

**International Conference on Labour 4.0 on Digital Economy
and its implications for Employment
26 – 27 April 2017, Jakarta, Indonesia**

**Jointly Organised by:
Ministry of Manpower Indonesia
Coordinating Ministry of Human Development and Culture
Friedrich Ebert Foundation, Germany**

**Preparing the workforce for the future
By: Christopher Ng, UNI Apro Regional Secretary**

I commend the Organisers for the timely conference on a theme of extreme importance to all people in all countries. This conference facilitates all of us to share our incisive insights on the evolving labour market in the era of digitalisation. The rapid changes in the technology under the fourth industrial revolution is clearly the reason why there is a lot of interest in the global discourse on the future of work.

In the digitalisation era, we know that the ICT revolution is a continuing one, and its effect on business and the labour market is a also a never-ending proposition. The quests for adjustments have not been easy because technology changes were happening side by side with changes in the global and regional markets due to the proliferation of free trade agreements in Asia and the intensity of regional and global competition.

The competitive Asian economy, now considered the world's locomotive, continues to evolve and reconfigure in a dynamic, complicated and even confusing manner. Likewise, the labour market, both on the demand and supply sides, are changing under an increasingly deregulated and globalised economic environment. Digitalization is changing enterprise and altering the way we work and inevitably our way of life.

Naturally, these changes are raising a whole new set of challenges to the governments, all over Asia and the world. Today, the struggle is how to secure decent jobs and build a more inclusive, equitable and sustainable socio-economic order.

Therefore, the task before us is two fold. First, how to craft the economic, social and labour rules of engagement in the digital economy. Second, how to make the working people active partners in managing change in the digital economy.

Let me briefly outline my thoughts on how to prepare for the workforce of the future and suggestions for good industrial relations adjustments and practices.

Yes, we need to prepare Asia's workforce given the changing, and emerging realities in the economy and the labour market brought about by global competition, never-ending technological developments and the demographic structure in each Asian country.

But in doing so, we must not lose our development perspective, our vision of how workforce preparations and adjustments should be undertaken in an inclusive, equitable and sustainable manner.

Now let me start with one important reality in the labour market today that is bound to continue in the near and even distant future – the fact of labour displacement and the need for parallel vigorous job creation. The economist Joseph Schumpeter coined the term “creative destruction” in describing how growth is attained under capitalism.

Specifically, he mentioned the innovative efforts of productive entrepreneurs in hatching new ideas and new products, which naturally lead to the erosion or destruction of the old businesses and their replacement with new business models and new products in the market.

The problem is that creative destruction inevitably leads to job destruction and worker dislocation. In reality, only a lucky few can keep their jobs during corporate restructuring such as mergers, acquisitions, consolidations or shifting to new business arrangements and focusing on new sectors of activity.

Many affected workers are left to fend off for themselves, consigned to the not-so-tender mercies of the market. The policy prescription of some governments and labour market analysts is to enhance the employment marketability of the workers through programs such as up-skilling, re-skilling, multi-skilling and current jobs search.

This, however, is easier said than done, especially when workers are not amply given advance notices of possible dislocation and when the skilling programs are organised after the displacement or after the fact, not while they are still working productively.

Of course, many employers do not worry about the implementation of any employment downsizing because they have a ready “golden handshake” budgetary allocation or separation pay packages for the affected.

This is facilitated by a dualistic hierarchy of work -- that is, one part composed of a small group of regular and loyal officers and skilled workers and another, by a large group of “disposable” contingent or non-regular casual workers. Spurred by globalisation and intense competition pressure, this arrangement is further refined to enable production and even services in what is commonly termed the global supply chain phenomenon.

The reality of supply chain, casualization of work or non-regularization is one reason why globalisation is seen as a dirty name by many trade unions and is a big issue in many Asian countries. Trade unions in practically every country are resisting such changes, as such employment lack income and job security.

But there are also an increasing number of trade unions that are appreciative of the need for some degree of flexibility for employers. But they are concern about the lack of security particularly in term of employment and stability in terms and condition of employment. More so, when these workers are deprived off the protection of trade unions.

This is why the trade union movement are insisting that all workers are accorded the rights to join trade unions of their own choosing and bargain collectively. Policy makers will have to update existing employment laws and develop new regulations concerning the portability of safeguards and benefits between jobs and the equivalent treatment in laws of different forms of labour and employment types.

Apparently, an economy, if it is to grow, cannot stand still. New ideas, new products, new markets and new technologies are needed to keep society advancing. To minimise the negative impact of business and job destruction and maximise the positive impact of business and job creation, we need greater policy coherence in human capital formation and economic and labour market governance – where the human and social dimension is fully enshrined.

Towards this end, there should be continuous consultation and cooperation with all the stakeholders on how to pursue higher and higher levels of social and economic development that create more decent jobs, close the gender divide and strengthens values of fairness, equality and social responsibility.

There should also be more comprehensive government-employer-trade union collaboration and cooperation to develop more effective future workforce strategy to prepare for the disruptive changes and skills requirements. It should include adjustment measures that minimise job displacement and a program to ensure the smooth “transitioning” of the workers from the old to new or reformatted jobs.

Let me remind all of us that digitalization will continue to impact work, workers and organisations in profound ways. The resultant job displacements will be inevitable. Therefore, it is essential to adopt a preemptive approach towards improving the long term employability of workers and facilitating greater mobility of labour.

In conclusion, I must state very clearly that trade unions are not against economic globalisation and technology modernisation. However, we want both process to be just, fair and equitable.

That is why, we in the trade union movement have been calling for an architecture of globalisation and the digital economy, where the people’s interests are at the centre of development.

This is why we need a regional and global digital social compact that promotes social inclusion, balanced development and sustainable growth for all.