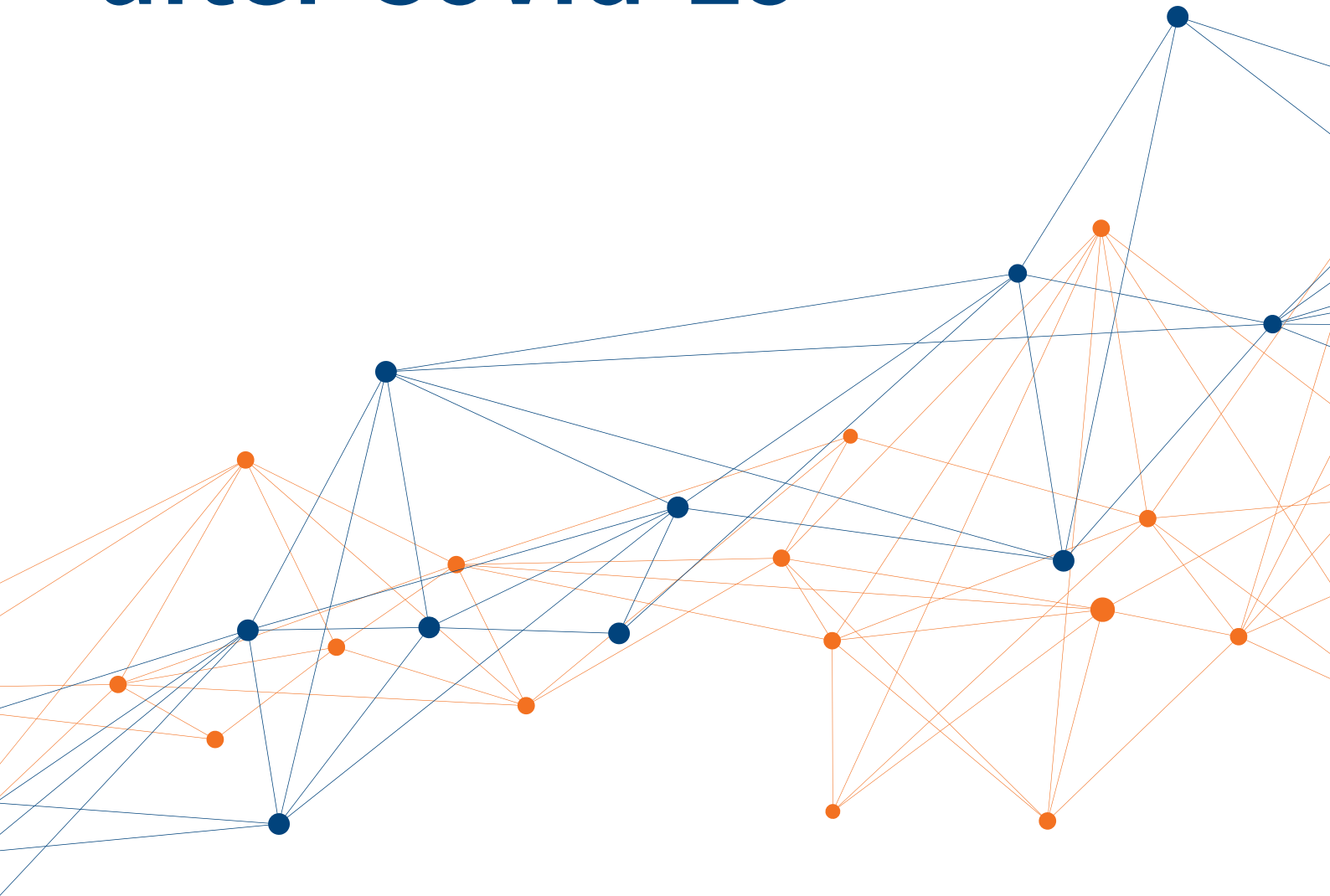




**Institute for the
Future of Work**

A rapid review with the Future of Work Commission

A better future for work: the world after Covid-19



Putting people first

The Future of Work Commission ('FWC') is an independent cross-disciplinary expert body re-convened by the Institute for the Future of Work to explore trends shaping the future of work and identify and new policy challenges and opportunities, in the light of Covid-19.

The Institute for the Future of Work ('IFOW') is an independent charity with a mission to shape a future in which work is made better through the new technological revolution ('4IR').

This report has been written by IFOW based on a literature review and the expert views of the Future of Work Commission shared at an emergency meeting on the 28 May 2020. It reflects the views of IFOW. Individual Commissioners are not responsible for the content of this report.

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Future of Work Commissioners



Professor Sir Chris Pissarides
Regius Professor of Economics at LSE and Nobel Laureate, Co-Founder of IFOW



Dr Anne-Marie Imafidon MBE
Founder of Stemettes



Naomi Climer CBE
Co-Founder of IFOW, technologist and engineer



Lord Jim Knight
Chief Education Officer of TES Global



Lord Robin Hodgson
Conservative peer and Chair of IFOW Founder Circle



Professor Michael Sandel
Professor of Government Theory, Harvard University Law School, BBC's Public Philosopher



Professor Sir Michael Marmot
Director of UCL Institute of Health Equity



Professor Michael Osborne
Professor in Machine Learning and Co-Director of Oxford Martin Programme on Technology and Employment



Helen Mountfield QC
Principal of Mansfield College Oxford, Co-Chair of FWC



Dr Nadia Danhash
CEO of RCAInnovation



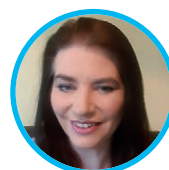
Anna Thomas
Director and Co-Founder of IFOW, Co-Chair of FWC



Kate Bell
Head of Rights and Economics at TUC



John Evans
Former General Secretary Trade Union Advisory Committee to the OECD



Val Cooke
Retail Worker and Trade Union Representative, USDAW



Dr Daniel Susskind
Economist and author, Balliol College, University of Oxford



Tabitha Goldstaub
Co-Founder of Cog X and Chair of the AI Council

Introduction

Covid-19 has transformed the way we live and work. By disrupting the world of work, it has forced us to re-examine the purpose and value of work for people, for communities and for society. Our renewed attention to these questions should inform our response to the pandemic, guiding us as we rebuild a fairer and more resilient future of better work.

