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## **GLOBAL DISCUSSION ON THE FUTURE OF WORK**

**Abstract.** The article addresses the issues that are the subject of a global discussion on the future of work.

The article reflects on the discussions of the future of work carried out by the G20 countries and the expert community. It reveals that the future of work starts today. Creation of high-quality jobs and expansion of employment opportunities, along with the implementation of labor rights of workers and ensuring their social protection are the main objective of countries policies aimed at shaping the future of work. The technological revolution, the demographic transition and globalization processes determine global trends, which influence labor market relations and institutions. Countries are concerned with the growth of informal employment and individualization of labor, leading to the decline of social protection coverage of workers. The future of work is increasingly influenced by education, qualifications and professional skills of workers that they receive throughout life. Ensuring labor rights of workers involved in the new forms of employment, as well as their social protection, remains a priority. Shaping of the future of work requires social dialogue and active participation of governments, associations of employers and trade unions or other organizations representing the interests of workers.

**Key words.** Future of work, G20 countries, technological revolution and labor, non-standard forms of employment, social protection

### **The rapid transformation taking place in the world of work as a result of the technological revolution and the of globalization processes is attracting major public attention**

Politicians and experts around the world are discussing the future of work (FoW), trying to identify main vectors and opportunities for improving labor relations, to understand the changes of the role of labor market institutions. The FoW is

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discussed by countries within the framework of the G20, BRICS, APEC and others.

Countries are preparing elaborating national reports on the FoW, in which they analyze their current situations, forecast their development and determine national policies, including those necessary to achieve the Sustainable Development Goals by 2030 [Transforming our ..., 2015]. The sustainable development agenda for the period up to 2030 was adopted by the UN General Assembly on September 25, 2015, and 17 sustainable development goals came into force on January 1, 2016.

Goal 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.” [Goal 8 ..., 2015] actually gives countries a landmark for building FoW — a future in which labor will be highly productive, adequately paid and accessible for all.

More than 120 countries, including all G20 countries, have already prepared national reports based on large scale discussions within countries and regions.

International organizations, such as ILO, OECD, and other organizations of the UN system, are actively participating in the FoW discussion.

In 2019, when the ILO will celebrate its century anniversary, a global discussion on the FoW will be summed up. It is clear that the discussion on FoW will not end and countries will continue to discuss these issues after 2019. Even now, certain points of this ongoing discussion are well-articulated.

The ILO experts, assessing the range of issues addressed by the countries in their FoW reports, identified four areas of discussion, which they called the “centenary conversations” [The future ..., 2016], including:

- Work and society;
- Decent jobs for all;
- The organization of work and production;
- The governance of work.

It should be noted that each of these aspects is multidimensional and includes issues both common for many (if not all) countries, and those that are relevant to specific countries and determined by their national demographic, economic and social circumstances.

## **The G20 countries are active participants in discussions on the future of work**

The G20 countries produce about 80% of global GDP and account for more than 60% of global employment [G20 Facts and Figures, 2017]. Therefore, it is obvious that the position of these countries largely determines the global debate on the FoW. The official position of the G20 countries on the FoW was formed during the discussion within the framework of the G20 employment working group held in 2017 under the German G20 presidency. It was reflected in the set of the final documents — the Declaration of G20 Labor and Employment

Ministers “Towards an Inclusive Future: Shaping the World of Work” [Towards an ..., 2017] and in the G20 Leaders Declaration “Shaping an interconnected world” adopted in Hamburg on July 8, 2017 [G20 Leaders’ ..., 2017].

Leaders of the G20 countries emphasize that “well-functioning labour markets contribute to inclusive and cohesive societies and resilient economies” [G20 Leaders’ ..., 2017]. The ongoing global technological revolution opens the possibility of creation of new high-quality jobs, yet same time it creates new demand on the professional skills and skilled workers and requires the improvement of social protection. According to the leaders of the G20 countries, to shape the FoW, it is necessary to develop education systems oriented towards the provisions of skills and qualifications demanded by the labor market. They emphasize the importance of providing employees with the access to the lifelong learning: the opportunities to upgrade their skills and get retraining at any point of their careers. It is lifelong learning that allows workers to successfully adapt to changes in the labor market. The demographic transition, globalization and the changing system of labor relations determine the need for an appropriate system of social protection and safe working conditions. Leaders recognize that shaping of the FoW is impossible without the close interaction of governments, business and social partners.

