<thead>
<tr>
<th>Faster than average growth</th>
<th>As fast as average growth</th>
<th>Slower than average growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare support (28%)</td>
<td>Business and financial operations (13%)</td>
<td>Architecture and engineering (7%)</td>
</tr>
<tr>
<td>Healthcare professionals and technicians (22%)</td>
<td>Building and grounds cleaning and maintenance (13%)</td>
<td>Sales and related (7%)</td>
</tr>
<tr>
<td>Construction and extraction (21%)</td>
<td>Education, training and library occupations (11%)</td>
<td>Management occupations (7%)</td>
</tr>
<tr>
<td>Personal care and services (21%)</td>
<td>Legal (11%)</td>
<td>Arts, design, entertainment, sports and media (7%)</td>
</tr>
<tr>
<td>Computer and mathematical occupations (18%)</td>
<td>Food preparation and serving (9%)</td>
<td>Office and administrative support (7%)</td>
</tr>
<tr>
<td>Community and social services (17%)</td>
<td>Transportation and material moving (9%)</td>
<td>Production occupations (1%)</td>
</tr>
<tr>
<td></td>
<td>Protective services (including security) (8%)</td>
<td>Farming, fishing and forestry (-3%)</td>
</tr>
</tbody>
</table>

The job growth profile has important implications for job quality. Over half of new jobs projected for 2022 will be for non-graduates or those at high-school diploma or lower level of education. Although the number of jobs for non-graduates remains a priority, occupations at this level typically attract relatively low wages. Even though the absolute number of new jobs for those with a high-school diploma or less accounts for half of all new jobs, occupations requiring a master’s degree are expected to grow fastest in terms of entry-level requirements. This is largely because of an expansion in high-skilled roles within the healthcare and social assistance industry.

On the other side of the picture for employment the ten occupations projected to experience the greatest decline in employment include three in postal service related occupations. The projected loss of 139,100 postal jobs is due to greater reliance on email and online bill pay services and to technological advances that allow for automatic sorting.

Evidence for the European Union

Mirroring the case of the USA, the EU is expected to see a continuation of the shift away from jobs in the primary sector and manufacturing towards the services sector and knowledge economy. It is also the case in the EU, as for the USA, that there will be a decline in the share of public sector employment in the economy.

According to the latest full estimates, between 2010 and 2020 job openings, comprising both new jobs and replacement opportunities, will amount to 83 million jobs. New jobs adding to total employment across the EU’s 27 states (plus Norway

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and Switzerland) are expected to number 8.4 million, taking total employment from 230.3 million to 238.7 million by 2020. This almost makes up for the loss in employment and expected new employment opportunities experienced between 2008 and 2010 as a result of the financial crisis (estimated at 9.3 million jobs). The forecasts are for growth in demand to outstrip supply such that forecasters predict the possibility of an increase in the employment rate to 75% by 2020.

At the broad sector level, predictions for employment across the EU as a whole show strongest growth in business and other services. Between 2010 and 2020 the predictions are for this sector to create the most new jobs (5.7 million). Distribution and transport, which will remain the biggest overall sector, will also create a large share of the new jobs (3.5 million) out to 2020 so that its overall share of employment in the EU economy will continue to grow (to 26%). Growing less strongly, but still significantly, are non-marketed services (comprised of public administration, education, health and social work activities, with strongest growth in health and social work). Manufacturing and construction employment numbers are forecast to change slightly out to 2020, while the primary sector and utilities will show a marked decline. These developments are shown in Table 5 below.

At a more granular level the sectors which are expected to grow most and with greatest certainty include retail; communication; banking and finance, computing services and professional services. High-growth sectors predicted with lower certainty include construction, distribution, hotels and catering, and health and social work.

Table 5: Employment by Industry Sector 2010 and 2020

<table>
<thead>
<tr>
<th>Rank of industry sector in 2010</th>
<th>Jobs in 2020 (in thousands)</th>
<th>Change 2010-2020 (in thousands)</th>
<th>Share of industry sector in total employment, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution and transport</td>
<td>62,196</td>
<td>3,487</td>
<td>26.1%</td>
</tr>
<tr>
<td>Non-marketed services</td>
<td>55,182</td>
<td>897</td>
<td>23.1%</td>
</tr>
<tr>
<td>Business and other services</td>
<td>57,280</td>
<td>5,720</td>
<td>24%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>34,492</td>
<td>-456</td>
<td>14.5%</td>
</tr>
<tr>
<td>Health and social work</td>
<td>24,369</td>
<td>1,256</td>
<td>10.2%</td>
</tr>
<tr>
<td>Construction</td>
<td>16,367</td>
<td>216</td>
<td>6.9%</td>
</tr>
<tr>
<td>Education</td>
<td>16,212</td>
<td>254</td>
<td>6.8%</td>
</tr>
</tbody>
</table>
Across nine occupational categories, technicians and associate professional roles are predicted to increase most rapidly (by an average of 1.2% per year) and increase their share of overall employment in the EU economy. Professional roles will also rise strongly (by 0.8% per year) and increase the share of total employment accounted for. Elementary occupations are expected to increase as rapidly as technicians and associate professionals over the period (by 1% per year). The combination of strong employment growth in both technical and associated professional occupations as well as elementary occupations suggests that the trend to an hour-glass employment structure is likely to become more entrenched.