We are at a critical juncture. Time and again in history, sudden short-term jolts have changed our collective response to slower transformations, shaping their effects on our future. The disruption caused by Covid-19 must be understood in the context of the longer-term structural transformation of work and labour markets driven by technology. Our response to the dynamic interaction between technological transformation and Covid-19 will shape the future of work and our economy for generations.

This report has three parts. **Part 1** outlines an aspiration for the purpose and value of good work, informed by the changes wrought by the pandemic. **Part 2** situates this aspiration within an analysis of work and labour market trends. **Part 3** draws these threads together to outline a vision for how we can build a better future of work and a fairer, more resilient economy.

First, guided by the emergency convening of the Future of Work Commission, we explore new insights into the purpose of work and the economy. We argue that the ultimate purpose of work is to support health, wellbeing and to enable individuals to flourish; and that economic policy should reflect this goal. We discuss new applications of the principles of good work in our Good Work Charter, outlined in Annex 1 of this report, updated to reflect the profound ways in which the pandemic has changed how we think about and value work.

Introduction

Second, we examine key future of work trends which are being accelerated by our response to Covid-19. These trends offer new challenges but also new opportunities. We explore the implications of these trends for the creation of good jobs and for pay, terms and quality of work.

Third, we explore policy priorities, framing recommendations and ‘stepping stones’ to achieve the infrastructure and conditions for good work in the future. We use our reflections on the foundations of work and the economy to start thinking about new roles for government and business, public policy and people. We add some ‘moonshot’ recommendations for public dialogue and possible piloting.

Our overarching frame is good work. Good work helps citizens, communities, and firms to withstand short-term shocks and adapt to long-term transformations. It supports good health and fosters a sense of cooperation and solidarity across communities, binding us together as we work towards shared goals.

Our goal is to ensure that the principles of good work are embedded into the post-Covid-19 rebuild. Making a future of good work a central, cross-cutting policy objective orients our response to diverse challenges across the economy, public health and climate change. Placing good work at the heart of our economic rebuild will boost health, support more resilient citizens, communities, and firms, and will build a more united country.

This report makes the following recommendations:

A Future Good Work Strategy

Support all workers living with uncertainty and change through a wide-ranging national strategy to create the environment, institutions and infrastructure to promote good work, tackle inequalities and build resilience.

- Establish a standing council, with experts from government, industry, academia, and unions to oversee this Work 5.0 strategy.
- Use this approach to develop new, place-based industrial strategies.
- Embed good work principles within companies as a condition for future government support.

Provide security to protect people's futures

- Develop a post-pandemic safety net.
- Support local entrepreneurialism with public funding to support pilot initiatives, striking agreements where additional funding and powers are needed.
- Focus on direct support for workers in transition. Introduce a ‘mini’ furlough scheme with a government wage subsidy of up to 20% available for training. Align support with local needs and plans for good, local jobs.
- Assess and mitigate impacts on equality while encouraging greater use of technology.

Introduction

Create good work

- Government must stimulate and foster good, sustainable job creation in the private sector.
- Public sector jobs should be created to support and enable wider national priorities, starting with public infrastructure improvements.
- Local industrial strategies should focus on creating good jobs.
- Set up a new Community Health Work Corps to address pressing local health and care needs.

“Covid-19 has completely changed how we think about and value work.”

Anna Thomas

Protect good work

- Require good work standards as conditions for government support as part of the Lockdown Exit Strategy.
- Guarantee a real living wage for all key workers employed directly or indirectly by government.
- Legislate for key rights for key workers to raise basic protections, including boosted safeguards for sick pay, health and safety requirements, and equality and data security.
- Update competition law to require consideration of effects on good, local jobs.

Research good work

- Research impacts of transformation on good work and health
- Instruct and empower the Office for National Statistics (ONS) to measure different aspects of social and economic transformation and to assess and report impacts on work.

“

The Covid-19 pandemic has highlighted a familiar problem: The best-paying jobs are not necessarily the ones that contribute most to the common good, and some low-paying jobs have greater social value than their market value would suggest.

Professor Michael Sandel

Part 1

A secular revelation: the purpose of work

The Institute for the Future of Work was founded on the idea that the future of work is something we can and should build together. A clear vision of the purpose and value of work – of what good work is – should guide how we rebuild our economy and our country after the Covid-19 crisis.

Work is at the centre of people's lives and families. Work is the single most important primary source of income and determinant of living standards, but it is more than just a factor in the process of production. Work is part of our individual and group identities, offering a sense of fulfilment and purpose, promoting social relationships and a sense of solidarity, forging connections of mutual support and fostering cooperation between people and communities. The activity of work reminds us that we – as individuals, as communities and as a society – can build our own future.

The Covid-19 crisis has made this clearer than ever. It has produced a new collective awareness that the value of so many forms of work is not captured by the income attached to them. There is a growing appreciation that the purposes of work go beyond the foundation of earning a living – which far too much work still fails to provide – to encompass health and wellbeing, mutual support and collective resilience.

Good work provides the material (such as income) and non-material (such as opportunities for developing talents, creativity and relationships) resources necessary for individuals, families and communities to face the future with confidence. Good work also provides fulfilment and purpose, offering a network of support and common understanding that people draw on in times of turbulence and transition. It connects people to one another, empowering them to build bridges across households, sectors and regions. Good work supports the flourishing and health of people and places across our country.¹

The global pandemic has clarified several components of good work. It has sharply demonstrated the connections between work, health and resilience, on the level of individuals, communities, and the nation.

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A secular revelation:
the purpose of work

Resilience is the capacity to withstand unexpected shocks and to adapt to transitions, even to thrive from them. In a world that is ever more uncertain, resilience is a critical component of flourishing. Across the United Kingdom, communities have shown remarkable capacity to support and sustain each other, showing ingenuity in the face of serious and sustained risks. Covid-19 has damaged the physical and financial capital on which economies depend – but it has also strengthened the social capital that binds us together.