The Ministers of Labor and Employment of the G20 countries formulated the priorities of the G20 for the FoW as a separate Annex to the Declaration [Towards an ..., 2017]. They identified five priority areas:

- Strengthening skills development and adaptation throughout the working life;
- Promoting adequate social protection and social security coverage for all workers, including those in non-standard forms of employment;
- Encouraging social dialogue including collective bargaining for adaptable and fair work arrangements and working conditions;
- Harnessing the opportunities of structural change for new and better jobs;
- Monitoring trends and exchanging good practices.

At the heart of the state policies priorities aimed at shaping the FoW lies the G20 Skills Strategy, G20 Principles for Effective Public Employment Services, G20 Policy Principles for Promoting Better Youth Employment Outcomes, G20 Policy Recommendations for Promoting More Equitable and Sustainable Social Protection Systems, G20 Entrepreneurship Action Plan, as well as other documents adopted by the G20, summarizing national experience and good practices.

Ministers agreed to take further action to ensure non-discrimination in labor markets and equal treatment of workers by social protection systems. At the same time, social protection should be modified in order to be able to support non-standard forms of employment, to guarantee the observance of workers’ rights in the situation of increasing labor mobility. The improvement of the

social protection system and the expansion of its coverage of various categories of workers must go hand in hand with the formalization of the labor market, improvement of the quality of employment and actions to facilitate the transition from the informal to the formal economy.

Ministers particularly emphasized the significant role of labor market institutions, such as public employment services, that assist people in job search and acquisition and recognition of skills. The interaction of employers and trade unions with local communities and other stakeholders should focus on finding solutions at the national, sectoral and corporate levels for the most effective approaches towards organizing working hours and working conditions.

Forms of social dialogue and collective agreements may vary depending on the changes taking place in the labor market, but nevertheless, the G20 Ministers of Labor and Employment believe that these instruments will remain in the future.

Recognizing challenges of global trends, such as new digital technologies, globalization, demographic transition and changes in workers expectations, the G20 Ministers of Labor and Employment nevertheless positively see the FoW and employment perspectives. The priorities defined by them serve as the basis for the development and implementation of national policies aimed at shaping the FoW.

### **The G20 countries set the general framework of global future of work discussion, which is actively pursued by the expert community**

A vivid example of an expert discussion was the FoW conference held in April 2017 [The Future of Work We Want..., 2017]. The conference was organized by the ILO and attended by experts from the ILO member countries, representatives of trade unions and employers.

Speaking about the FoW, experts discussed the following issues:

- impact of the technological revolution on the labor force development and employment;
- changing forms of employment and reaction to these changes;
- role of trade unions in ensuring social protection of workers;
- global supply chains and control over business;
- inequality, incomes and work-life balance;
- prospects of youth employment.

Different viewpoints were presented.

### **Technological revolution and jobs**

Technological revolution poses many questions the experts could not explicitly answer:

- Is the future without work real?

- Will robots replace all workers?
- Who will win in the race of man and machines? What will workers preferences look like: work harder and earn more or work less and earn less?

Neoclassicists and Keynes [Keynes, 1978] believe that the market decides everything on its own, while others [Skidelsky, 2012] believe that this is not so and the market needs to be helped. For example, taxing robot labor to create training funds for those who lost their jobs due to robots. At the same time, human workers labor should be subject to less taxes, and robots to higher. Another example is to give a person, contributing to economy a dividend other than wages (the so-called unconditional basic income) [Basic Income ..., 2018]. As soon as labor market cannot ensure that the technological revolution is accompanied by increased employment, there must be labor market institutions that will promote it. Three-way interaction is the most effective. Some experts have suggested that the ILO should be renamed as the International Labor and Leisure Organization (ILLO) to meet the aspirations of the future workers.

According to experts, the FoW should be based on the principles of social justice and inclusiveness.