Falling employment is predicted for clerical work, craft and related trades, and skilled agricultural and fisheries work.

Table 6: Employment by occupation

<table>
<thead>
<tr>
<th>Occupational category (ranked by absolute level of employment in 2020)</th>
<th>Change in employment (in thousands) 2010-2020</th>
<th>Share of total employment, 2010</th>
<th>Share of total employment, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technicians and associate professionals</td>
<td>5,012</td>
<td>16.8</td>
<td>18.3</td>
</tr>
<tr>
<td>Professionals</td>
<td>2,819</td>
<td>14.9</td>
<td>15.5</td>
</tr>
<tr>
<td>Service workers and shop and market sales workers</td>
<td>1,170</td>
<td>14.0</td>
<td>14</td>
</tr>
<tr>
<td>Craft and related trades workers</td>
<td>-1,744</td>
<td>12.7</td>
<td>11.5</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>2,500</td>
<td>10.1</td>
<td>10.8</td>
</tr>
<tr>
<td>Clerks</td>
<td>-1,786</td>
<td>10.6</td>
<td>9.5</td>
</tr>
<tr>
<td>Legislators, senior officials and managers</td>
<td>1,556</td>
<td>8.4</td>
<td>8.8</td>
</tr>
</tbody>
</table>
Plant and machine operators and assemblers

<table>
<thead>
<tr>
<th>Occupational category</th>
<th>Expansion demand</th>
<th>Replacement demand</th>
<th>Share of qualification in recruitment mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled agricultural and fisheries workers</td>
<td>-905</td>
<td>4.2</td>
<td>3.7</td>
</tr>
</tbody>
</table>

In terms of qualification mix in the EU’s jobs of tomorrow, on an industry basis, the creation of new jobs is predicted to call for medium or high levels of qualification, and more high than medium. None of the new jobs analysed by industrial category will be for those with low-level qualifications, in fact at this level changes to employment will deplete employment for the low-qualified.

Opportunities for low-qualified workers will continue to exist for replacement demand (as opposed to new jobs) but for the most part, and certainly in key growth sectors, replacement demand also calls for a high preponderance of medium or high levels of qualification. For example, in business and other services, 40% of replacement demand will be for those with medium-level qualifications and a further 39% will be for those with high-level qualifications (77% of new jobs in this sector will be for the highly-qualified and 23% for those with medium-level qualifications). In distribution and transport, over half of replacement demand will be for those with medium-level qualifications, while just under a third will be for those with low-level qualifications. In this sector 80% of newly created jobs will call for high-level qualifications. Finally in health and social services, 46% and 38% of replacement demand will be for those with high and medium-level qualifications, while 96% of newly created jobs in this sector will be for those with high-level qualifications. These trends reflect an up-tariffing in qualifications required to perform even lower-skilled jobs.

Looked at on an occupational basis the ongoing risk of polarisation in the future jobs market remains. Table 7 shows the five occupational groups predicted to be most in demand up to 2020, accounting for 90% of new job creation, and 40% of total job openings, and the required qualification mix. This shows that a significant preponderance of low-qualification requirements will remain in sales and elementary occupations as well as personal and protective services.

Table 7: Employment Opportunities by Occupation and Qualification

<table>
<thead>
<tr>
<th>Occupational category</th>
<th>Expansion demand</th>
<th>Replacement demand</th>
<th>Share of qualification in recruitment mix</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>High</td>
</tr>
<tr>
<td>Other associate professionals</td>
<td>2.9</td>
<td>5.8</td>
<td>44.9</td>
</tr>
</tbody>
</table>
Evidence for the UK\textsuperscript{107}

Key predictions for the jobs of tomorrow in the UK chime with the trends predicted for other advanced economies:

- The occupational structure of employment out to 2022 is expected to pursue the trend towards more high-skilled roles in service sectors as manufacturing continues to decline gently in its share of overall output and employment. This suggests significant employment growth for professionals and managers, associate professionals and technical workers.
- At the same time, there are expected to be expanding opportunities for caring, leisure and other service occupations, as well as sales and customer service occupations.
- Polarisation is predicted to become more embedded as elementary occupations grow where less-skilled roles are less easily substitutable with technology, but also where job decline appears especially strongly in the fields of skilled trades, process, plant and machine operatives, as well as administrative and secretarial roles.

