

**The 11<sup>th</sup> WAPES World Congress (WWC): Public Employment Services in the Context of Sustainable Development and Digital Age, Marrakech, Morocco, 19-20 April 2018**  
*Full employment in the context of rapidly changing world of work – the role of Public Employment Services*

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I am very pleased to be here and to be part of this landmark occasion in which the World Association of Public Employment Services commemorates 30 years of existence, and of invaluable service to labour market participants – jobseekers and employers in particular. Public Employment Services not only implement national employment and labour market policies, but also inform their development and their constant adaptation to local and economy wide developments. The choice of the subject matter for discussion at this world congress – focusing on Public Employment Services in the context of sustainable development and digitalisation- could not have been better.

This Congress takes place at a time when the world economy has yet to recover adequately from the effects of the global recession that began in 2008. While the unemployment rate has stabilised at around 5.5%, mainly due to recovery in the advanced countries' labour markets, emerging and developing countries labour markets are still facing unemployment problems compared to their labour force growth.

Moreover, improvement in the quality of employment has stalled: in 2017, almost 1.4 billion workers, representing 42% of the labour force, were estimated to be in vulnerable forms of employment, and every year an additional 17 million join them. Vulnerable workers, as you know, suffer from severe decent work deficits: poor working conditions, low incomes, no access to social protection, and so on. Furthermore, while working poverty continues to fall, its pace of decline has slowed down: still one in three workers (100 million) in developing countries live in extreme poverty, and 300 million in emerging and developing countries combined. Labour market inequalities with respect to women and the youth persist.

The natural question that comes to everyone's mind is what is then the role of labour market actors such as Public Employment Services? This would have been a straightforward question if the world of work was relatively stable. But on the contrary, the world of work is changing rapidly, it is in fact in a state of flux. Demographic changes- ageing in developed and some emerging countries and the youth bulge in developing countries; globalisation and austerity policies; and advances in technology, digitalisation, artificial intelligence and machine learning, and so forth are some of the main drivers behind the state of flux. This makes anticipating, let alone predicting, the future of work quite a challenge.

The impact of such volatility in the world of work on employment and skills has been estimated by both alarmists and optimists. For example, the Oxford Martin School estimates that 47% of occupations in the US and 57% in the OECD will be automatable in a decade or two<sup>1</sup>. The World Economic Forum on the other hand estimate a negative net impact of just 5.1 million jobs lost. The most affected jobs, occupations and professions are the routine, repetitive and predictable jobs, most of which are in the manufacturing sector. This also then raises a question regarding the ability of developing countries to catch up through industrialization and structural transformation as the advanced countries and the Asian Tigers did in former times.

What is important now is how policy makers and labour market institutions respond to optimise the positive impact and minimize the losses. Anticipating which professions will disappear

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<sup>1</sup> Frey and Osborne (2013 and 2016).

and emerge, which middle class jobs will be hollowed out, and understanding the job shifts and the nature of the new jobs will help policy makers and Public Employment Services and other labour market institutions better prepare and design appropriate skills development and employability enhancement policies. In Europe, for example, studies show that as many as one in ten adults do not have digital skills, with up to 18% having no access to the internet<sup>2</sup>. In developing countries it is argued that while the youth are tech savvy, they in reality do not possess technological skills needed to perform in the labour market.

Not only will the number, type and nature of jobs change but also the forms of employment. Indeed, some would argue that the future of work is now- as already we can see changes in the forms of employment represented by the diversity of contracts in the labour market today. Permanent lifetime jobs exist alongside other forms of employment – what the ILO calls Non Standard Forms of Employment. While not new in themselves, their pace of development and importance in the world of work has been dramatic. In the best cases they can serve a need for agility and competitiveness for employers on the one hand and family-life balance for workers on the other. The most important thing therefore is how to adapt labour administration systems – employment services, labour inspections and law enforcement, social protection, and working conditions - that were designed for a full time employer/employee relationship to these diverse new employment contracts.

The advent of the “sharing” or “gig” economy, itself a product of technological advancement and hence evolving rapidly, is yet another challenge. According to some estimates, the international sharing economy was worth around \$15 billion in 2014, and is on track to reach \$335 billion by 2025. Will the sharing economy actors, for example, take over the business of Public Employment Services, or Private Employment Agencies for that matter? Or can Public Employment Services leverage the use of technology and the new institutions to deliver services better?