Speaking about the impact of the technological revolution on labor force and employment, everyone agrees that the technological revolution is changing the labor market, but the opinions of developed and emerging economies differ. The former consider that the development of technologies leads to an increase in the quality of jobs, but a reduction in their quantity and, consequently, to a negative impact on employment. The latter are more optimistic and believe that the development of technologies generates not only an increase in the quality of jobs, but also an increase in their quantity.

## **New forms of employment**

Arguing about changing forms of employment, experts agree that new forms of employment arise and will develop and employment will be more individualized. At the same time, some believe that the new forms of employment should be regulated by existing legislation, while others believe it's impossible to apply the standards of the 20th century to new forms of employment arisen in the 21st century and new regulations should be developed.

Estimating the perspectives, some experts think that, though in the future the self-employed will still be there, the majority will work for employers. By making this assumption, these experts in fact deny the individualization of work and disintegration of job processes.

The flexibility of hiring and firing, according to experts, is an important condition for creating an enabling environment for business and investment growth.

Experts also note that it is necessary to develop infrastructure and eliminate inequalities in income distribution — it's bad when an employee gets 10,000 times less than a manager. To ensure social justice, it is necessary not only to maintain, but also to improve the system of social protection. With population aging, it is necessary to provide employment opportunities for older people.

The discussion on self-employment showed that experts do not have a common understanding of this term. Some suggest distinguishing between the concepts of “self-employed worker” or “self-employed producer”. It was suggested that it is necessary to protect both self-employed workers and micro enterprises with one employee and to decide how to combine the concepts of self-employment with competition legislation.

Providing social protection for the self-employed, including pensions, is a matter for a policy decision. Self-employed people can contribute to social insurance and the state should incentivize them.

New forms of employment require a review of labor governance. Should the governments regulate non-standard forms of employment that create new sources of income? Speaking about labor governance, experts raised the question of whether it is necessary to rely only on private management or public administration or a combination of both, as more effective.

It is recognized that the development of public-private partnerships is a way to improve the effectiveness of labor markets. At the same time, labor inspections need transformation and increase in control efficiency.

It is important to develop social dialogue, and representation of the interests of workers through trade unions should be expanded so that the interests of employees in new forms of employment and informal workers are represented in this dialogue.

## **Trade unions and work**

The individualization of labor questions the capacity of trade unions representation of workers interests. Expert's opinion differs on the role of trade unions and collective agreements, as their main instrument of activity. Some countries believe that in the future the role of trade unions will remain significant, while others believe that the growth of individualization of labor requires new forms of expression of the interests of workers. The same opinion is shared by countries with a large share of the informal economy, who believe that other instruments should replace collective agreements.

## **Globalization and labor**

With the emergence of new forms of employment and labor organization (electronic platforms, franchising, etc.), the philosophy of labor is changing.

Individual producers are less likely to produce the final product and are increasingly included in the so-called value-added chains or supply chains.

Global supply chains not only change the picture of world trade, it also forces us to take a fresh look at the organization of labor in the enterprises that are a part of the global supply chains. Could the control over the organization of labor and the implementation of labor standards be the responsibility of the head enterprise? Should the labor standards used by enterprises in the supply chain be the same for all enterprises, regardless of the country in which they are located, or should labor issues be controlled by the enterprise itself in accordance with the national legislation of the host country? Could the absence of social protection of the enterprise's employees be considered as a competitive advantage or is this situation unacceptable for the enterprise participating in the global supply chain?

Not all global supply chains are the same: for example, agricultural products chains or high-tech devices chains differ from each other both by in the size of their enterprises and the volume of resources used.

International framework agreements on labor conditions in global supply should be developed and adopted.

Experts believe that if firms can specify a product they should receive, why can't they also specify wages and social payments to employees who supply components for this product? We need new approaches to the organization of labor (who does what and when), based on the basic principles that we want to implement, namely, the development of formal employment and the absence of discrimination.

The trust between the employer and the employee, as well as uniform standards of labor organization, regardless of the form of employment, should be the key characteristics of such new approaches.

Although all experts admit that there is a rapid development of global supply chains, their opinions on monitoring of development and observance of labor rights in the chains differ. The experts also argue whether it is possible to consider the absence of social protection of the employees as a violation of their rights or as a competitive advantage of the enterprise. Some countries believe that the state should fully control the chains and business, while others believe that the role of the state should be reduced to establishing framework conditions for all producers, regardless of whether they participate in the global supply chains or work independently.