The crisis has shown that far too much work leaves particular communities and entire sectors of our workforce vulnerable. Good work should harness our strengthened social capital to empower people with the skills, security, and resources to embrace change and face the future with confidence. This is necessary to make people and communities resilient, to be able to withstand periods of uncertainty and change, and ultimately, supporting individual and public health.

The pandemic has also demonstrated that far too much work that is critical to our collective wellbeing is not adequately valued or rewarded. It has reminded us that work can offer mutual connection and support, providing a sense of common understanding and purpose by giving meaning to what we do. Work reminds us that our fates are inextricably bound together by the activities we choose to do. Covid-19 has shown that those whose work we most need – frontline carers and NHS workers and also logistics, retail, delivery, and other service sector workers – are often also those most vulnerable and least protected.

The ‘clap for carers’ has marked a renewed appreciation of the importance of key workers. This must now be translated into action – we must ensure that key work is good work. This idea that key work should be good work must be woven through our efforts to rebuild our economy, strengthening the social infrastructure of this country by ensuring key workers are provided with better pay, greater security, and resources for training and protection that match the respect they deserve.

By drawing attention to the importance of resilience and to the value of what key workers do, the Covid-19 crisis should encourage a renewed commitment to building a future of good work. For too long, we have invoked a narrow set of words and images that describe work simply as the rewarding of individual effort and talent with income, constraining economic policy that shapes work to the pursuit of growth in GDP. The pandemic has reminded us that work is a feature of our lives that ties together identity and income, binding the social fabric of communities with the economic activities they pursue.

As we respond to this crisis and rebuild after it, we have a rare opportunity to build on this awareness and sense of cooperation to build a better future of work – a future of good work. Now is the time to harness emerging social bonds and reinvigorated sense of collective purpose to build good work that empowers people and supports resilience, to ensure our appreciation of key workers is matched by adequate conditions of pay and security.

By orienting ourselves towards building a future of good work, we will enable people, communities, and our nation to flourish, promoting a happier, healthier and more innovative country, boosting the economy, fuelling the post-pandemic recovery, and protecting our society from future shocks.

“

Automation – if it's
not responsibly
done – could be the
next pandemic.

Professor Sir Michael Marmot

Part 2

Five trends shaping the future of work

To shape the best possible future of work, we must explore the wider context and drivers of change to the world of work. In this part, we examine the interplay of existing trends shaping work with the more immediate shocks caused by the pandemic. We focus on the implications of these trends for the creation of future good jobs and for pay, terms and quality of work across the country.

Our review suggests that the pace and extent of future of work trends will vary even more significantly across regions, demographic groups, and sectors than they have in the past.

1

Accelerated pace of technology adoption – and of automation

The period of rapid technological change in which we live has been described as ‘The March of the Robots’, ‘Second Machine Age’ and ‘The Fourth Industrial Revolution.’ Automation is the buzzword which frames most thinking and public dialogue about the use of technology and the future of work. Automation tends to be associated with the physical, mechanical, or computational displacement of humans from particular tasks and jobs. At IFOW, we argue that ‘automation’ should be recognised as a far more expansive phenomenon: the

integration of technology for a range of uses such as the design, organisation and structure of business models and jobs which shape the lived experience of work² and the structure of the economy that provides work.³ This new definition of ‘automation’ is important because it captures risks to job security and changes to the quality of work which may be exacerbated by responses to Covid-19.

Covid-19 has hit people, societies and the economy amid one of the greatest transformations we have experienced since industrialization. In our survey, 42% people reported that their job had already changed as a result of digital technology over the last year.⁴ Now, the pandemic has introduced new demands for the use and application of technology. Tasks need to be performed or augmented by data-driven technologies to reduce human contact; remote work needs to be monitored and overseen by data-driven technologies; rationales for investment in technology are changing as the economy

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contracts; and the pandemic is rapidly affecting the supply of labour, and public attitudes⁵ to the uptake of new technologies too.

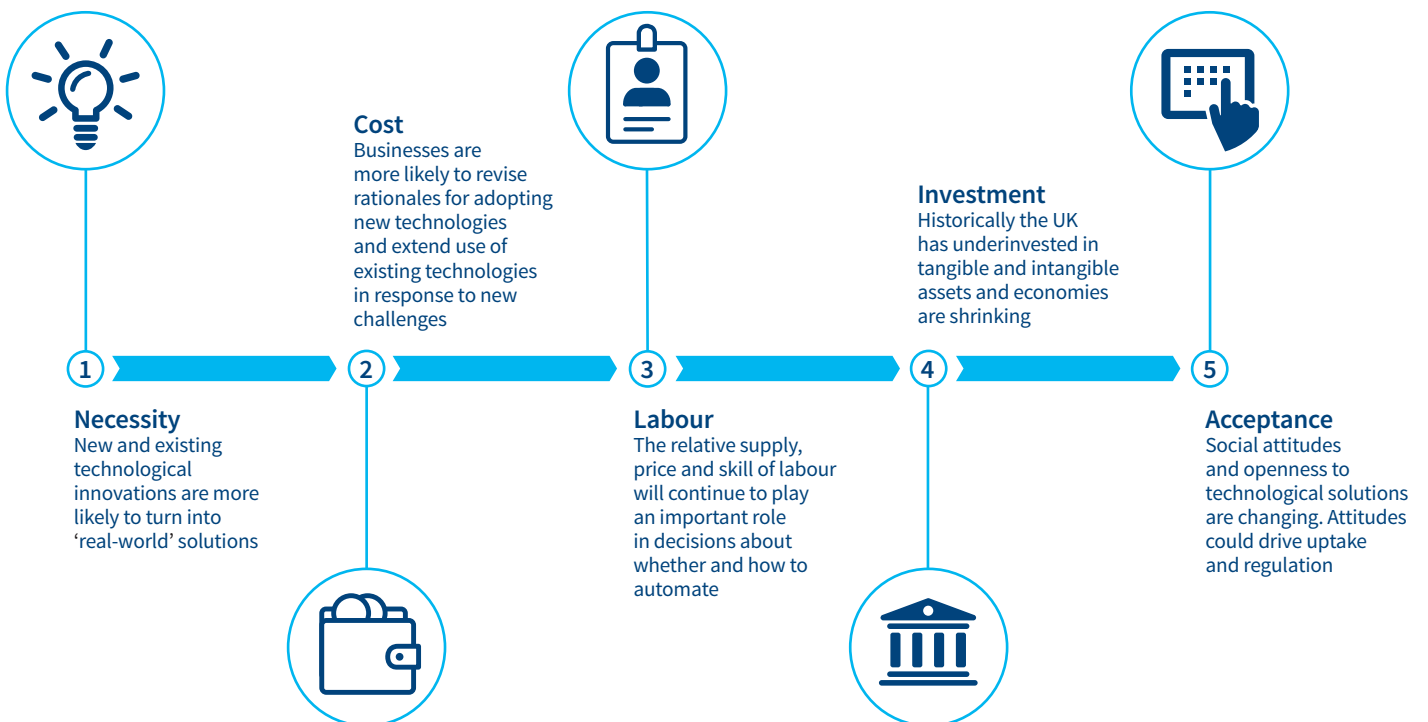
From changing the need for certain tasks, skills or jobs, to changing forms of communication and management, each of these factors will affect and quantity, quality, type and experience of work. Overall, the adoption and use of technology is accelerating and transforming work and labour markets at a pace which is likely to be unprecedented.⁶ The extent, nature and pace of technology adoption will vary by size of firm, sector and occupation, and it will partly depend on the course of the lockdown. However, Figure 1 summarises our analysis of this trend in outline.

