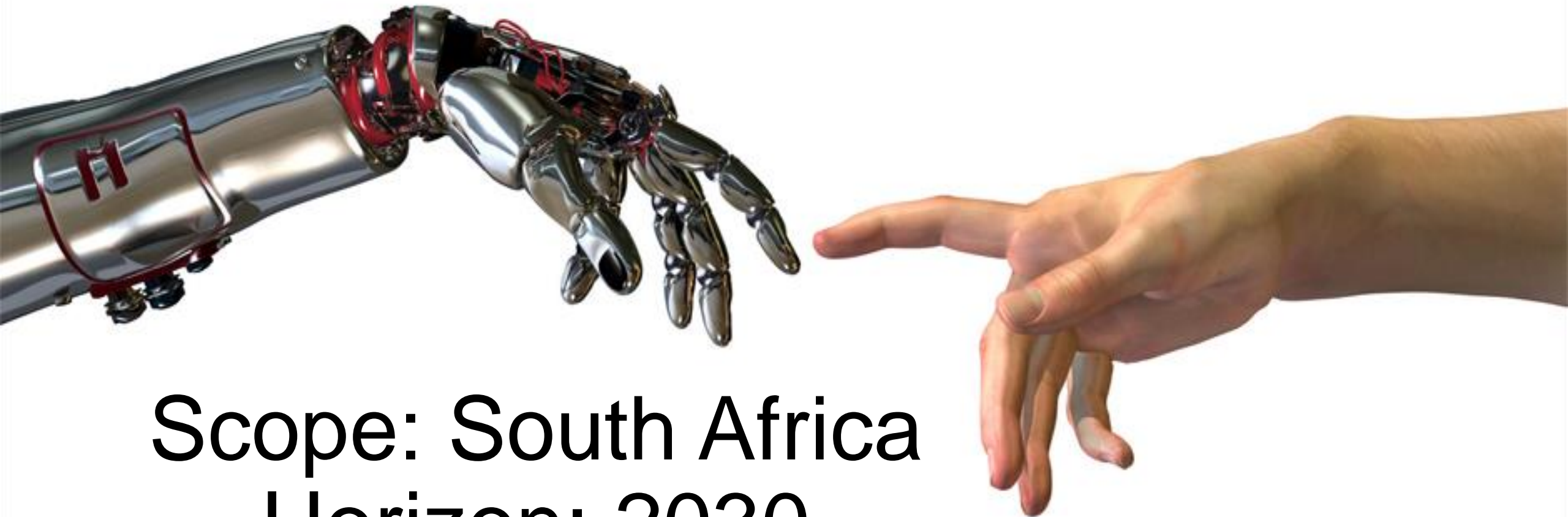


# The Future of Work



Scope: South Africa  
Horizon: 2030

# The automation conundrum

In 1951 union leader Walter Reuther was touring Ford's automated plant in Cleveland.  
As they strode past huge self-operating tools, the Ford executive wisecracked:

*"How are you going to collect union dues from all of these machines?"*

The union leader replied:

*"How are you going to sell cars to these machines?"*

*Reported in Time Magazine, March 1954*

# Background to the study

- BUSA commissioned in response to ILO Future of Work initiative
- Context
  - **Pace of change is accelerating**
  - **4<sup>th</sup> industrial revolution**
  - **Technological change**
  - **AI is about to disrupt the world as we know it**
- How will this future affect the future of work in SA?