The spread of the positions from total control to maximum flexibility indicates a lack of understanding of this economic phenomenon and isn't related to the country's position in the global supply chain. Representatives of developing countries, whose enterprises are only included in the chains at the lowest levels, often favor greater flexibility and less regulation than countries whose enterprises are leading the chains.

## Labor and inequality

Expert's opinions on inequality in the labor market are also different. Female labor is still paid lower than the corresponding male labor and in many countries discrimination against women remains as issue. This is partly due to the national and cultural peculiarities of these countries, but largely comes from the fact that labor market governance is patriarchal. The latest ILO survey [World Employment ..., 2018] showed that the biggest obstacle to women's employment is the need to ensure the proper work-life balance.

While in general all countries recognize that inequality should be reduced, in assessing the prospects for the future, some believe that, despite the undertaken actions, inequality will grow as a result of the complex impact of technological and social change. Others believe that, for example, the introduction of universal income not related to labor, will help avoiding the explosive growth of inequality. Attention is drawn to the fact that the currently unpaid forms of employment, including internships or employment of retirees, should be studied and minimized. The prospects of combining working and non-working time are discussed. Some believe that in the future, a person will work more and have less rest, while others believe that the balance of work and rest will move toward recreation. There was an opinion that it is necessary to learn to enjoy not only work, but also leisure.

## Youth employment

Assessing the perspectives of youth employment, the countries expressed a unified position and emphasized that accessibility of the labor markets and quality education are the main conditions for ensuring sustainable youth employment, especially during market uncertainty. One should not wait until the young man is out of the labor market. Preventive actions are required to provide training or retraining for those at risk of being out of work. It is important that educational institutions interact with employers in order to ensure greater compliance of qualifications with market requirements.

Experts noted that the nature of youth employment is changing — from permanent employment with the preservation of the workplace in case of withdrawal to the army or a prolonged absence for other valid reasons — to temporary unstable employment.

Young people are not a homogeneous group and the analysis of its employment and its perspectives should take this into account.

A serious question put by experts discussing youth employment is the recognition of non-formal education. Some experts believe that in order for skills to meet the requirements of the employer, we need to revise the concept of schooling, introduce distance learning and other innovations in schools. Informal

home education leads to an increase in inequality, because a good education at home can only be provided by rich parents.

In addition, many experts believe that training should be collective.

Despite the different points of view, everyone agrees that in order to avoid inequality, the consumer should have a choice of different models and forms of education and training.

The possibility of combining youth's desire for mobility with migration restrictions causes the concern of many experts. Will the introduction of digital platforms that help the employee find an employer and distance employment, compensate for migration restrictions and promote the globalization of labor markets? The question remains open.

**Employees are interested in ensuring that their work in the future is worthy and can provide them with a high level of well-being and opportunities for their human development.** The skills development and upgrading is of particular concern for both employees and employers. As the survey conducted by ManpowerGroup shows, 40% of employers complain about difficulties in finding qualified employees. The number of employers who fill their vacancies by retraining their existing employees from the company's funds doubled in 2017 compared to 2015. [ManpowerGroup..., 2017] However, the employers opportunities don't catch up with the fast changes in the labor market. The report of the World Economic Forum 2016 notes that by 2020, more than a third of required work skills will be skills that are currently considered insignificant. [World Economic Forum..., 2016] According to report, in traditional sectors of the economy, knowledge is becoming obsolete in 3-5 years, and in business and information technology, the period of obsolescence of knowledge is significantly shorter.

Employees of any age, at any stage of their lives should have the opportunity to develop and improve their skills, apply their skills in the labor market, and effectively use them in the workplace, in the economy and in society. It is necessary to take actions to provide the population with the qualifications required by the labor market. Moreover, it is important to ensure that qualifications are effectively used in the labor market. It could be achieved through strengthening the link between learning and labor market requirements, promoting the employment of vulnerable groups, improving the skills and qualification recognition systems and encouraging employers and employees to invest in education.

