

# BUSINESSREPORT

## The changing face of workplace will affect jobs

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MANY people have long dreamed of becoming less chained to their workplace. Their vision is to become freer in managing their various tasks throughout the day. They especially want to be able to better blend work and leisure. Others dream of no longer having to do monotonous, highly repetitive tasks.

**That world is getting ever closer to becoming reality. Even so, instead of feeling freed from past shackles, there is great nervousness all around. The questions anxiously raised now are these: Will we run out of work? More specifically, will there be a job for me in the future?**

Remarkably, these worries actually unite much of the world, developed and developing. If anyone needed a wake-up call about how much the world, as we know it, is changing, consider this: China betting its future on robots is certainly about the starkest signal imaginable. Part of the reason is that the size of China's labour force – long the source of existential worries in the Western world about assembly jobs being shipped to China – has peaked.

Labour market pressures are also felt elsewhere. In India, soon to be the world's most populous nation, over 10 million new jobs are needed each year – just to find employment for new labour market entrants.

And all around the globe, university graduates – whether in “rich” countries or developing ones – find that their academic degree alone is no guarantee for getting a job. Meanwhile, robots don't threaten just assembly-line jobs in the manufacturing sector. So-called service robots and computerisation are bound to take a toll on a range of occupations – from airline pilots and truck drivers to surgeons and cooks.

At present, there is much techno-hype (and much techno-phobia) when it comes to robots and automation. The best evidence we have collected so far points to negative employment effect for low-skilled and also some middle-skilled workers.

However, Oxford University researchers forecast that, within 20 years, as many as half of all jobs could be affected. This includes quite a few job categories that are widely considered to require high-skill levels. Change is always unnerving. And while the precise shape of the future is uncertain, we know about some key shifts. Lifelong employment by one firm and even formal employment contracts will become rarer than they were over the past three quarters of a century.

More “informality” in work arrangements – long considered a phenomenon affecting developing countries – is also taking hold in developed countries. It is, in fact, becoming a great leveller globally.

A future marked by less formal work relationships undoes a core feature that many people in rich countries have taken for granted. This trend also runs counter to what many people in developing economies are very much striving for.

The net effect of this global trend is that, on balance, the risks associated with work are transferred more to individuals. Work will take on different forms from the ones many people, especially in the developed world as well as the formal sectors of developing countries, have been accustomed to.

As this new world of labour emerges, the proverbial 9-to-5 world is rapidly disappearing. That can actually be liberating for people who need more flexible schedules, including mothers who work. Over time, it should also lead to a declogging of our traffic arteries, as the twice daily madness of “rush hour” becomes less of an issue in the world’s cities.

This shift to more flexible work patterns creates new challenges. Flexible work can be too unpredictable to reliably schedule other activities, such as hard-to-get medical appointments, or to pick up additional hours working on another job elsewhere. The positives and negatives of the changing workforce and workplace will need to be balanced carefully and smartly. We should be confident in tackling that task. After all, the world’s economies have grappled with far larger changes – and the social stresses and disruptions they have brought – in the past.

The transformations of past eras – particularly the move of many millions of people from the fields to the cities – were indeed earth-shaking. But the result was dramatically improved standards of living and wider prosperity. And society adjusted to a “new normal” and life became better than it had been for the millions living on the brink of famine.

The main news is that this time we, as humanity, will all be in this realignment together, wherever we live. Developing economies will have to continue their transformations, while the economies of Europe and North America will have to adjust to changed realities.

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