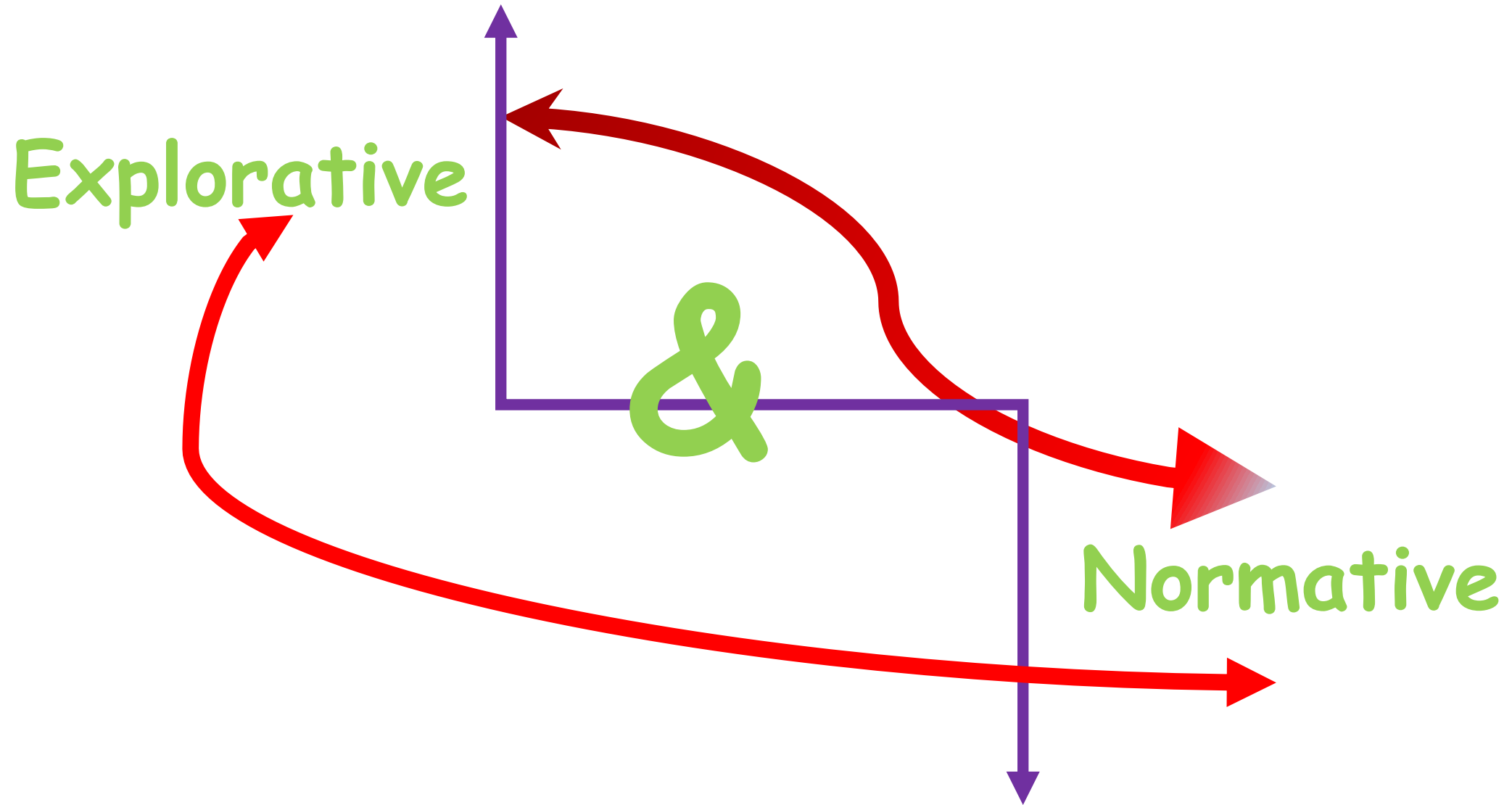
# ILO Focus areas

The ILO has challenged us to consider the future of work by 2030 as part of its centenary celebrations in 2019

Structured along the lines of four key conversations:

- 1. Work and society**
- 2. Decent work**
- 3. Organisation of work and production**
- 4. Governance of work**