Evidence for China and India\textsuperscript{108}

For China and India the major job trends will be for labour demand to shift towards more highly-skilled workers. Although India will see an increase in employment for workers with medium-level skills as it continues to build labour-intensive industries China will be moving up the value chain so that its manufacturing sector will grow more slowly, adding relatively fewer jobs than in the past and replacing more routine work with machines.

Alongside the contraction of Chinese agriculture and slower growth in manufacturing industries employment in services is predicted to rise. Such services include construction; transport; post and telecom; wholesale and retail trade; banking; finance; property; health and social services; education and government. The service sector is predicted by McKinsey to add 56% of

\begin{tabular}{|c|c|c|c|c|c|}
\hline
Occupation & 2012 & 2017 & 2022 & 2027 & 2032 \\
\hline
Sales and services elementary occupations & 1.0 & 6.2 & 11.1 & 53.9 & 35.1 \\
\hline
Personal and protective services workers & 0.5 & 5.6 & 17.9 & 61.8 & 20.3 \\
\hline
Other professionals & 2.0 & 4.0 & 77.8 & 19.9 & 2.4 \\
\hline
Corporate managers & 1.0 & 4.1 & 62.2 & 31.8 & 5.9 \\
\hline
\end{tabular}


incremental value added by 2030. Service sectors with moderate and high skill requirements are expected to add two-thirds of non-farm job growth in China by 2030. As a result of these trends, China will create knowledge-intensive jobs in tradeable industries like biotech, hi-tech industries and research and development, as well as domestic services such as health, education, finance and business services.

For India 160 million new jobs are predicted in manufacturing and services. Services are expected to create 79% of net non-farm jobs in the next decade. Retail and wholesale trade and skill intensive service sectors are projected to add 28 million jobs in the next decade with manufacturing adding 15 million. With this shape of job creation low-skilled jobs are expected to fall as a share from 74% of employment in 2010 to 62% by 2020.

**Evidence for Africa**

A dominant theme in the international arena in 2014 has been that of Africa Rising. The sub-Saharan continent has benefited from nearly two decades of steady progress and withstood the financial crisis with greater resilience than other parts of the world. A detailed report on Africa’s employment situation and prospects was prepared by McKinsey in 2012. A summary of its principal findings about Africa’s jobs of tomorrow is as follows:

- Africa has a demographic dividend to reap in terms of its young population and expanding workforce. Africa is predicted to add 122 million people to the labour force by 2020 and by 2035 the working population of Africa will surpass in scale that of any nation including China and India.
- Although Africa has a low unemployment rate, the rate of stable wage employment is also low at around 28%.
- McKinsey predicted that Africa has the potential to create between 54-72 million more stable, wage-paying jobs by 2020 with much of the growth coming from manufacturing, agriculture, retail and hospitality, sectors which along with government and social services currently account for the majority of wage paying jobs.
- Africa’s population is becoming more educated with a prediction for 2020 of 48% with secondary or tertiary education.

These predictions for Africa raise questions about the quality of jobs that will be available in the continent as firms may look to relocate production from areas where wages may start to rise particularly Asia. Income inequality and precarious working conditions are already expressed concerns among UNI Global Union’s African affiliates. How job creation and protections for workers evolve will be critical.

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DISCUSSION

The projections for the jobs gap at the beginning of this section show that the scale of the jobs challenge varies by region, due to different demographic, institutional, and socioeconomic factors, and therefore so does the nature of the best policy responses. For example, unemployment rates are currently the highest in the Middle East and North Africa (MENA) region (about 10%), more than double those of East Asia and South Asia, which have the lowest rates. Job quality varies by region with over 60% of workers in Sub-Saharan Africa and South Asia in jobs paying less than US$2 a day. Given that these are also regions that need to see the highest numbers of jobs created, as well as a focus on entry-level jobs for young people, these regions could be faced with an acute jobs crisis unless serious action is taken.