Our review and Commission also suggest that the acceleration of the ‘new technological

revolution’ is likely to result in some enduring transformations at systems and firm, as well as individual, levels. In turn, each of these transformations will impact on the number and quality of available jobs.

At a systems level, during the pandemic, economies have been shrinking, both supply and demand for goods and services has been largely suppressed, particularly those which depend on close human contact. Automation is seen as one way of mitigating risks,⁷ tends to happen in bursts and can concentrate during economic shocks.⁸ This effect is further concentrated in city regions, which are often harder hit by economic recessions.⁹ Overall, we anticipate a reduction in the number of jobs in those sectors which depend on close contact, although a turn away from globalisation to domestic production may counter this trend, with the right policy mix.¹⁰

Figure 1: The extent, nature and pace of technology adoption



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At the level of individual businesses, some sectors are showing life but still operating under significant restrictions, while others have transformed to online models. A survey of 2,900 executives suggests 36% are already taking steps to automate, and 41% are re-evaluating their needs and plans.¹¹ Our evidence review suggests that automation of routine tasks is more likely to be in the immediate firing line where there is a correlation between jobs at risk because of Covid-19 and jobs at risk because of displacement of routine jobs. But it is now clear that automation will not be limited to blue collar work: Microsoft, for example, has just announced that it has automated its entire news desk.

Research about the nature of automation is at a very early stage, but there are indicators that many shifts, including the use of technology in lieu of office space and to support remote working, will not reverse when lockdown is lifted. In particular, we have seen early indicators that online work and temporary, contract or 'flexible' working has increased as a proportion of available work.¹²

At the level of individual experience, the Commission has highlighted shifts around the practice and culture of remote working. While technology-enabled remote working offers opportunities to improve the degree of autonomy and flexibility for some workers, it is not uniformly available. Furthermore, its potential may be thwarted by invasive, micromanaging technology.¹³ In particular, the new 'wave' of automation is ushering in an expansion of data-driven technologies in the workplace, both for Covid-19 contact tracing¹⁴ and for general automated and remote management.¹⁵ Our evidence review highlights the particular risk of 'surveillance creep' – whereby monitoring, developed for a limited purpose, is used elsewhere, becomes normalised, and the practice unchecked, but becomes entrenched.¹⁶ Our polling indicates that higher levels of consultation would help ensure a human-centred and more effective use of technology.¹⁷

Technological innovation and adoption underpins growth and must be encouraged. It also has huge potential to support economic recovery and growth too as, even at the height of the crisis, new jobs are created in ICT, research and development. Our analysis of this trend highlights complementary demands for policy-makers: first, the government must incentivise use and applications of technology for SMEs to support growth, new jobs and an economic mix of activities across the country. Second, this must be done in a way which addresses adverse impacts and ensures human experience first and improves work for people. Policy activism will be needed to address these challenges which will not resolve alone.

“I don't feel valued.”

Val Cooke

2

Exacerbating inequalities of work and health

The pandemic has exposed – and in many cases exacerbated – inequalities of work and health.

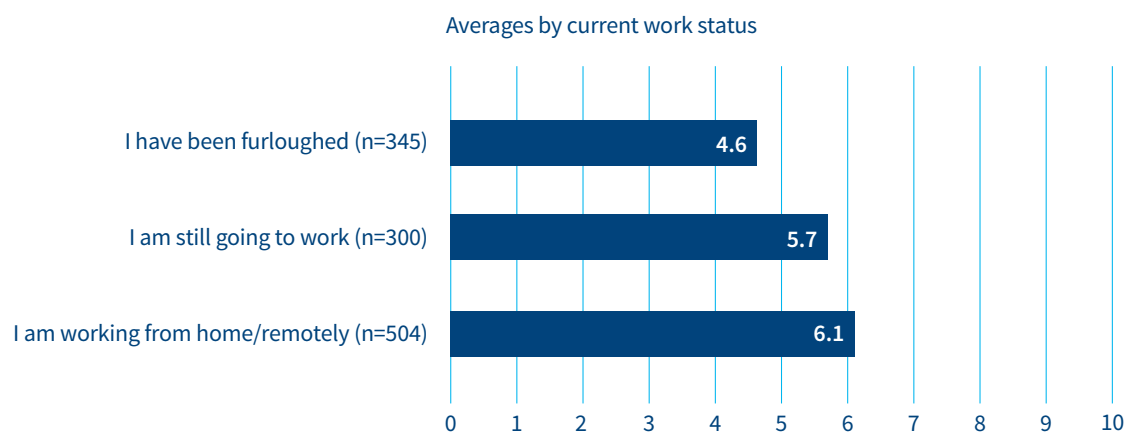
Covid-19 has created new health inequalities among workers, and exposed old ones. This is partly about particular professions: ONS data shows that men and women working in social care, including care workers and home carers, have significantly higher death rates than those in the same age and sex in the general population – or in the health service.¹⁸ Those in roles deemed ‘low skill’ and awarded ‘low pay’ have been more at risk.