# Two broad methods



# Potentiality Matrix

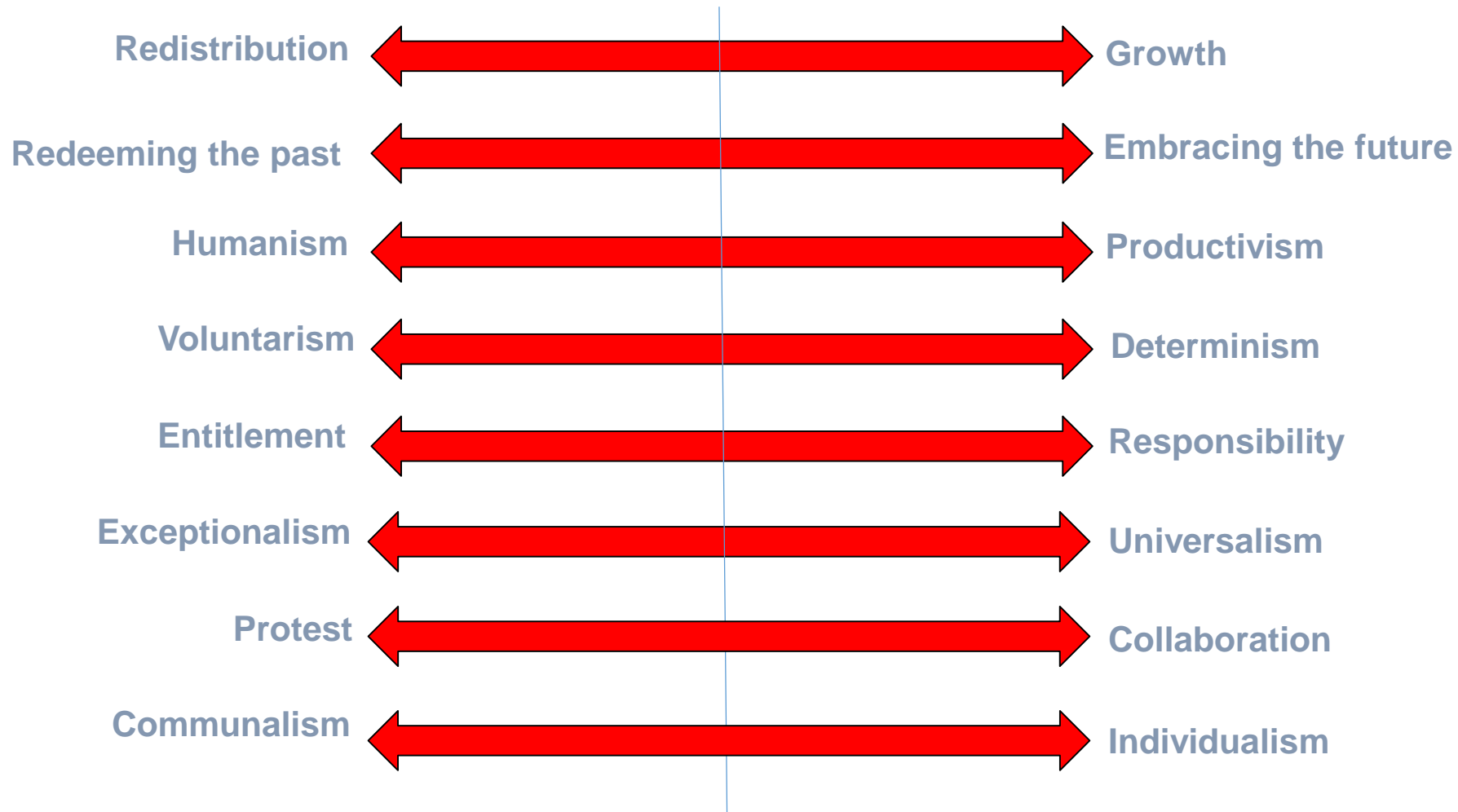
(the state of possessing inherent capacity to manifest or come into existence)