Some may question whether a jobs target is realistic which begs the question of how people will be able to escape poverty through gaining meaningful employment. Those who predict that technological progress will result in fewer jobs are already pointing to the need for more public support through some form of a citizen’s income. For trade unions and the labour movement more generally a number of questions arise. For example, how can the unions mobilise politically in order to ensure there are enough jobs?

The predictions for where the jobs of tomorrow will be reveal that there is expected to be a greater number and a greater rate of job growth in the USA (15.6 million more jobs by 2022, growth of 11% on 2012) than in the EU (8.4 million more jobs by 2020, growth of 3.6% by 2020). This suggests that European workers and governments will continue to face a deep challenge for the foreseeable future.

This review also indicates that job quality will be a growing problem and one that will predominate as a critical issue for unions around the world. The risks of more acute polarisation appear consistently across the countries we have looked at here, being highlighted by the US Bureau of Labor Statistics, EU CEDEFOP, UK Working Futures, and McKinsey. Certainly predictions are that in the USA and EU polarisation is likely to be compounded by the fact that while there will be opportunities for non-graduates, the fastest rate of growth in labour demand will be for those with higher-level qualifications potentially leaving lower-skilled workers more undervalued in the labour market as attention focuses more on the top end.

For lower-income countries, low-paid jobs, informal jobs, and vulnerable jobs do not have the same development impact as well-paid and formal ones. Vulnerable employment, often in the form of informal employment, is frequently associated with poor productivity, fewer rights and less protection for workers, and has barely decreased worldwide in the last decade. The world is thus facing a double jobs challenge: creating a large number of jobs and creating better jobs.

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SECTION 4: A NEW ERA FOR THE UNION MOVEMENT

Ordinary workers find themselves in an intensely challenging and isolated position in the economy. The prospects are that this is set to become more pronounced in the future world of work where the jobs gap is set to grow, where jobs may be displaced by technology, and where the nature of work puts more responsibility on the individual. These challenges exist not only for those with low pay, precarious or insufficient work but also for more highly-skilled and professional workers as jobs become more mobile and fast-changing.

The research undertaken on the theme of Including you in the new world of work set out not only to decipher the trends shaping the jobs of tomorrow (described in Section 3) and to project where those jobs would be (Section 4), but also to frame a new and inspiring ambition for a vigorous union response.

The situation facing workers and their trade unions, now and in the coming decade, calls for swift action on the part of the labour movement. Transformational thinking is needed because without mobilisation for deep political and economic change trade unions may struggle to survive to mid-century. The current economic and political orthodoxy across the majority of the world would see trade unions tamed or sidelined to the point of no return. The labour movement cannot let ordinary people down as they face the brutal reality of a corporate driven labour market.

This is no time for small changes, we need big ones. There’s a stronger chance to do something now than for decades. In 2009/10 you couldn’t talk to workers because they just had their heads down but now people are looking up and seeing the reality. This is a global opportunity

Although to some extent the wheels are back on the neo-liberal bus following the financial crash, there is still a deep crisis of trust in the current economic model which is leading more experts, commentators and members of the public to seek alternatives. The OECD itself is running projects on alternatives such as the good-living index.

The lack of credible messages from the mainstream and, as the ITUC has pointed out, the sense of government abandonment that people feel around the world has created space for a re-energised and determined labour movement if the opportunity is seized.

Over time, and in many instances, the labour movement has succeeded in punching above its weight. Trade unions still represent the largest voluntary movement in the world with institutional status and political influence. Key planks of national and international architecture for a strong labour movement are already in place. There have been major steps to build global union unity with the creation of the ITUC and the Council of Global Unions. There have also been significant structural changes among the Global Union Federations with, for example, the creation of IndustriALL in 2012. The great market failures of the financial crash, climate change and inequality have captured the attention of key global organisations. The Ruggie principles have put a new emphasis on human rights and business. The Bangladesh Accord has shown that a new approach to supply chain management is attainable.
Building on these successes and organisational structures, UNI Global Union’s World Congress in 2014 can be the start of a decisive new era for trade unions as a social and economic movement within and across boundaries representing all those of working age, their families and their communities.