But these inequalities extend to particular kinds of work. The death rate is also higher for people who work in ‘elementary occupations’, which are often lower-paid and involve more routine tasks. This is in part a reflection of the fact that these jobs cannot be done remotely. Research has found that those with the lowest household income are six times less likely to be able to work from home and three times less likely to be able to self-isolate.¹⁹ The ability to work from home correlates with income, with those earning less than £20,000 per annum are on average able

to perform about 30% of their tasks remotely, compared to 58% of the tasks of people who earn over £58,000 per annum. Recent polling by IFOW in partnership with Opinium found that remote workers were more optimistic about their career prospects than those who had been furloughed or were still going to work through Covid-19 (see Figure 2). In parallel, jobs requiring high skill levels have seen a relative increase in total employment shares through the crisis.²⁰ Inequalities in the locational flexibility of work, which affects a person’s exposure to Covid-19, overlap with inequalities in income.

Covid-19 has also highlighted differences experienced by different demographic groups. The pandemic has exacted a significantly greater toll on black men and women, who the ONS estimate have an age-standardised mortality rate of over 4x that of white people.²¹ Various factors, including over-representation in more at risk categories of work, lower levels of income on average relative to white people, higher likelihood of deprivation, and specific health-predispositions which are the result of adverse treatment are contributing factors to this outcome, illustrating how multiple socioeconomic disadvantages and discrimination often overlap and accentuate inequalities in health outcomes.

Figure 2: How optimistic are you about your career prospects in your industry?
(0 = Not optimistic at all, 10 = Completely optimistic)



Total n = 1251. Fieldwork completed between 22 and 26 May, 2020

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Looking forward, unemployment presents profound risks to physical and mental health.²² While most models suggest that the Covid-19 unemployment spike will recede relatively quickly at a national level, local labour market differences in ‘bounce-back-ability,’ or resilience, and individual differences, for instance by age, remain to be seen. Long-term unemployment is known to have a long-term effect on a person’s health and future career prospects. Recognition of the serious adverse effects of unemployment reinforces the need to look at fair access to work across particular communities and demographics, especially for those who are just about to enter work for the first time.

It also reinforces the need to focus on good work. Growth in employment levels before Covid-19 was driven by a growth in unstable and low-paid work. Current figures²³ suggest that the percentage of workers on a zero-hours contract varies significantly by demographic group, with the highest rate among 16–25 year olds at 9.1%; a slight bias towards women (3.6% relative to 3% of men); and sector, with 20.9% of those in health and social care work and 22% in accommodation and food industries. IFOW research finds that this trend associated with the gig economy has spread into traditional sectors, bringing with it impacts on mental and physical health, as well as on family wellbeing and security.

The pandemic has reminded us of our ultimate goal: to build an economy and future of good work that promotes wellbeing and health, resilience and solidarity. Our insight into the role of key work to people, communities and society has highlighted the need to reward these front-line workers fairly. To achieve these goals, it is a prerequisite to target and proactively tackle the inequalities brought to the fore by Covid-19. We must aim for everyone to be equipped and have access to good work.

3

Re-evaluation of the importance of place: the geography of work

Several factors have come together to suggest a new emphasis is needed on the geography of work. Beyond long-established differences in opportunity presented by local labour markets for good work,²⁴ we believe there are new forces demanding a focus on the local. Each factor will play out differently across demographic groups and sectors.

First, many businesses are re-examining the need for large office spaces, often situated in cities or urban space. At the same time, there are early indicators that businesses are re-balancing supply chains, either out of necessity or to reduce risk and dependencies in the future, with short-term costs no longer the only determinant of sourcing and more emphasis on resilience and sustainability. This suggests there will be new opportunities associated with reconfiguration of supply chains across the country.

Second, Covid-19 has introduced a new factor shaping the probability and nature of automation, beyond how routine particular tasks are: flexibility of the task vis-à-vis location. Within weeks, the location requirements of a job and whether tasks can be performed remotely, assisted by technology, have become critical in determining the likelihood and extent of ‘automation.’

Third, the pandemic has hit harder in large cities, which could lead to changes in the demographic composition of urban, suburban and rural areas. In London in particular, net domestic migration has been negative for a decade, with more people from the UK leaving the capital than arriving each year. But concerns about the greater health risks in large urban areas, combined with a rapid growth in remote working, could increase outmigration from cities, and international travel restrictions are likely to reduce inward migration from overseas. The trend towards urbanisation is therefore likely to be stalled.

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In the context of a re-evaluation of the importance of place, we note that collaborative efforts between communities and local authorities have also had a significant and relatively high success rate in crisis management of the pandemic. Many combined authorities are developing distinct strategies to protect key industries,²⁵ showing the intent and capability to play a key role in economic recovery, and the importance of industrial strategy grounded in local knowledge.²⁶

Therefore, the levelling up agenda proves more important than ever – combining proactive stimulation for a diverse economic mix of activities to create sustainable jobs across the country with targeted measures to address spatial inequalities and different local impacts exposed in new ways.²⁷ Our assessment of the changing geography of work suggests that the advantages of higher levels of devolution to advance our goals to create more good, local jobs will require close consideration.

“Now that roles described as ‘low skill’ and rewarded with minimal pay have come to be seen as ‘essential,’ we must acknowledge the need to recalibrate the way work is valued and ensure that work which serves our collective benefit is better rewarded.”

Professor Michael Sandel

4

Accelerating transition for workers

Where the essential nature of a structural transformation is the reallocation of human and capital assets, workers will typically move jobs from shrinking sectors into growth sectors. It is too early for a comprehensive review of impacts on worker transitions: however, our survey with Opinium and the recent Commission meeting have highlighted indicators about current and future directions.

Our survey found that about 1 in 3 currently-employed people were looking for a new job, the majority of whom were doing so because of the pandemic. Of these Covid-19-motivated jobseekers, 60% were looking to find a job in a different industry.²⁸ Consistent with Covid-19’s unequal effect on some sectors – hospitality has suffered but care has grown – this is significant because it indicates a much higher level of transition between sectors than has previously been the case in the UK.

