

MINUTES for Lecture meeting on Future of Work
Ms. Maria Helena Andre, Director of the Bureau for Workers' Activities (ACTRAV), ILO

[Date and Place] May 16, 2016, 2:00PM at Elizabeth Rose Hall (5th floor of the UNU HQ Building)

[Opening Remarks] Ms. Akiko Taguchi, the Director General of the ILO Office for Japan

[Keynote Speech] Ms. Maria Helena Andre, Director of the ACTRAV

A. The Future of Work Initiative

The Future of Work Initiative is put on a table by the director general of the ILO on the lead up to the centenary of the ILO in 2019. Based on the unique tripartite structure, the idea is to bring together each representative of government, worker and employer in order to address the issue of "Future of Work."

There are three main objectives for this "Future of Work Initiative."

- (i) Generate a better understanding of the forces transforming the world of work and the implications for governments, workers and employers.
- (ii) Provide a forum for the exchange of ideas and information not just between the tripartite constituents, but also bringing other stakeholders to help formulate new policies and approaches.
- (iii) Articulate and promote policy alternatives, innovative partnerships and good practices that can be replicated by the governments, employers and workers and other key partners.

B. Three Background Conditions of the Future of Work

When we discuss on the topic, "Future of Work", three background conditions may be highlighted.

- (i) The Future of Capital; We need to look at how to handle or regulate the capital accumulation and what are the borders between financial market, real economy and world of work.
- (ii) The Role of the State; We need to discuss the questions such as; what type of state we need; fat state or slim state, what should be the link or partnership between public and private investment, and what role political parties or social partners should be in this context.
- (iii) The Future of Tripartism and Social Dialogue; We need to discuss whether the tripartism which we have kept over 100 years is still relevant, whether there is a need to replace or reform it, and whether we have strong efficient social dialogue system.

C. Four Major Drivers of Change

In order to frame this discussion, four major drivers of change should be emphasized.

- (i) Economic, Social and Environmental Sustainability; It brings the discussion concerning the definition of the smart growth and its possible effect on jobs, how to eliminate poverty and achieve decent work, how we establish policies to achieve social justice, distribution of benefit and environmental sustainability.

- (ii) Technological Advances; Facing innovation in robotics, computing power, artificial intelligence, medical sciences and nano-technology, we should ask ourselves whether we are trapped by the determinism of these technologies.
- (iii) Globalization at the Labor Market Level and the Increasingly Fragmented Organization of Production and Work; Global supply chain and export process zones bring us the discussion concerning how to regulate lead companies and trades to fairly redistribute the value created in global supply chain.
- (iv) Shifting Employment Relationships and an Increase in Vulnerability in Employment; We need to deal with greater uncertainty in labor market and more casual relationship, focusing on vulnerable people such as young, women, and migrant workers. In Japan, one of the answers is demographics.

D. Surrounding Complexed Environment

We handle those drivers of change in the following very complexed environment.

The economy that is still recovering from the crisis has created more than 200 million unemployed, and downward growth forecasts make it difficult to create 40 million jobs that is needed every year. It also puts pressures on demographic and migration challenges as well as informal economy, and inequalities are increasingly spread everywhere, within and between countries and societies. Tackling inequality is a key priority.

E. Prospective Roadmap of the Initiative

The roadmap prospective to 2019 agreed in the ILO is composed of three stages.

- (i) Stage 1; We organize National Future of Work Dialogues in 2016, which focuses on four topics known as “Centenary Conversations”; Work and society, Decent jobs for all, The organization of work and production, and The governance of work. I hope in Japan tripartite constituents organize the future of work dialogue.
- (ii) Stage 2; We establish high level global commission on the Future of Work in 2017-2018.
- (iii) Stage 3; In 2019, we bring the work done at the previous stages down into the strategy to promote the decent future of work.

F. Seven Issues that Cannot Be Forgotten

Before finishing this debate, it is worth noting seven issues that cannot to be forgotten.

- (i) Tackling Rising Inequality; Given the situation that 62 people allegedly holds the wealth equivalent to the amount owned by half of the world’s population according to the Oxfam report, and the situation where labor productivity growth outweighs real wage growth, current effort to tackle inequality is not enough.
- (ii) Dealing with Sustainable Development; We focus on the role of technology, sustainable production and consumption, how to create better jobs let alone more jobs, and figure out how to transfer into

greener economy and production. Without stopping the current trend of production and consumption, we will need another planet.

- (iii) Job Creation and Employment Relationships; this focuses on labor demand and supply, strategies of how to increase productivity, skills and life-long learning, as well as decreasing unemployment and informal economy. It is also important to tackle the emerging issue of diverse and insecure employment relationships.
- (iv) Occupation Safety Norms; We need to make sure how to guarantee the compliance to occupation safety norms. New risks such as psycho-social risks need to be addressed.
- (v) Regulation of the Global Supply Chain; We have to identify the entire system, address rules and conditions that apply to its operation and production process, and figure out how to guarantee worker representation and bargaining.
- (vi) Social Dialogue and Collective Bargaining; we need to reconsider institutionalized social dialogue and tripartism that brings about no qualitative results. Results will only appeal if social dialogue is properly operated. Legal responsibilities and contractual relationship regarding collective bargaining also need to be addressed. We also need to discuss what is meant by “Social Dialogue Plus”, since this goes beyond the traditional ILO constituents.
- (vii) The Role of International Labor Standard; We need to identify the most difficult problem regarding what the gaps between international labour standards and rights under the new system of production. The discussion with every stakeholder’s participation will be depending on the capacity of the ILO to define what is going to be the future of work.