*It is a rich moment for the labour movement because of the state of the global economy – uneven growth and inequality. Unions need to feel part of something bigger.*

Trade unions and their academic and civil society partners need now to seize the vacuum left by mainstream explanations of the economy in order to champion the case that decent work and a living wage are at the heart of economic and social wealth creation. This means that rather than adapting as if the world of work is shaped by irresistible forces, trade unions can – and must – lead in setting the agenda to change the rules of the game in favour of workers. This means combining core business with a new and bold systemic role. This speaks to action in four domains:

- Securing better pay and conditions at work: This relies on ‘organising, organising, organising’ and pushing back strenuously against the trend of wage dispersion in companies whereby income, wealth and power is concentrated in the hands of a few.
- Reshaping business values, structures and rules: There is currently a palpable disconnect between ‘business values’ which seek to maximise quick returns, and stewarding a sustainable economic course for now and the future that shares the fruits of economic prosperity with workers and communities.
- Making the case that what is good for trade unions is good for society: Macro-economic arguments need to be marshalled to make the case that the real driver of economic health is decent wages and employment.
- Being part of a movement advocating for systemic change: trade unions must have a seat at the table to re-design an alternative economic system for the long-term good of people and the planet.

1. **From Action to Ambition**

The UNI Global Union survey and subsequent interviews with affiliates were carried out between July 2013 and March 2014. They sought information from the frontline about the forces impacting on different sectors, industries, groups and regions. This information has been reflected in Sections 2 and 3, reinforcing the messages from international institutions about the major trends in the economy of tomorrow. The survey and interviews with trade union leaders also elicited ideas about the long-term innovations and goals that affiliates would like to see for their union and the global labour movement.

To be sure, unions need to prepare and innovate for what is coming in the future world of work but now is the time also to go further than this and develop a long-term offer as visionaries and shapers of a different future that holds the promise of delivering what a business-as-usual approach cannot.
This part of the paper presents an analysis of UNI Global Union affiliates’ perspectives on the long-term purpose and goals for the labour movement and trade unions as an intrinsic part of it. Responses to our question about ambitions for the trade union movement are shown in the chart below:

**Chart 5: What do you think the long term role and ambition should be for the union movement?**

![Chart showing long-term ambitions for the union movement]

Note: The y-axis shows how many affiliates mentioned each ambition.

As the chart shows, more than anything, affiliates referred to the ambition of creating a new economic model, for trade unions to be recognised and framed positively, and to have a firm seat at the decision-making table.

Our question on long-term ambition was supplemented with a specific question to affiliates about the role they would like to see UNI Global Union play. The responses are set out in the table below:
Table 8: What must UNI do to help meet the challenges of the future world of work?

<table>
<thead>
<tr>
<th>UNI's role in the future world of work</th>
<th>No. respondents who mentioned this</th>
</tr>
</thead>
<tbody>
<tr>
<td>To be on the front foot in leading the case for an alternative economic approach including through GFAs, international campaigns and being at the table to represent workers at the global level/international fora</td>
<td>74</td>
</tr>
<tr>
<td>To build the labour movement through union growth e.g. by creating a vision for 2045 not 1945, by convening combined power across the movement</td>
<td>63</td>
</tr>
<tr>
<td>To inspire, lead and exchange information on new union innovations on structure, services and engagement  UNI is a hub of analytical expertise and knowledge about the world economy and the relevance of unions; UNI must lead inspiration and capacity-building for national, regional and international campaigns</td>
<td>40</td>
</tr>
</tbody>
</table>

Taking the feedback on these two questions, along with information gathered through interviews, with other opinion formers, academics, policy-makers and union representatives, a “map” for change was developed with a long-term ambition for the labour movement at the pinnacle. The map not only depicts a goal for the broader labour movement but describes the building blocks for national and international trade union work beginning with the innovations that UNI Global Union’s affiliates are already developing and implementing.

In deriving the map for change, we were concerned about how an overarching framework could be meaningful to many different affiliates operating in different contexts and with different pressures. However, we drew inspiration from three factors:

1. Contrary to what might be expected, many of the pressures and challenges being faced by workers, such as precarious working conditions, insufficient welfare provision, and the influence of multinationals, are being experienced across country, sector and group boundaries;

2. There appears to be a broad understanding that a common vision for the labour movement is essential for building a proactive approach based on co-
operation and collective leverage and that UNI Global Union is ideally placed to develop this in consultation with its affiliates;

3. It was possible to devise a map with sufficient flexibility built in that individual trade unions could focus on different aspects and develop activities within outcome areas to their particular circumstances.

4. The map is intended to help reflect best practice and to put it in the context of a model for how achieving intermediate objectives could move trade unions towards achieving the long-term aim for the labour movement which was most favoured among the affiliates we received feedback from.

The map is intended to provide a helpful tool for trade unions as they develop plans and strategies but it cannot answer to fundamental questions facing trade unions if they are to meet the challenges of the 21st Century and secure their long-term role. After describing the map in more detail below we suggest some key questions that will require careful analysis and deeper reflection.

2. Proposing a Theory of Change for the Union Movement

We present two figures depicting the map for change. Figure 1 presents a summary of principle features, and Figure 2 shows the full pathway for change.

