

# THE FUTURE OF WORK

## Some Key Trends and Emerging Implications for Fiscal Policy



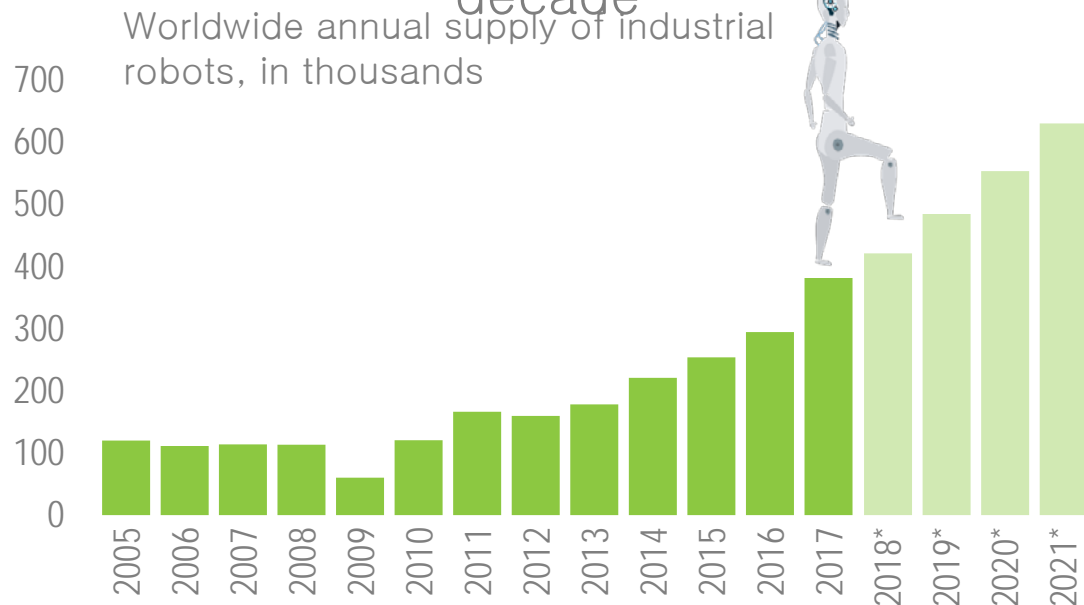
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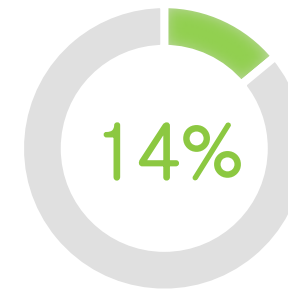
# Should we brace for a jobless future?

**Massive technological unemployment is unlikely, but many jobs will change and transitions will be difficult**

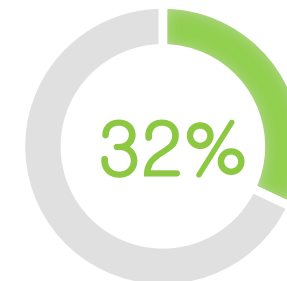
Orders of industrial robots have tripled over the past decade



14% of jobs could be automated...