This discussion makes it clear that the final outcomes of the evolving world of work and technological advancement will be defined by policy choices. How to optimise the net benefits should be our preoccupation – to create the future we want- a future with decent work and social justice. Implementation of a well-coordinated, mutually reinforcing and comprehensive employment policy framework covering macroeconomic policies, that drive employment rich structural transformation and sectoral policies and that are supported by targeted and balanced labour market policies, is imperative. The ILO’s Employment Policy Convention (C122)<sup>3</sup> provides that member states should design employment and economic policies that ensure full and freely chosen productive employment for all those who are available and willing to work. The Employment Services Convention (C88)<sup>4</sup> and the Private Employment Agencies Convention (C181)<sup>5</sup> assign the labour market organisation role to achieve full employment to Public Employment Services and recognise the role of private employment agencies in a well-functioning labour market, and promote cooperation between them. In other words, even in the current turbulence in the labour market as the one observed, the goal of full employment is feasible and both public and private employment services have a central role to play.

Before I conclude, in line with the theme of this conference, I would like to say a few words about the impact of digitalisation on public employment services. It is argued in some literature

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<sup>2</sup> Berger and Frey, 2016, p42.

<sup>3</sup> 1964 (No.122)

<sup>4</sup> 1948 (No.88)

<sup>5</sup> 1997 (No.181)

that three main trends affect the operations of Public Employment Services, especially in the developed countries:

- the pressure on budgets and hence the need for achieving both effectiveness and efficiency,
- the ever increasing demands and expectations of jobseekers, and
- the evolution of internet based data collection and analysis mechanisms – or big data.

Given the fact that robots may take over a significant amount of jobs, Public Employment Services stand to be dealing with more jobseekers with more sophisticated barriers to the labour market but with few jobs. But on the brighter side, developments in artificial intelligence and machine learning can help Public Employment Services to set up new and better systems to serve these clients and potentially reduce operational costs. Their survival and relevance will depend on how they anticipate and adapt to constant and rapid changes in the labour market and take advantage of the advances in technology, such as big data and data driven analytics and tools, to stay ahead of the game.

To their credit, many Public Employment Services are not only aware of this but are also already taking measures to adopt technology in their offer of services through multi-channelling of service delivery. The Belgian VDAB for example has leveraged the advancement in information technology to offer client oriented services through its multi-stakeholder and consultative Innovation Labs. In France, Pôle Emploi has taken a bold step to overhaul its service delivery system based on technology. In emerging and developing countries, technology could provide an important viable way to expand Public Employment Services geographically and to various labour market groups. India's National Career Service adopted in 2015 has, as the main building block, the online matching system. The national jobs portal is a unifying channel for all key stakeholders in the labour market – Public and private employment services, training institutions, jobseekers, employers and even self-employed artisans.

Lastly, a word on partnerships. Technology is expanding fast and neither Public Employment Services nor any other labour market actor has a monopoly over it. It therefore pays for Public Employment Services to explore beneficial partnerships with private employment agencies and online social media companies, such as LinkedIn, Facebook and Jobvite, to expand the outreach of job vacancies and also to harvest information on the labour market. This is incredibly important given that many governments, both in advanced and emerging countries, are starting to see the use of big data in their decision making.

In 2017 LinkedIn had over 500 million members, 9 million employers and over 9 million job openings. In 2018, in the US alone, 146 million workers have LinkedIn profiles, while 20,000 companies and over 3 million jobs are posted. Furthermore, LinkedIn produces labour market reports based on big data analytics and has entered into partnerships with many governments in advanced and emerging countries.

We could go on and on. The bottom line is that policy choice is critical and will determine how Public Employment Services can prepare themselves and manage to make the most of technological advancements and the rapidly changing world of work.

The ILO Governing Body, which I have the privilege to chair, takes a very keen interest in these matters. Through the ILO Global Commission on the Future of Work, a conversation on these issues has been launched involving extensive discussions at all levels and by all major key stakeholders. And the Global Commission will be producing a report at the end of the year that will provide guidance to the International Labour Conference of June 2019 on the future of work, 2019 is the year of the Centenary of the ILO. The ILO was created in 1919, as part of the Treaty of Versailles that ended World War I, to reflect the belief that universal and lasting

peace can be accomplished only if it is based on social justice. The world of work changed, changes and will change, not the values formulated in 1919.

I hope that the work of the ILO will also be useful to the organizations represented at this Congress here today!

Thank you.