Whilst the nature and duration of the Covid-19 shock was unexpected, it has expedited some established trends driving the transition of workers. This is particularly true of the further growth in the care, health and technology sectors. These sectors were already expanding, characterised by skills and occupations that were not automatable.

We note that estimates of job loss from automation in the UK vary from 7.4% to 30%, and IFOW has previously suggested that the risk of job loss to automation will be between 15% and 30% over the next decade. However these assessments need reviewing because Covid-19 is limiting interpersonal skilled-work and the pace of automation is likely to increase, as we outline above. Moreover, there is currently a shortage of new tasks and jobs being created. New evidence on the education and skills-sets of remote workers points to the theory of skills-biased technological change, which suggests that new technology drives in an income differential between skill groups, as such that these are

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recognised by the market. For now, the sudden spike in unemployment as a direct result of Covid-19 exceeds the risk of automation, but does not substitute for it. Overall, we anticipate that anywhere between a third to a half of the workforce may be unemployed, underemployed or working shorter hours at any one time over the next two years.²⁹

These factors combine to suggest a new role for government to actively support workers in transition. A systematic and proactive approach will be needed to support a wide range of with different individual circumstances, extending to those anticipating job loss or seeking to transition from sector to sector into new, good jobs or better work. Given the extent and range of transition anticipated, support should include active labour market policies, training, an appropriate safety net and guarantees for work in some circumstances. The range of intervention needed will require close coordination between government departments and local government. Young people and the newly-unemployed should be policy priorities.

“What’s striking is that so many service sector jobs have been revealed as essential to public health and safety.”

John Evans

5

The march of the digital giants

IFOW has previously described the trend towards concentration of market power in the hands of global corporates. The UK is particularly susceptible to this trend: the International Monetary Fund has pointed out the UK’s 5 trillion-dollar merger wave over the last 20 years which is 50% greater in the UK than in the US.³⁰

There are additional indicators that this trend, associated with so-called ‘superstar’ business models, is set to become more pronounced with the tech giants Amazon and Facebook capitalising on the facts that they are viewed as essential services for a public in lockdown, while Google and Apple are building tools that may enable state health departments provide a ‘critical’ service, tracing the course of potential new Covid-19 infections. Shares in Zoom have soared, and, in the UK, it has recently been announced that Amazon will purchase Deliveroo.³¹ Simultaneously, digital giants are making moves into the health and education sectors.³²

There are several significant consequences of this concentration of market power on the destruction of UK jobs and diminished terms and quality of work, most clearly visible in the glut of poor-quality, insecure Amazon warehouse jobs.

First is the transition away from marketplaces like town centres and high streets, controlled by licensing teams within local democratic institutions, to platform marketplaces which are not publicly governed. The impact of online retailers on local retail work is well-documented. As lockdown forces people to buy online, businesses which are already seen on major platforms may be more likely to survive in the short-term by linking them to a wider demand pool. However, secondary impacts on work, as well as the terms and fairness of agreements with the platforms including data-sharing, needs attention.³³

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Second, labour's share of the gains made by new technology that go to workers, as opposed to capital, continues to decline. Recent research suggests³⁴ that such runaway capital gains are in part the result of 'superstar' firms – particularly those based around software platforms – which gain significant first-mover advantage through network effects and continue to grow through market concentration. A study by the LSE³⁵ indicates that income inequality is today as high as it was just before the Second World War, as the benefits of technology accrue to an ever more concentrated portion of society.

Third, the normalisation of business models and employment practices which align with these 'superstar' firms. Some have suggested³⁶ that our transition to a services-based economy has contributed to downward pressure on pay, as services are labour-intensive business models necessitating changes in labour conditions to gain competitive advantage. Such models are also often linked to the growth of contested 'self-employment'. IFOW research suggests that these trends, often enabled through platform business models, can be found across the economy.

While some of the most-famed platforms are known actively to resist workers' rights to unionise and express collective voice, the technologies and methods of 'algorithmic management'³⁷ found in other sectors reproduce similar issues, and severely limit individuals' autonomy in their experience at work. This will be discussed in a forthcoming report by IFOW on the retail and logistics sector.

If the technology giants are increasingly providing essential public services, now for a wider pool of isolated and remote workers, as well as small businesses, we need to move towards regulation of them in a way that treats some services as though they are basic utilities. And we will need to boost national government, collective and individual power over the service and data that feeds it.

Challenges – and new openings

- (i) How do we revalue and reward key work?
- (ii) How do we create new, good jobs?
- (iii) How do we ensure that automation is used in a responsible and human-centred way?
- (iv) How do we ensure that our economic rebuild is sensitive to place?
- (v) How do we redress existing inequalities and actively promote equality?

“

We must ask ourselves: how do we share out income in society when the labour market is no longer very good at doing so?

Daniel Susskind

Part 3

Looking forward: recommendations

Work is a thread that connects the state and markets, government and companies, public policy and private investment. Work is plural, it means different things to different people – security, opportunity, fulfilment, respect, hope – and cuts across familiar boundaries, illuminating the categories we use to understand the world as people and to develop public policy, and the responsibilities of government and people.

Achieving our vision of a future of better work requires a bold and integrated approach, guided by our new appreciation of the purpose of work and renewed sense of what good work means, as outlined by the principles of good work in the Charter (see Annex 1). This means we must think in new ways about the roles of government and business, communities and people that reflect new understanding and responsibilities developed through the pandemic.

Our recommendations are divided into two parts. First, we set out high-level, mission objectives to guide policy in building a fairer, more resilient future of work.

Second, our stepping stone and ‘moonshot’ section outlines ambitious ideas to tackle specific challenges we now face as a society. These are not comprehensive or complete, nor do they represent the entirety of Commission or IFOW views. Our ‘moonshots’ are intended to contribute to a national conversation about the UK’s future of work, which must start now, and involve new bold initiatives, pilots and experiments at both a national and local level.

We intend to consult widely and refine and improve some of them with partners, and through public dialogue. We will begin with a public dialogue, led by the philosopher Professor Michael Sandel, in September 2020; and with local government and devolved administrations, noting their significance in the path ahead but underrepresentation in our Commission.