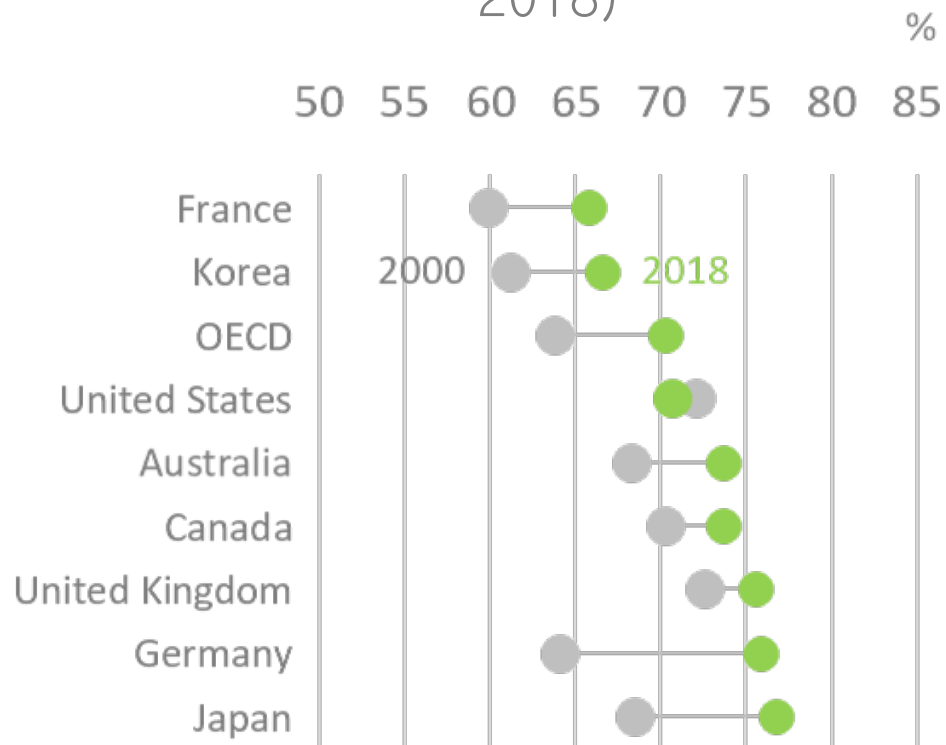


... but many more will change significantly

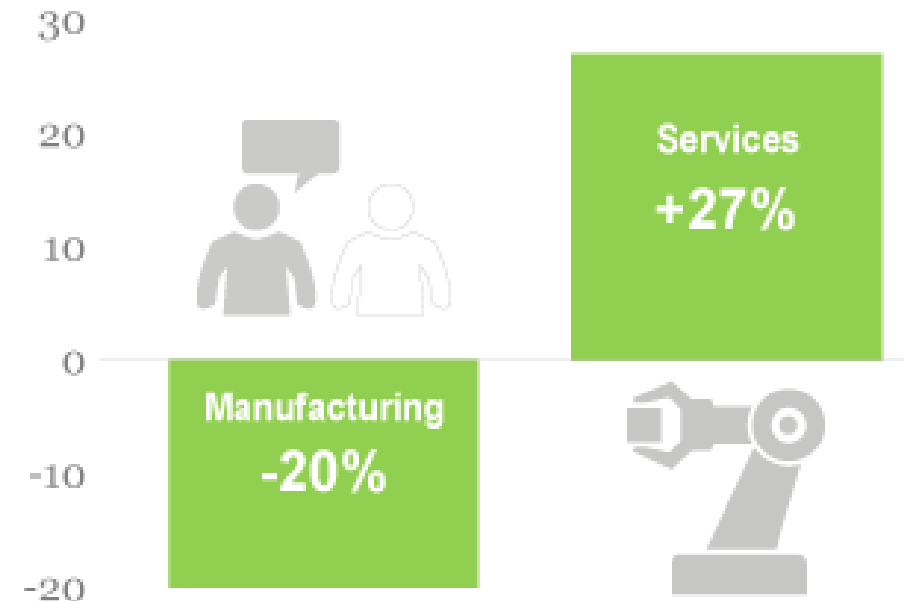


# Should we brace for a jobless future?

Employment rates overall have risen in most OECD countries (2000–2018)



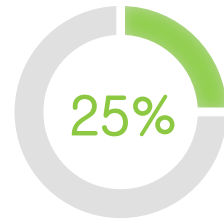
Over the past 20 years, employment in manufacturing went down by 20%, while it went up by 27% in services



# Adult learning is critical for managing these transitions

## The demand for skills is changing, but adult learning systems are ill-equipped for this challenge

The share of high-skilled jobs has increased by 25% over the last two decades



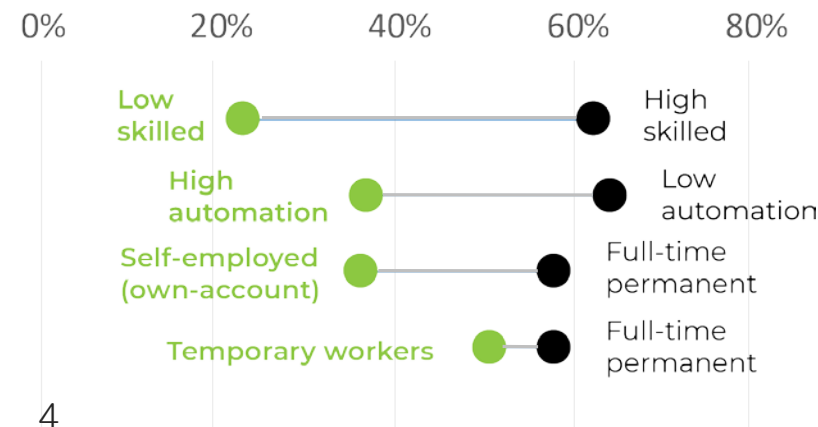
But many adults lack the skills needed for the new jobs emerging