Figure 1: Building a Vision for Change

Figure 1 depicts how a new model for the economy goes hand in hand with a number of preconditions. This begins with mobilising effectively across the workforce and building out from there to achieve a social movement able to shift the balance of political power. From there it is about winning the economic argument about the core role of decent wages; about work-life balance and sustainability, and finally changing the rules of the game in managing the economy.
Figure 2 draws out pathways for change in more detail, linking trade unions’ preparations in the current outlook for the world of work with the future vision for change as depicted above. It is intended as a qualitative framework for understanding and explaining how long-term positive change can be created by putting in place key building blocks of activities, skills and milestones along the way.

Figure 2: Pathways for change
Mapping a theory of change

A mapping approach that can describe a journey from today’s activities to immediate objectives and on to long-term goals has been found to be a powerful planning and evaluation tool for many types of organisation.

The so-called theory of change of change framework helps to develop strategies by clarifying purpose and roles. It can make explicit both tangible and less tangible ideas for the change that organisations are seeking to make.


Below are explanatory notes about the different levels which comprise the map and how they were derived. The explanatory notes start at the bottom level to explain transitions from today to the long term aim for the future. Quotes from affiliates are included to illustrate individual points.

3. Strengthening and innovating

Affiliates suggested multiple innovations that are already happening for building strength through increased numbers and voice. The following bullet points pick out some of the main focal areas that were described.

- Investing in organising is clearly a consistent theme with ideas for immediate action around mapping and targeting both formal and informal workers.
- Developing a skills offer to both members and employers was seen as a smart response to current trends towards knowledge and skills-based work in many contexts. Life-long learning opportunities can help workers cope with new flexibilities in the labour market, but also trade union insights into the design of jobs can help ensure good opportunities for non-graduates.
- Developing engagement with members was much discussed in the UNI Global Union surveys and interviews. A number of affiliates highlighted the importance of listening to what members and prospective members want. A particular focus was around understanding what will be meaningful to young people and non-traditional union members to convince them of the benefit of unionising. Another was around the need to personalise services offered by the trade union and to be present throughout a workers’ career even as their country, sector, industry or role changes.
- Adopting new methods of communicating. As work and workers becomes more mobile affiliates spoke about the need for new methods of communicating especially leveraging the power of social media.
- Developing negotiating power with employers and attempting to embed international standards of employment remain core to trade union activity. It is acknowledged as being difficult in an economic climate which, across many countries, favours employers and actively undermines the voices of
workers. Sharing best practice, knowledge and experience across the trade union network was considered an essential support.

- Extending the reach of global framework agreements is essential for building on the success of UNI Global Union’s Breaking Through Strategy. The impact of this is not just in terms of multinationals’ direct employment but also through supply chains.

UNI Global Union has already campaigned successfully, not least among multinational companies, with the Breaking Through Strategy. While unions influence national and regional governments, UNI Global Union needs to be at the international table of the G20 and L20, getting the constituency of workers’ voices heard at the global level.

4. **Getting ready to step up**

The role of innovation is to position trade unions to be on the front foot and ambitious in their targets for recruiting and organising, as well as achieving change for members. Affiliates must step up to combine their expertise with a growing membership base.

Achieving real wins for workers now, in terms of pay, conditions and security, will help demonstrate the leverage that trade unions can exercise in the interests of workers and their families. From this basis the labour movement can push their sights towards taking a strong proactive stance in framing solutions to current crises of inequality and instability.

As trade unions get ready to step up from core business UNI Global Union has a vital, catalytic, role in raising the bar for unions’ inspiration and commitment to change.

5. **Mobilising the might of the entire workforce**

To reach out across the workforce in order to represent the growing population of vulnerable, fragmented and more mobile workers, as well as to achieve good quality work for all, trade unions need to adapt to new patterns of working styles, contracts, and locations. At the same time, as the membership diversifies and grows - with more women, young people and professionals and managers among others - there can be stronger dialogue with employers and policy-makers in order to achieve workplace democracy and the empowerment of all workers. Mobilising the power of the whole workforce is located at a critical juncture between trade unions preparing for the current outlook in the world of work and stepping up to lead action towards a new economic vision for change.

There was a strong call from affiliates in their responses for UNI Global Union to lead, engage and support trade union leaders in thinking about and adopting innovations for effective organising in different contexts. Several interviewees pointed to the importance of organising in the emerging economies and especially in Asia Pacific since over the next two decades the weight of this area in the international economy will grow.
Our ambition must be to unionise South East Asia because the world economy machine is being led from there

Although help with national and regional level organising is vital, UNI Global Union has a critical role to play in convening the combined power of workers across borders to achieve weight and influence at the top tables internationally as well as nationally and regionally.

