

# The changing world of work and implications on working conditions

World Forum for a Responsible Economy  
18 October 2017

Evelyn Astor

Economic and Social Policy Department  
International Trade Union Confederation

[Evelyn.Astor@ituc-csi.org](mailto:Evelyn.Astor@ituc-csi.org)

## Key issues to address

- Increased 'flexibility' and fragmentation: loosened employment protections, short term contacts, increased prevalence of fragmented working relationships: e.g., supply chain workers, crowdworkers, platform workers, agency workers
- Decline in unionisation and collective bargaining
- Risks (sickness, unemployment, etc.) increasingly shifted on to the worker
- Labour regulations and social protection systems not sufficiently adapted to new forms of work

## Flexibilisation of 'standard' work forms

- Loosened employment protections to facilitate hiring and firing
- Growth in part-time work – including involuntary part-time work
- Increased prevalence of short-term contracts relative to permanent contracts
- Growing popularity of temporary agency work / contracted work in many countries
- According to the ILO, 'non-standard' jobs represented the largest share of jobs created in 2016
- Decentralisation of collective bargaining processes and deviations in collective agreements
- Technological change is leading to a blurring of private life and life at work for many, with disruption of work/life balance and often extra hours worked without compensation

## Growth of global supply chains

- Today, more than 60 % of global trade is dependent on contracts in supply chains.
- Up to 94 % of the workers in the supply chains of major multi-national enterprises comprise a hidden workforce
- The supply chain model allows companies to compete on the basis of low wages, poor working conditions, and low levels of unionization.

*Failures at all levels within global supply chains have contributed to decent work deficits for working conditions such as in the areas of occupational safety and health, wages, working time, and which impact on the employment relationship and the protections it can offer. Such failures have also contributed to the undermining of labour rights, particularly freedom of association and collective bargaining. Informality, non-standard forms of employment and the use of intermediaries are common.*