6 out of 10 adults lack basic ICT skills or have no computer experience

The most vulnerable are least likely to participate in adult learning

Skill level  
Automation risk  
Self-employed  
Temporary workers

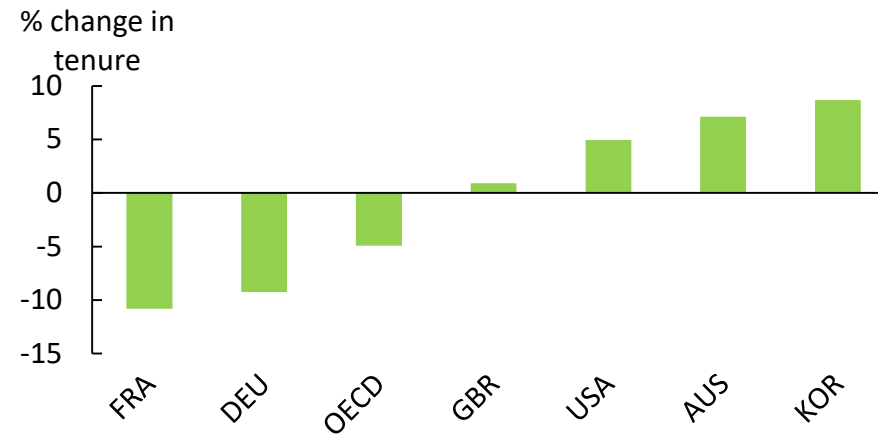


Adult participation in training

# And social protection can help individuals cope

## Some social protection systems are not well prepared for the faster pace of job reallocation and new forms of work

After adjusting for changes in the demographic structure, **average job tenure has decreased by around five months (or 4.9%) since 2006**



On average across countries, **two out of three** jobseekers did not receive unemployment benefits in 2016



In some countries, workers in non-standard employment are **40-50% less likely to receive any form of income support** when out of work



# Is the end nigh for the standard employment relationship?

**Many countries have seen growth in non-standard forms of employment, but standard employment remains the norm**

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- **1 in 9** employees are on a temporary contract
- **1 in 7** workers are self-employed
- Non-standard work represents **over a third** of total employment
- Platform work as a person's main job is still a limited phenomenon, covering between **0.5% and 3%** of the workforce in OECD countries