The principles of lifelong learning should be based on the following documents: ILO Recommendation No. 195 on Human Resource Development; the 2008 International Labor Conference on Qualifications for Improving Labor Productivity, Employment and Development; the Learning Strategy adopted by the G20 countries in 2010. When formulating the principles, the structure of the World Indicators of Skills for Employment (WISE) should also be used, and well as other documents of international organizations, including OECD report "The G20 Skills Strategy for Developing and using Skills for the 21<sup>st</sup> Century".

The question is, what directions and forms should lifelong learning have in order to be effective.

To ensure the effectiveness of lifelong learning, first of all it's necessary to teach students proper learning techniques. The development of learning capacity should start from early childhood, primary school and continue further on.

Teacher's retraining is also fundamentally important.

If during a lifelong learning the teacher provides the student with an outdated knowledge, such education will be ineffective.

A radical increase in the flexibility of vocational and higher education is required to ensure a smooth transition to the subsequent phase of lifelong learning.

Other important areas are:

- Development of the non-formal education system;
- Creation of comfortable conditions for self-education;
- Informational support of education.

The system of lifelong learning education cannot be viable without the interest of its participants. Therefore, a system of effective motivations should be created for:

- employers;
- employees;
- unemployed.

To promote lifelong learning, the needs of different age groups — youth, middle-aged people, the elderly — must be taken into account, as well as the specific requirements for education of women and men. The lifelong learning for youth should:

1. Guarantee basic knowledge for all;
2. Guarantee the completion of the school;
3. Provide a greater choice of spheres of education;
4. Facilitate access to higher education;
5. Promote closer relationship between education and work. It is necessary to develop such forms as apprenticeship.

Middle-aged people should be provided with the opportunities for professional retraining, as well as for obtaining new professions. Seniors who do not have the experience of using new technologies and do not have the skills of digital communication should be given the opportunity to learn with age-specific characteristics.

Lifelong learning should be supported by educational credit availability and preferential or free education.

**The Russian Federation actively participates in the global future of work discussion and believes that the future of work will be characterized by the humanization of labor, creation of quality jobs and effective institutions.** The Ministry of Labor and Social Protection of the Russian Federation, in cooperation with social partners, the Russian Union of Industrialists and Entrepreneurs and

the Federation of Independent Trade Unions of Russia, has held discussions on the future of work.

The tripartite nature of defining of the FoW priorities allows ensuring that the defined priorities will be achievable.

Currently, Russia's main objectives in the labor market development and employment include:

- Creation of high-productive jobs;
- Improving the quality of the workforce;
- Bringing the labor legal framework in line with modern economic relations;
- Transition from informal to formal economy;
- Further development of social insurance systems for workers (unemployment, pension, medical, etc.);
- Ensuring decent and safe working conditions;
- Development of social partnerships.

Creation of high-quality jobs will expand employment opportunities and improve their efficiency. Effective labor market institutions, built on tripartism principles, are aimed at targeted assistance to job-seekers, ensuring the interaction of an employee and employer. By facilitating the process of employment and providing opportunities for vocational training and retraining they become an additional guarantor of sustainable employment. Development of employment services is ongoing, social insurance and social protection of workers and their families are developing. Actions to forecast the development of labor resources, employment and labor market institutions are being taken.

Two types of forecasts are developed — the forecast of qualifications and the forecast of vacancies.

Within the framework of forecasting labor market needs in qualifications, the Ministry of Labor and Social Protection of the Russian Federation had developed and approved a list of 50 most demanded jobs on the labor market that require secondary vocational education.

A joint resolution of the Ministry of Labor and Social Protection and the Ministry of Education and Science of June 30, 2015, No. 407/641, approved the Regulation on the System of Medium-term and Long-term Employment Forecasting, which are used for planning education in educational institutions, vocational and/or higher education programs funded through the federal budget.

The forecast of vacancies is based on information received from employers.

Starting in 2018, a five-year forecast of labor demand will be prepared in each region of Russia.

All government's efforts are aimed at forming a labor market that would ensure decent employment and well-being for all residents of the country.

## Next steps

Currently, the discussion on FoW continues. The ILO will sum up its results during the celebration of its centenary. To generalize the results of the national dialogues on the FoW, a special created ILO Commission is being created which is currently active.

The closest milestone in the discussion and development of joint decisions on this issue could be the G20 conference scheduled by the Argentine Presidency for April 2018.

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