		Self	Org	Customer	Competitor	Society
<b>Possible</b> (within realm of possibility)	Inevitable					
	Contingent (if)					
<b>Plausible</b> (speciously praiseworthy; apparently workable; sophistic refutation of alternative futures)	Inevitable					
	Contingent (if)					
<b>Probable</b> (greater likelihood)	Inevitable					
	Contingent (if)					
<b>Preferable</b> (function of purposefulness)	Inevitable					
	Contingent (if)					

# Welcome to Metaxis

1. We **cannot predict** the future
2. **More than one future** is always possible
3. The **entirety** of the future is **never inevitable, despite current 'facts'**
4. FS has **complexity paradigm**, i.e. even problem definition is inherently problematic, and any attempt at solution will be **experimental and heuristic**
5. The same future may be achieved in **different ways**
6. FS moves beyond ontos (essence, definition and meaning) to telos (**purposiveness**)
7. That means the future is partially **subject to our collective decision-making**
8. **The observer alters the observed** once a decision is made, and probably earlier in the inquiry
9. Therefore the **quality of our cognitive processing** will impact the **quality of our future**
10. By exploring **multiple partial views**, we enable ourselves to generate **options for alternative futures**.
11. Nihilism and fatalism are best countered by **strategic foresight**
12. We **cannot go back**. Not even to basics.

# The battle of the paradigms





# SA's unique context?

The future of work in SA will be shaped by the interplay of **global** and **local factors**

## **Global trends:**

automation, AI, production systems

Vs.

## **Local realities:**

unemployment, economic growth, inequality & regulation

# Macrotempo-special perspectives

Leadership perspectives at junctures of bifurcation

<b>Spatial</b> constellational structure	<b>Much room to manoeuvre</b> <b>Limited time; may already have passed</b>	<b>Large structural scope</b> <b>Large strategic window of opportunity</b>
	Limited manoeuvrability Limited available time; proximal time horizon	Narrow, limited manoeuvrability Ample time to achievement
<b>Temporal</b> pattern-based; evolutionary		

“Think like an immigrant”

Friedman – That used to be US (2011)

# Process

- Identify scope and horizon (World of Work in SA by 2030)
- Review current trends (SA and globally)
- Identify key or pivotal uncertainties
- Understand how trends cross-impact each other systemically
- Develop alternative mini-scenarios for each conversation
- Develop two juxtaposed scenarios
- Identify actions to attain our desired future



# Work and society

- SA's unique context
- High inequality
- High unemployment
- Inequality due to wage differentials
- Large youth contingent
- Ability to reap demographic dividend due to changing age structures
- But doing so is not automatic – it requires targeted policies
- The need for (real) economic growth