1

Framing Recommendations

Raise the floor across all forms of work, starting with key work

The pandemic has made clear how much we rely on and value care and front-line workers. Policy should aim to ensure key workers who have supported society and powered the economy through the pandemic are appropriately rewarded in tangible ways.

This should start with payment of a real living wage to all key workers. Over time, other principles of good work in our Charter should be applied to the conditions and environment of key work. The UK should become a place known for good jobs, good employers – and fair treatment of our key workers.

Create a post-pandemic safety net

The pandemic has shown that our existing institutions cannot cope with mass disruption or unemployment. Risks to jobs will become more pronounced as the furloughing scheme winds down.

It is essential that we hold a national conversation about how the government, employers and others can support and invest in increasing numbers of people moving between jobs and sectors.

We should expedite public deliberation on models of universal basic income and conditional basic income. The cost of options should be established to inform debate and ensure realistic options are available for piloting at a local level.

Prioritise other forms of support for workers in transition

By September, levels of unemployed workers are expected to be unprecedented, with sectors which have low barriers to entry, such as hospitality, devastated.

Drift into long-term unemployment must be avoided. It is imperative to provide direct and indirect forms of support for workers in transition to new, good jobs; enable the growth of learning, skills and job matching; and enable access to purposeful community work tied to pressing health needs and pathways to good jobs. Targeting of vulnerable groups, including young people, will be necessary.

Create good jobs, prioritising work which serves shared social and environmental goals

Government must act to stimulate and create good jobs to protect levels of employment throughout the Covid-19 recession, initially through providing public services and building public infrastructure; and incentivising and stimulating the private sector to introduce technology in order to boost growth and create new sustainable jobs. The entrepreneurial state and the entrepreneurial local authority, will have a central place in protecting the economy and fuelling innovation in the private sector. A place-based approach sensitive to local needs, capabilities and partners is most likely to succeed.

Encourage responsible adoption of data-driven technologies

Technology underpins growth and must be incentivised and supported across the country. But adverse impacts are not evenly spread out and technology design and adoption must be people-centred and designed to enhance human work, freeing employees from drudgery and allowing them to be creative, social and dynamic. To achieve this, policy levers must promote socially-responsible adoption of data-driven technologies, ensuring use puts people first and that adverse impacts are assessed and addressed.

Enhance individual, collective and government control over digital giants

The pandemic has demonstrated that major platforms provide part of the essential infrastructure for our work, workers and economy. Regulation must protect competition principles, making the first moves towards treatment of some services as a utility. This would help address the specific challenges we have seen in this brief, as well as help rebalance wider asymmetries of information, wealth and power between platforms and competitors, citizens and workers.

Understanding and measuring change

Good national and local government demands the best and most accurate data on changes in work, the labour market and the introduction of technology to inform predictions and policy development. The ONS has made an enormous contribution in gathering national datasets through the pandemic. They will need further remit and resources to supplement their role as a centres of data gathering from multiple sources to become a centres for impact assessments as new policies are piloted. A priority area is data on the intersection of work, health, the introduction of new technology, and inequalities. In-depth research of the impacts of transition on demographic groups and communities across the country is needed as soon as possible.

2

Stepping-stones and some moonshots

Establish a standing Council to support development of a Work 5.0 Strategy

We have raced ahead of our institutional capacity to cope with a single disruption, let alone compounding disruptions. The pandemic has shown the challenge of co-ordinating response initiatives across departments, and between national and local governments. By contrast, experiments in social partnership for the development of rapid, effective policy have been proven by the response to the pandemic. This partnership approach should extend beyond the crisis.

A number of other national and international models have demonstrated the value of a collaborative, partnership approach in response to disruption: the Danish Disruption Council, The Californian Future of Work Commission, Germany's Industry 4.0. the Swedish Job Security Council, the New Zealand Future of Work Forum and the UK's Low Pay Commission and Future of Work Commission stand out.

The UK should establish a Council or Commission to develop a dedicated and comprehensive strategy on the UK's future of work. This should model social partnership and aim to create and implement a vision for a better and fairer future of work.

Support development of new, place-based Industrial Recovery and Rebuild Strategies

We need to harness, support and amplify the entrepreneurship shown by civil society in partnership with combined and local authorities in response to the crisis. The PM, a former Mayor, and the Chancellor, an entrepreneur, are well placed to advance the notion and practice of entrepreneurial *local* government. Just as local leaders will have responsibility for administering local lockdowns, so too should devolved administrations be at the heart of developing local industrial strategy. This will help advance the levelling up agenda too.

Part 3
Looking forward:
recommendations

Future rounds of devolution could invite local authorities or groups of local authorities to apply for fiscal and decision-making powers to enable entrepreneurial programmes and activities aimed at creative solutions and pilots in response to local challenges, for example in response to local lockdowns. This idea draws from the Compact Clause of the US Constitution, which grants states the right to create interstate compacts for their common benefit. Devolved administrations could come together to form compacts and preliminary requests for specific use of devolved regulatory or fiscal powers.

Examples of local experimentation might involve local consultations on the roll out and pilot of a targeted training or job matching scheme, or trial of universal basic or conditional income, and where requested or necessary devolved tax powers to permit it.

Industrial Strategy must be extended to cover all sectors, including hospitality, transport and retail. National and local government should support the construction of local supply chains to enable the creation of local jobs and the development of local resilience wherever possible.

Rethinking approaches to work: a Community Health and Work Corps and mini Furlough Scheme

The UK has a vibrant third sector and rich history of roles for the intermediate labour market. Building on this, the renewed social bonds forged within communities during the pandemic, and newfound recognition of the value of caring work, a nationwide programme of community work, education and training aligned with the development of local pathways to local jobs should begin. This could complement the significant increase in funding and physical infrastructure needed for the NHS and Department of Health and Social Care.

We recommend initiating a public consultation on the establishment of a Community Health and Work Corps in 2020.

The Community Corps would be oriented towards shared national objectives such as health, the environment, and infrastructure but would be rolled out, managed, and driven by local organisations who could interpret those objectives in ways that were most relevant to their community and responded to specific needs, starting with new social and health needs as a result of Covid-19. Corps programmes would be co-developed and built in the community, allowing innovative, bottom-up and practical solutions with local people.