We need to localise the international and internationalise the local for real impact at different levels

6. Shifting the balance of political power

With a solid, consistent and growing base of support, trade unions can achieve political influence towards the purpose of resetting the economy for the common good. The labour movement is still the largest voluntary movement in the world and needs to take heart from that.

Alongside and reinforcing the political leverage trade unions achieve is the role of a bigger social movement. Everyone in society has a stake in the world of work, either because they are workers, would like to be workers now or in future, or depend on workers for the services they need. More broadly everyone has an interest because prosperity is built on work and wages.

Political strength for trade unions can be derived from a strong democratic basis of support among workers and communities whereby the links between workforce and social interests are closely drawn. From the perspective of the central place of work in society unions are well placed to devise compelling solutions to the way we manage our economy and society. This will help build resonance around common interests, not least work and family life, but also decisions around the commitment of resources and allow unions to speak for all those of and approaching working age.

The union movement was only for members but in the future it should be for all of society. If not then unions are not validated and legitimised.

There is clearly a strong role for UNI Global Union in the first place, to represent on the international stage the broader human rights associated with working and non-working lives, and secondly to build knowledge and solidarity between trade unions across the world by providing a hub of expertise and innovation.

7. Winning the economic argument

As noted elsewhere in the report, following the financial crash people around the world are deeply mistrustful of their governments and the current economic model. The gaps in trust and credible answers from the mainstream create space for a new values system and with it the reinvigoration of the labour movement. Trade unions need to unite behind a strong, common vision coordinated and energised by UNI Global Union.

UNI is good on vision and we need a vision for 2045 not 1945
The time for separate national visions is over because of the mobility of capital and labour and because decisions are taken at a trans-national level

Winning the argument means seizing the space to be champions of arguments about the health of the economy (which depends on wage-led growth) and issues of social justice. Building on a strong constituency of support through which political leverage is derived, trade unions will be in a position to articulate a systemic solution to current challenges for the economy, society and environment in the form of a new economic narrative which is also clear about the role of the labour movement. In so doing, trade unions become a centre of influence in line with other progressives in different areas of life (such as academics and campaigners). With recognition for representing a broad constituency of all those of working age, trade unions can be well-placed for being positively framed as trusted partners for a tripartite relationship with policy-makers and business leaders.

8. **Changing the rules of the game**

To make a new economic vision a reality would require a transformation in economic governance. For many UNI Global Union affiliates the way forward in changing the rules of the game was for a strong balanced tripartite relationship between workers and their unions, government policy-makers, and employers within a culture of solidarity and cooperation. Such a relationship was seen to be an important underpinning for strong, progressive labour market institutions at both national and international levels. Bringing this about is clearly a challenge well-described by one affiliate as follows:

*Unions have to be at the table. The problem is where there is no table. Maybe the global union movement needs to make this level table happen.*

‘Making this table’ means coordinating through the international trade union architecture with leadership from UNI Global Union and others, such as the ITUC. If the table can be created then the foundations of policy-making, for example, in setting minimum income standards, can happen through dialogue, regulation and legislation, or different combinations of these depending upon context and particularities of national culture and policy.

*We need to realise well-balanced triangular relations among government, management and labour*

*It is important to make sure to maintain and further develop labour laws so that they provide employees with good frameworks*

Affiliates highlighted the role of international standards through the ILO and global agreements and the task of moving governments to ratify and enforce such standards. It was for UNI Global Union to be on the front foot in leading positive change in the rules of the game at the international level, negotiating for workers on the world stage.

*UNI must campaign and demand on the global stage, at the G20 etc, and go for the big global and regional companies*
9. **The vision: A new economic model that puts decent work and fair shares at its heart**

Asked about a long-term goal and ambition for the labour movement a majority of UNI Global Union affiliates identified the need for a new economic model to guide policy and practice. This is a model capable of delivering an assurance of decent work for all and fair shares of the fruits of economic activity for ordinary workers.