# Work and society (1)

Skills success



Skills disaster

Growing more equal



Growing more unequal

Youth engagement



Youth disenchantment

SA growth independent  
of world trends



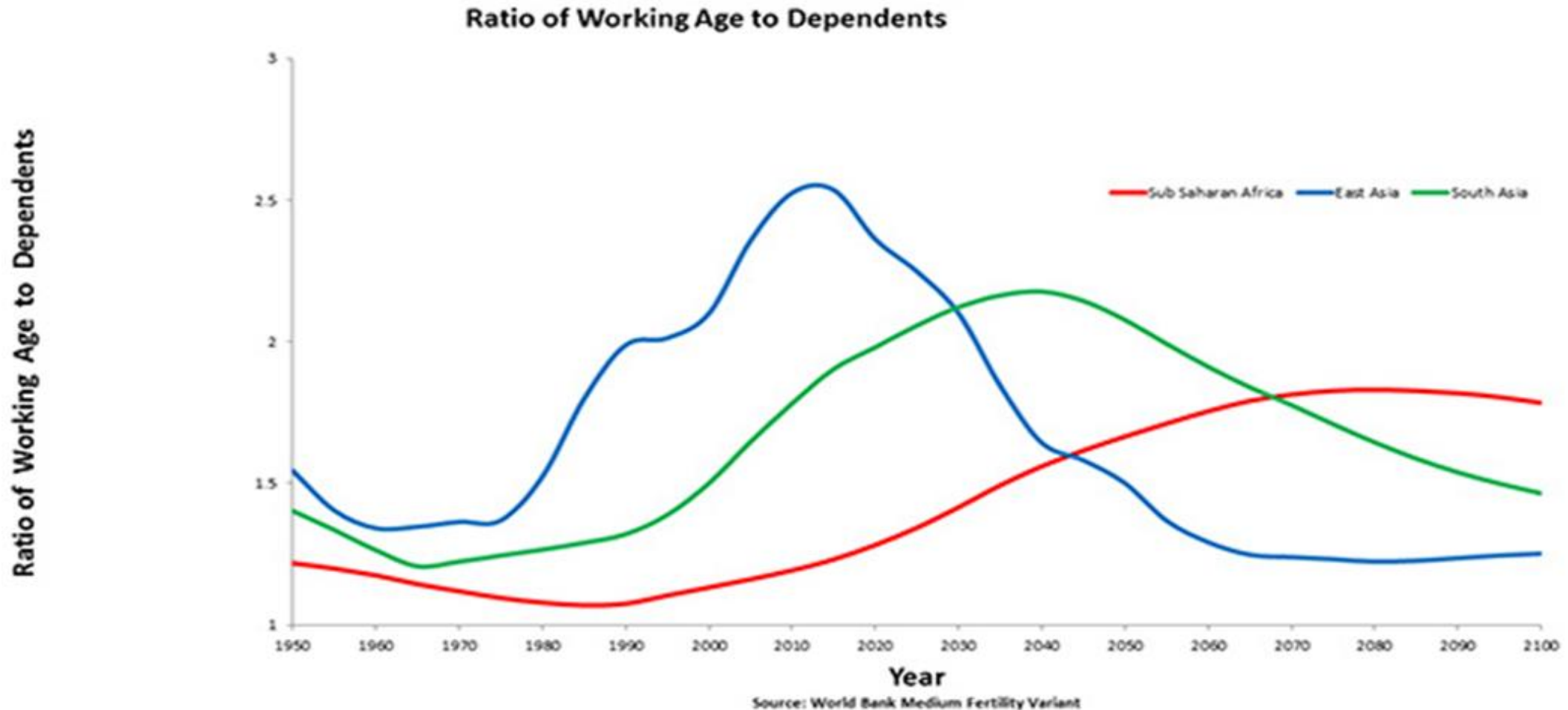
Victim of international  
malaise

Urbanisation  
acceleration



Urban decay

# The future in numbers: Our demographic dividend potential





By 2050,  
40% of all young people on the planet will be  
**African**



WHO WE ARE

WHAT WE DO ▾

WHERE WE WORK ▾

## Press centre

### Press releases

Press releases and  
news notes

by date

by subject

## Press release

### **Africa will be home to 2 in 5 children by 2050: UNICEF Report**

*Investing in Africa's children now is best hope to reap demographic dividend*



# Decent work

- Employment as driver of living standards
- Importance of economic growth for social cohesion
- Towards a definition of decent work:
  - fair income
  - social protection
  - personal development
  - social integration
  - equal treatment of sexes
  - freedom of association
- Impact of fourth industrial revolution
- Flexible work and informal work
- Decent work must also include a balanced life, in which work is only one part of a meaningful existence.
- The design of a more comprehensive social security system, which is fit-for-purpose, is now urgent.



