



## Can the future of work be uncoupled from productive development?

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As the International Labour Organisation (ILO) prepares to celebrate its 100th anniversary, the debate is underway as to the future of work.

When we, the workers, are called on to discuss this issue in light of the current global context, our minds turn to the social value of a return to work as a driver of upward social mobility, something that must be advocated on the world stage.

### **The crisis of the Welfare State**

The crisis in social welfare of the 1970s, which was marked by changes in production patterns, gave rise to explanations of the crisis in work – and in particular waged work (Gorz 1982, Fitoussi and Rosanvallon 1997) – that at the extreme predicted the end of work (Rifkin 1996), arguments that guided the thinking of international organisations such as the IMF and World Bank on this subject.

And so the world continued its relentless march towards a second best in terms of the quality of human work and the associated labour rights standards. Evidence of this can be found in the institutionalisation of informal labour as a form of production and source of labour. This informality was also responsible for the phenomenal increase and concentration of profits in the hands of a few, oligopolising the structure of the markets in our countries.

In this context, the recipes for economic growth employed have shown themselves to be ineffective in resolving the social imbalances that stem from inequality, at best leading to a concentration of wealth that excludes the structural poor. This can be empirically verified by examining national processes that had little influence on income distribution and inequality as causes of endemic poverty, even when they promoted active social policy and despite years of economic growth.

If we add to this the concentration of wealth in certain sectors of the economy, the weight of the transnationalisation of work, and the trade in intermediate products via global supply chains, what we get is another driving force for economic concentration, in many cases to the detriment of the quality of work, even where national companies were involved in the process.

All of this seems to work because this new and more complex version of the social division of labour continues to lead to productivity increases that satisfy the

Establishment which takes decisions at the global level.

The structural informal economy, gaps in labour productivity and a deficit of governance in developing countries yield a kind of competitiveness that stifles these countries' opportunities for development.

### **Beyond the sphere of Labour**

It is for these reasons that the debate on the future of work must go beyond the labour sphere. The quantity and quality of work available are variables that depend on regional productive development, the promotion of framework policies, and macro-, micro- and mesoeconomics that serve to democratise production in an environment of strict respect for labour, social and trade-union rights. Following unsuccessful experiences in Latin America the new generation of industrial policies has to avoid the mistakes made in the past and assimilate technological changes to add value in the real economy – that is, in labour-intensive activities in goods and services.

In this sense, it is worth using an intervention strategy that goes beyond the national context: a failure to measure indicators accounting for increasing economic concentration and the deficit in quality regulation at the global level feed into the process of concentration that hinders socio-economic development. Not intervening in these aspects entrenches effects such as the regressive structure of tax systems which is characteristic of Latin American countries and a driving force for greater inequality.

A lack of productive development policy, 'democratisation' of the markets, or intervention with policies that might encourage the production of final goods and services accentuates gaps in productivity, exacerbating an inequality that means that competitiveness is a fallacy in our countries – or worse, that it is the workers subject to precarious conditions and structural poverty who suffer the most.

In this context, the future of work is stalled because technological changes are assumed to worsen the existing job supply. Added to the persistent precariousness of the available jobs, it seems that something has to be done.

### **The Future**

For this reason we must think of a change of economic, social and non-labour paradigms. The cult of economic efficiency without thinking of productivity as a systemic

phenomenon confronts us with the paradox of making the economy favour economic concentration.

The current ILO debate obliges us to incorporate new foundational elements, like Convention 1 in 1919: maybe reduction of the working day from reformulating labour value theory, social valuation of occupation as a cultural ordering of societies, and the understanding of the main players in world trade that competitiveness must be based on conditions of respect for social and labour rights.

Such production policies would lead to consistent and non-cyclical results in the macroeconomy. Sustainable development relies on the premise of a natural order in which every technological revolution produces phenomenal increases in productivity, increased employment and improved social well-being over the long term. Today, social actors are equipped with more sophisticated instruments to mitigate the undesirable changes that occur over the short term: collective bargaining, social security systems and tax systems are powerful tools for changing income distribution and production patterns within politically democratic contexts.

Even following the primavera progresista or progressive spring that brought together governments in the region with redistributionary tendencies during the first decade of this century, Latin America continues to be the most unequal region in the world. And the countries that embarked on the reform of their tax systems increased the tax burden as a way of sustaining increased public spending in order to expand the coverage of social welfare.

These schemes were successful in terms of rapid inclusion but failed to translate inclusion and indicators of economic growth into development. The concentrated market structure was not altered and industrial policies went to feed more sectoral concentration.

Much remains to be done in the sphere of equity and distributive justice in the region's tax systems – not least if we are to maintain tax systems that put the state to work for those that most need it.

Effective productive development goes hand in hand with the diversification of our production patterns and interregional complementarity as a real possibility for gaining in competitiveness against the rest of the world. The principles that underpin this premise include the adoption of global governance to prevent violations of labour, social or trade union rights and to encourage the consolidation of sustainable economic growth and more influence in international trade.

All of this is fundamental because we are living through times in which attempts are made to disguise the

distributional conflict under the conviction that human work as we know it is doomed to disappear. We should not confuse this with job destruction and creation within a changing technological paradigm: behind the 'gig economy', the promotion of the figure of the entrepreneur, and the individualisation of working conditions lies a quest to concentrate income, to the detriment of a specific group who are none other than the workers.

In a context where national economies have lost a certain amount of their sovereignty to transnational enterprises that concentrate the profits coming from the other economic units that participate in the supply chain, encouraging and promoting transparency and anti-corruption policies has a direct impact on the sustainability of economic development and the quality of labour institutions.

Recognising the distributional conflict means legitimising organisations representing social actors, ensuring respect for those actors and honouring institutionality. Many of these new forms of flexible and precarious work are 'para-institutional', without representation, silent but very much present when it comes to replacing the culture of work in its rights-based approach.

It is necessary that we understand that productive development and the redesign of sustainable production patterns for true entrepreneurs and workers should bring with it the recognition of rights and social justice for all as a way of making lasting social cohesion possible.

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