*Unions must achieve a new economic model based on pro-worker values where they represent everyone of working age. We must take the economy back to citizens and their families. We need to set the ambition to change the world!*

10. **Considerations for Meeting the Challenges of the Future**

As noted above, the theory of change cannot resolve some of the thorny issues that present themselves to the labour movement. We suggest a short-list of six key questions for trade unions to consider in order to galvanise fresh thinking and decisive action:

1. **How can trade unions grow fast enough and become powerful enough to have meaningful influence on working conditions?**  
   *How can the challenge be described and the mission clearly set out?*

2. **In light of the rapidity of change in the labour market today and going forwards, is the structure of unions fit for purpose in the 21st Century?**  
   *Are the organisation, management structures and processes of trade unions that were developed for the 20th Century still relevant in the new world of work?*

3. **How can trade unions mobilise politically in order to achieve sufficient good quality jobs?**  
   *What are the opportunities for traction on a full employment guarantee, an increasing wage share and a fair distribution of prosperity?*

4. **How can ordinary people be protected if technology causes the world of work as we know it to collapse?**  
   *Can a new framework be achieved which frees people from toil and improves wellbeing?*

5. **What happens to workers and the economy if trade unions decline or disappear?**  
   *Could trade unions really be extinguished? How far can an agenda for ever-increasing labour market flexibility go if there is no effective countervailing force? What are its implications?*

6. **What happens to workers if trade unions achieve their ambition?**  
   *How can unions articulate their vision for success? What would the world look like?*
CONCLUSION

The global labour market is on the cusp of huge change as the megatrends of demographic and technological change; economic uncertainty, and environmental crisis loom large. The trend that the economist Keynes predicted for the late 20th Century – that our biggest problem would be how to spend our leisure time once technology had advanced to meet our needs – has not come to pass. We can view this as a massive failure of the distribution of economic gains. It is not that the 20th Century did not generate big growth dividends after all, but today workers may be reliant on insecure jobs paying insufficient wages, or they are working longer and longer hours and still feeling precarious. Life is good for a few at the top, but vulnerability is increasingly the norm in today’s labour market and, from what UNI Global Union’s affiliates have stated, this is true around the world.

What is required now is to reconnect the labour market and the economy in a rightfully symbiotic relationship. We are so far away from this now that workers have been cast as mere cogs in the wheel, in a purely mechanistic way, as if the point of the economy has nothing to do with working people. The sense of the economy as a shared space for businesses and workers has been almost entirely lost in the predominant economic narrative. However, the financial crash and the crisis of values that followed it has ushered in a search for alternatives even among mainstream institutions such as the OECD and World Bank.

The projections for where the jobs of tomorrow will be as set out in this report reveal a bigger jobs gap than has already been predicted. The ILO predicts that 600 million additional jobs will need to be created by 2020 just to keep to the pre-recession ratio of employment to working-age population. However, this does not allow for anything like a full employment scenario. Our projections show that aiming for a ratio of 75%, which allows for more participation by women for example, would bring the jobs gap closer to 1.8 billion by 2030.

Aside from the numbers, what about job quality? Just ‘a job’ is not good enough. It must not be a matter of ambition but basic human decency that all jobs are fairly paid with safe, secure and productive conditions and prospects for the future.

As our analysis of trends that are shaping the future world of work shows, the pressures workers face in terms of a highly polarised jobs market and insecurity at work are fatally undermining human well-being. The way the labour market is shaping up for the future effectively presents the baseline reality that UNI Global Union and its affiliates are facing unless a determined challenge is mounted to arrest it. Without it the marginalisation of workers and trade unions will only gather pace. Even where trade unions have a strong base currently we know this is increasingly at risk. Now is the time for a serious call to action.

In order to deliver for workers, their communities, and society, a new vision for the economy is needed to disrupt the current drivers of the future world of work such as financial uncertainty, while responding to others such as climate change. We know we have a choice about the kind of systems we set up and run, and now is the time for a strong countervailing movement to the mainstream capitalist project.

The vision and strategic map presented in Section 4 might seem beautiful perhaps, but is it possible? History suggests it is. The neoliberal project achieved seismic
change to national and global economies in just a few decades. This shows that deep-rooted shifts in thinking and application are entirely possible, even in a short space of time. However, it requires inspiration, determination and hard-headed coordination at national, regional and international levels to avoid getting lost in the complexity of issues and forces.

UNI Global Union and its affiliates are present in growing services and knowledge-intensive sectors where the jobs of tomorrow are set to be focused. This puts the UNI Global Union and its affiliates at the heart of the unfolding future world of work with the opportunity to leverage influence over the shape of the labour market to come.

An alternative for real wealth creation clearly has good jobs at its core. Jobs are the predominant means for providing individuals and families with material sustenance, and they meet a genuinely human need for purpose, participation and fulfilment. Employment has been described as the economic equivalent of the right to vote. The current system is chronically indisposed to creating enough decent jobs but we have the imagination and wherewithal to strive for a system geared towards full employment and good work.