-ILC 2016 Resolution on Decent Work in Supply Chains

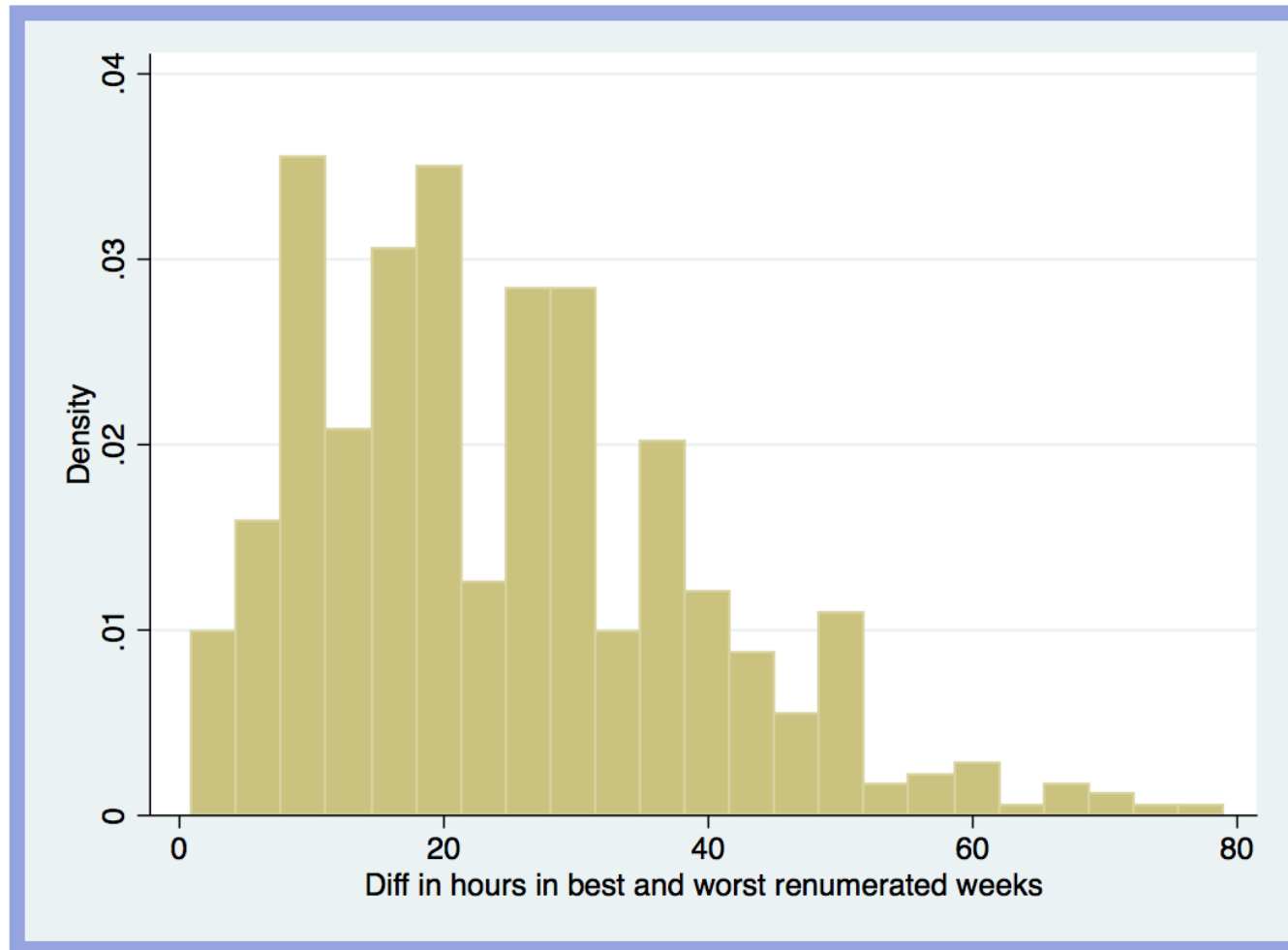
# The emergence of the platform economy

- New working forms such as crowdwork and digital on-demand work
- Worker classification issues: worker or 'self employed'?
- Many businesses are informal, sometimes not registered, paying no or little tax where profit is earned, and with no responsibility for an employment relationship.
- Workers under these new work forms often excluded from labour rights and protections available to 'standard' workers, as well as social protection
- ILO (2016) Survey of Crowdworkers revealed four major complaints:
  - Low pay
  - Insufficient work
  - Unfair treatment by requesters
  - Lack of responsiveness of the platforms to the workers' concerns.
- It also showed that on average 18 min of every hour is spent on unpaid activities (e.g., looking for new jobs)
- Difficulties for unions to organize to negotiate better working conditions due to direct competition, lack of a fixed workplace, short term work and no promise of re-employment, and regulatory barriers in some cases

# Protections and benefits for employees vs. independent contractors in the United States

Protections and benefits	Employee	Independent contractor
Collective bargaining protections	<b>Yes</b> , the National Labor Relations Act	<b>No</b>
Minimum wage and overtime protections	<b>Yes</b> , the Fair Labor Standards Act sets federal minimum wage and overtime pay for eligible workers; employees also covered under state and local minimum wage laws	<b>No</b>
Payroll tax collection for Social Security and Medicare	Worker splits cost with employer	Worker required to cover entire cost
Protections against workplace injuries	<b>Yes</b> , state workers' compensation insurance	Right to sue under tort laws
Protections against discrimination and harassment	<b>Yes</b>	Racial discrimination only
Unemployment insurance	<b>Yes</b> , employers taxed through the Federal-State Unemployment Insurance Program	Ineligible
Sick time and family leave	At least 29 cities, seven states, and Washington, D.C., have passed required sick leave; the Family and Medical Leave Act provides unpaid medical leave	<b>No</b>
Retirement benefits	Employee Retirement Income Security Act coverage allows employer to provide benefits	<b>No</b>
Health care benefits	The Affordable Care Act requires provision of health care benefits for full-time employees in companies with more than 50 workers	<b>No</b>
Worker flexibility	Employer has right to control work process; part-time and irregular hours are allowed at employer's discretion	<b>Yes</b>

## Highly variable earnings of crowdworkers



## Organising new forms of work

- SEWA is organising cooperatives and associations of self-employed women workers in the poorest areas of India
- Georgian unions are organising informal transport workers
- Sweden's UNIONEN is working on digital guidelines and standards for platform businesses
- Germany's IG-Metall is, with other unions, engaging with "crowdworkers"
- Despite resistance, Uber drivers are organising in Seattle and New York



# Union Demands

- Companies' registration, responsibility for their employment relationships, and payment of taxes in the jurisdictions in which they do business
- Mandatory supply chain due diligence in line with the UN Guiding Principles on Business and Human Rights and OECD Due Diligence Guidance for Responsible Supply Chains
- Research and early assessment of social and employment impacts of new forms of work
- Respect and encouragement of freedom of association and collective bargaining – and ensuring competition laws do not prevent self-employed workers to organize
- Strengthened regulations on employers' responsibilities to limit social dumping and ensure respect of international labour standards and national obligations
- Access to skill training and lifelong learning schemes to support workers transition between jobs
- Adequate, comprehensive social protection, including social security entitlements that are portable between employers
- Minimum remuneration rates for platform economy workers, paid on an hourly basis and not below national minimum wages or agreed wage standards

## Further reading

- ITUC (2016) [Scandal: Inside the supply chains of the 50 top companies](#)
- ILO (2017) [Report](#) on purchasing practices and working conditions in global supply chains
- ILO (2016) [Resolution](#) on decent work in supply chains
- UN (2011) [Guiding Principles](#) on Business and Human Rights
- OECD (2017) Due Diligence [Guidance](#) for Responsible Supply Chains in the Garment and Footwear Sector
- G20 (2017) [Leaders Declaration](#)
- G20 (2017) [Labour Ministers](#) Declaration
- L20 (2017) [Statement](#) to the G20 Labour and Employment Ministers' meeting
- Trade Union [Statement](#) to the G7 Labour and Employment Ministers Meeting on Framing the Future of Work
- TUAC (2017) [Trade Union Recommendations on Digitalisation and the Future of Work](#)
- ITUC and B&H Resource Centre (2017) [Modern Slavery in Company Operation and Supply Chains: Mandatory transparency, mandatory due diligence and public procurement due diligence](#)