G. Two Notes for Conclusion

To conclude this debate, there are 2 notes for attention. First is that the future of work should be what we want. Second, as the message from the director of ACTRAV, participation of worker in this debate is crucial.

[Comment from the government representative] Mr. Hidejiro Suzuki, the Counsel of the Ministry of Health Labour and Welfare

The following comment is to share two ongoing public policies in Japan with regard to the “Future of Work”.

One of the policies is The Japan’s Plan for Dynamic Engagement of All Citizens. In order to maintain the population of 100 million, the plan is to show 10-year roadmap for good circulation mechanism of growth and distribution and for necessary social security system.

The core of the plan would be the reform of the way we work, where we aim to educate highly productive workers who will be sufficiently competitive in the globalized economy, and to develop working environment where all workers including young, old, women or handicapped workers can have their motivation to work with life fulfillment. As a specific plan, we promote diverse way of working and consider proper way of compensation in light of the principle of equal pay for equal work and minimum wage.

Another policy is the reform of the way we work looking towards the year 2035. Given the risk of creating

many unemployed as a result of the structural change of working coupled with the technological advances and so on, we have launched the future work 2035. The meeting will come up with a report in this summer.

Having great interest in the activity of the ILO in this area, we would like to take concerted steps with the ILO.

[Comment from the worker representative] Mr. Takaaki Sakurada, the ILO Governing Body Member, Adviser on International Affairs at Japan JTUC-RENGO

Under the current situation surrounding enterprises, we see the presence of forced labour, child labour, negative impact on the global environment, corruption and compliance deterioration. One of the major reasons of these problems is short term orientation of corporate benefits. The emphasis on the corporate governance promotes the virtue of shareholders value maximization, which would further accelerate the short term orientation of benefits

Recently in Japan, ESG (Environment, Social Justice and Governance), as a key word of the Japanese Stewardship Code or the Corporate Governance Code draws much attention, but what really needs to be focused is company's commitment to social justice, rather than governance.

On the actual field level, social dialogue necessary to achieve future of work and social justice is facing extremely difficult situation. We need to implement concrete policies to achieve the scenario of Sustainable Enterprise (ILO 2007) such as introducing tax system or incentive system within corporate accounting method that can encourage human capital investment.

[Comment from the employer representative] Mr. Kiyotaka Morita, Keidanren International Cooperation Bureau

For sustainable development, as one of the "Seven Issues that Cannot be Forgotten", it is very important to strike balance with protection of workers. In this regard, Keidanren welcomes the Trans-Pacific Partnership (TPP) which affirm their obligations as members of the ILO, including those stated in the ILO Declaration, regarding labour rights within their territories, and encourages its early ratification and implementation.

Global Supply Chain is contributing to the borderless job creation and providing decent work, and thus it is indispensable for sustainable development. Corporations emphasize compliance as a way to create decent work through entire supply chain.

In order to provide decent work from the upstream to downstream of the supply chain, setting standards at ILO intended for buyers would not be appropriate, since it is almost impossible to address labor conditions of all tiers of subcontractors only by focusing on the conduct of buyers. Rather, it is very important to strengthen governance in developing nations. We expect the technical support of ILO in enhancing governance. Corporations could contribute as well by sharing their best practices on compliance.

[Comment from Ms. Andre]

The government's plan looking towards the year 2035 from Mr. Suzuki's comment is interesting and further to be explored because in many countries demographic aspect has been only regarded as a factor making pressure to social protection system, and little to do with finding a way to have a harmonious workplace where it opens the door to younger workers and workers with disability by putting together the knowledge

and skills of existing workers.

In private sector, especially in supply chain system, we have to focus on the importance of high quality governance system and compliance. Related to the today's discussion regarding maximization of value, it is of importance to have the idea how such value should be reinvested in the economy or be redistributed fairly, as well as to have an effective social dialogue and collective bargaining system. As Mr. Sakurada flags up, it is also important to put environmental concerns and social justice concerns at forefront within the governance structure.

We also discuss a view to make use of new international instruments, such as global framework agreement which is agreed between multinational enterprises and global workers union federation that potentially a system to promote social dialogue and international labor standard in this new form of production.

Each tripartite constituent has equal capacity and obligation to contribute to the sharing of the result of the discussion, although the responsibility to deliver the discussion result should be greatly assumed by governments and employers considering their capacity. The debate leaves us a challenging topic, but we have to continue discussing regarding the relationship between shareholder's value, short termism in economy, corporate social responsibility and efficient social dialogue system.

[Comment from the Expert] Mr. Yoshihiko Ono, Japan Federation of Labor and Social Security Attorney's Associations

The system of the Labor and Social Security Attorney is very unique, only existing in South Korea and Japan, and we are now introducing the system to Indonesia by collaborating with ILO Jakarta Office. Under the Act on Labor and Social Security Attorney, our mission is to contribute both to sound development of business and welfare of the workers, meaning we should not neglect the benefit of workers even if the client is a business owner.

In Japan, the government counts 99.2% of whole companies are small and medium-sized enterprises (SMEs), and most of them do not have a trade union. What we think as a big issue is how to implement social dialogue and collective bargaining in SMEs, and we see in many workshops large company's union represents the benefit of workers in SMEs. Given this, we believe we may become an interface between the ILO and SMEs if we could participate in social dialogue as one of the stakeholders.

[Comment from Ms. Andre]

ILO is also engaging SME concerns, in which they face difficulty in participating in the social dialogue, or sometimes they are exempted from applying some of the standards. I think this is difficult issue but there is plenty of room for debate and improvement, and find it interesting if the knowledge of experts would become a part of the discussion.

[Closing Remarks] Ms. Aiko Kimura, President of the Japan Association for Advancement of ILO Activities