# Employment status: A gateway to rights and protections

## New forms of work have sometimes challenged definitions of “employee”, “self-employment” and even “employer”

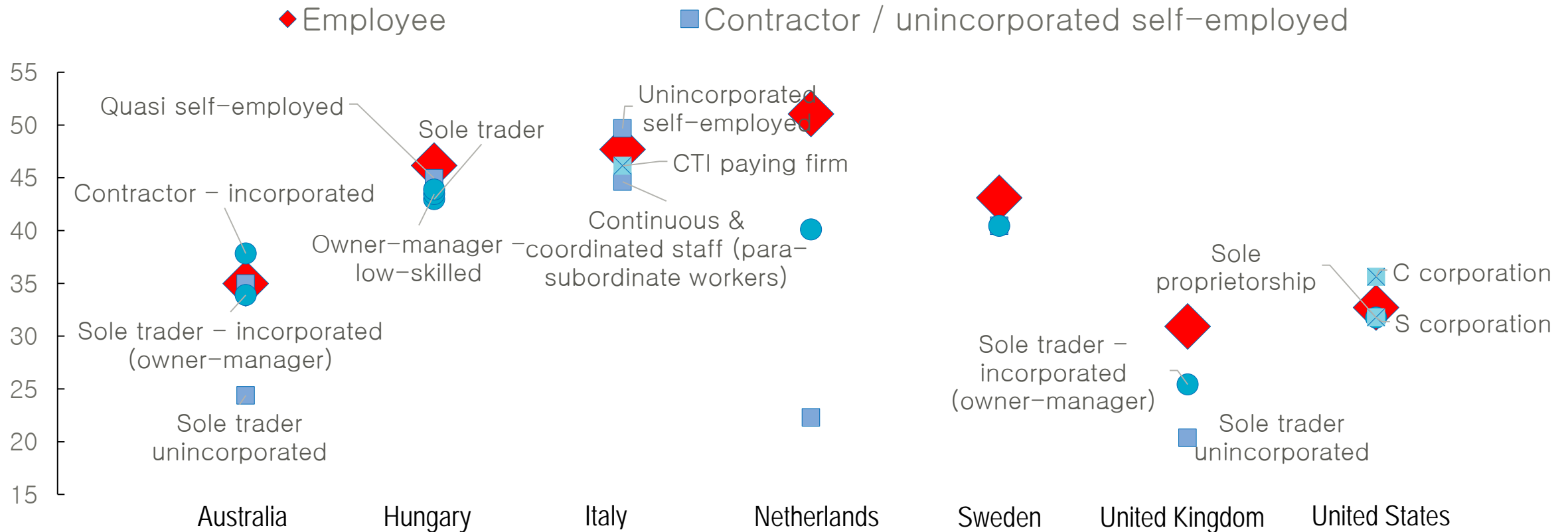
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- *False self-employment*: situations where working arrangements are essentially the same as those of employees but individuals are declared as self-employed in order to avoid regulations, taxes and unionisation
- *Grey zone*: some workers will be genuinely difficult to classify – they are self-employed, but share characteristics of dependent employees and so share vulnerabilities and a need for protection

16% of the self-employed are financially dependent on one client

# Increases in non-standard employment are often policy-induced

## Non-labour costs vary substantially across contractual arrangements



# Fiscal Policy *Some Implications*

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- Considerable additional resource will be needed for training and social protection
- But there are risks to revenues from social security contributions and taxes on payroll and workforce

# Fiscal Policy *Some Implications*

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- Countries need to review their spending allocation and effectiveness
- They may also need new/improved revenue sources
  - Base Erosion and Profit Shifting (BEPS)
  - Automatic exchange of taxpayer financial account information (AEOI)
  - Addressing the tax challenges of the digitalisation of the economy
    - E.g. measures to make e-commerce marketplaces liable for the VAT/GST on sales made by online traders through their platforms
    - Bringing platform workers into the tax system / the correct classification of workers
  - Issuing of permits or certificates for automated production or operations, such as driverless trucks

# Fiscal Policy *Some Implications*

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- Tackling false self-employment
- Reducing incentives for firms and workers to misclassify employment relationships as self-employment in order to avoid/reduce taxes and regulations
- Incentives for skills investments

# Thank you

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# Adult Learning *Policy Directions*

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- Foster a mind-set for learning among firms and individuals
- Tackle barriers to training
- Encourage employers to train groups at risk
- Target adult learning policies on the groups that need them most
- Tackle unequal access to training based on employment status
- Make training rights portable
- Share the financial burden of scaling up adult learning systems

# Social Protection *Policy Directions*

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- Review social protection entitlement criteria, to enable more non-standard workers to access social protection
- Enable workers in independent forms of employment to build up rights to out-of-work support
- Maintain or strengthen risk sharing across all labour market and income groups by tackling financial incentives that favour non-standard work
- Make entitlement portable across jobs and forms of employment
- Strengthen universal and unconditional forms of support

# Labour market regulation *Policy Directions*

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- Tackle false self-employment
- Reduce the size of the “grey zone” between self- and dependent employment by properly classifying labour relations
- Extend rights and protections to workers left in the “grey zone”
- Address labour market monopsony through better regulations and more effective enforcement
- Put in place a comprehensive strategy to tackle barriers to potential job mobility in the labour market

# Social Dialogue *Policy Directions*

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- Accompany the efforts of unions and employers organisations to expand their membership without discouraging the emergence of other forms of organisation
- Leave scope for collective bargaining and incentivise self-regulation among actors by making a limited but strategic use of legislative interventions
- Promote national consultations and discussions on the future of work

# A more unequal future if we don't act now

## Labour market outcomes for youth and the low-skilled are worsening