The Corps would combine the goals of a jobs guarantee for vulnerable groups with education, training and voluntary community work, with a strong wrap-around to ensure that initiatives are agreed with participants and targeted at pressing local needs. National government would support Corps by guaranteeing a living wage for participants, who would combine paid and voluntary work with vocational learning. All initiatives would be aimed to value caring and community work more and support pathways for young people and the newly-unemployed to move into new, good local jobs.

The Corps would contribute to training needs, especially for vulnerable groups, but will not meet all needs. So the furloughing scheme, which has established a framework for supporting jobs and providing wage subsidy, should not be deconstructed. Instead, a 'mini' version of the scheme, involving a government guarantee of up to 20% wages for the purpose of training, should be costed up and piloted. This would support both workers and companies in transition together.

Key Rights for Key Workers

Key workers from our foundational economy – care, retail and delivery workers as well as NHS staff and contractors – have worked in high-risk conditions on the front-line to provide the backbone of our nation's response to the pandemic. Legislation is the clearest signal that we, as a society, are prepared to translate clapping and compassion into something tangible.

Part 3
Looking forward:
Recommendations

Provision of a real living wage for all key workers is required, especially given the number of key workers paid directly or indirectly by the government: increasing the pay of public sector workers should not result in disemployment. Sanctions for non-compliance should extend to agents and subcontractors, which are prevalent in the care industry.

But just as important is a new conversation about raising the basic floor of protections for key workers across employment, health and safety, sick pay, access to union membership and equality and data protection legislation. Basic protections across all the legal domains that intersect with work should be our starting point to establish key rights for key workers, rather than the continued debate about legal status. This will require legislative change.

So the Employment Bill should be brought forward, with consideration given to a dedicated Key Workers Bill of Rights as a schedule to the Act.

Update competition law – and consider effects on good, local jobs

The power and wealth of the tech giants is adversely impacting the creation and quality of British jobs and decent work. Moreover, workers are increasingly dependent on the services provided, in the same way that they are dependent on our digital infrastructure. So, as the first important step towards recognising the essential and public nature of the service for workers and small businesses, as well as the wider public, we must direct national competition law to support government initiatives to create good jobs and build resilience.

As part of the UK's rebuild, the government should speedily implement the Furman Review as a minimum commitment to ensuring that the principles of competition law are working properly, and can be enforced, in the age of digital markets. These include setting up a new digital markets unit, a code of competition conduct, policies to support portability and data mobility and an update to merger policy.

Additionally, the public interest test must be amended to expressly require the assessment and consideration of direct and indirect effects

of proposed mergers, such as the takeover of Deliveroo by Amazon, on the creation and destruction of jobs and work quality. We propose that our Charter (in Annex 1) could be used as a checklist.

The Competition and Markets Authority should also have a beefed-up remit, functions and funding to allow market investigations and expand behavioural remedies in line with the new public interest test. Public reporting on the impact of mergers on good jobs and work quality should be required to increase public understanding and inform further regulation as appropriate.

Embed good work in the Lockdown Exit Strategy

Whilst support for SMEs in particular must be as generous as possible to aid bounce back, government funding and packages should not be entirely unconditional. We propose the following areas for conditions attached to government loans, relief and other support to promote our goals of good future work:

- standards of good work, including the real living wage, should be required for all businesses receiving support
- firms receiving support should be required to undertake assessment of equality/health/environmental impacts of business decisions as business models transform, including the introduction of technology, significant changes to operation and management, or making redundancies.
- excessive executive pay and payment of shareholder dividends should be stopped for at least for the duration of receipt of government support.
- community cooperative and employee-owned transitions which are known for high standards of good work should be supported, for example by use of allowances or relief from payback for transition to employee ownership, co-operatives or mutuals.

These measures would also encourage investment in people, staff engagement and the spread of benefits ensuring success beyond crisis management and the first important steps towards building a better future of work in the UK.

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We should ask ourselves: what is an economy for?
An economy exists to serve the needs of society.

Professor Sir Christopher Pissarides

Annex 1

The Good Work Charter

1 Access

Everyone should have access to good work

2 Fair pay

Everyone should be fairly paid

3 Fair conditions

Everyone should work on fair conditions set out on fair terms

4 Equality

Everyone should be treated equally and without discrimination

5 Dignity

Work should promote dignity

6 Autonomy

Work should promote autonomy

7 Wellbeing

Work should promote physical and mental wellbeing

8 Support

Everyone should have access to institutions and people who can represent their interests

9 Participation

Everyone should be able to take part in determining and improving working conditions

10 Learning

Everyone should have access to lifelong learning and career guidance

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The contrast between the power of Amazon and high street retailers is stark now.

Dr Nadia Danhash

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Authors

Anna Thomas
Director, IFOW

Dr Abigail Gilbert
Principal Researcher, IFOW

Samuel Atwell
Head of Operations, IFOW

Joshua Simons
Research Fellow, IFOW

Acknowledgements

This report is a team effort. IFOW is hugely grateful to the Future of Work Commissioners for the time and ideas, which they have provided pro bono. It has been a privilege to convene and host the Commission when it is most needed. IFOW is also grateful to a wide range of individuals and organisations for submissions and other contributions to this rapid review and report. These include:

John Davidson
Dr Jennifer Dixon
Stephen Evans
Paula Hagan
Professor James Hayton
Dr James Hickson
David Hughes
Opinium
Professor Nick Pearce
Carys Roberts
Professor Jolene Skordis
Anna Stansbury
Jack Tadman
Nyasha Weinberg
Professor Andy Westwood

We define 'technology' broadly to include robotics, artificial intelligence, machine learning, big data analysis, the internet of things, digital technologies, the internet; combining and applying these technologies in diverse ways; and also to the collection of techniques, skills, processes and knowledge used by people in relation to these technologies.

“

Fewer people are working 9–5 for one company in traditional jobs: our structures to support work aren't set up for all those new work patterns.

Naomi Climer CBE



Somerset House, Strand
London WC2R 1LA
T +44 (0)20 3701 7633

www.ifow.org
[@_futureofwork](https://twitter.com/_futureofwork)

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