# Decent work

Gig economy



Full time employment

Universal basic income



Survival of the fittest

A borderless world



Nation states prevail

Technology apocalypse



Technology curtailed

Humans as machine  
surrogates

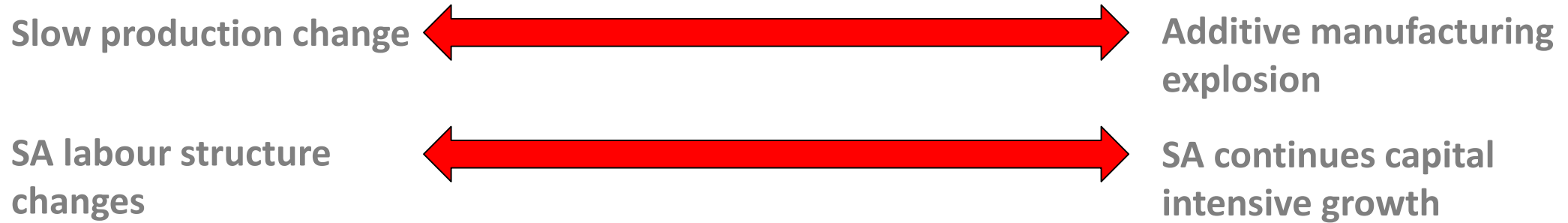


Holistic humans with  
curiosity & imagination

# Organisation and production of work

- SA has not created enough jobs
- SA has not tapped global market successfully
- Importance of finding our competitive niche
- Will small and medium businesses employ robots or people?
- NDP rely on these businesses employing more people, but that may not be the case
- Robotics combined with additive manufacturing has ability to disrupt global production system
- Job numbers may be retained, by an insistence on full-time, permanent employment for job categories will propel the South African labour market into obscurity.

# Organisation and production of work



# Governance of work

- In SA governance has as one major aim: the redress of inequality
- One vantage point is that there is compact that favours big business, government and unions over small and medium enterprises
- Costly industrial action
- Not conducive to job creation
- Not supportive of SMEs
- Can SA compete globally given continued perception of interferential regulation?

# Governance of work

Decency first



Selling your soul for an income

Intensified regulation



Agile competition through appropriate regulation

Union members first



Unions drive productivity & employment

Business first



SA first

Party first



Citizens first

Control first



Principles & values-driven

# Governance & Social protection: Power dynamics – Agency (BY) & Enemy (FROM)

	Unions	Government	Big business	SMME's	Education	Civil society
Unions						
Government						
Big business						
SMME's						
Education						
Civil society						

# Four overall scenarios emerge

## Possible but not probable

- **Islandia** - Despite internal signs of social cohesion and multi-stakeholder collaboration, SA has retained an exceptionalist paradigm to the point of defending deeply dysfunctional behavior. A self-imposed isolation means that the veneer of cohesion is short-lived.
- **Faux-global fool's paradise** - many key stakeholders have embraced an international code of ethical practice and global competitiveness, but due to the fragmentation of society, the benefits of a global outlook have accrued only to a few.

## Possible and probable

- **The Hunger Games** - SA perpetuates its 'special case', defensive position in global trade, which is exacerbated by social factionalism. The workforce remains hungry, just as the country hankers for domestic harmony. Everyone has an unsatisfied appetite.
- **Ecotopia** - SA develops a healthy, open outlook of global competitiveness. This unites hitherto fractious stakeholders and a vibrant, integrated local and global ecosystem is under way.

# Contrasting possible outcomes

Cohesion & collaboration

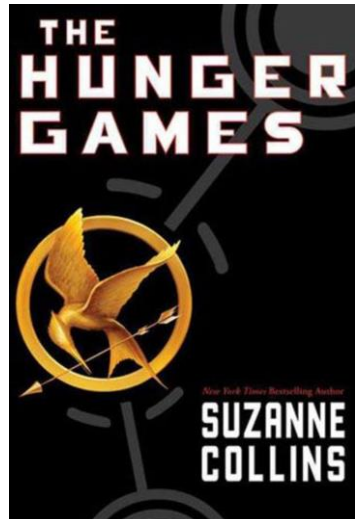
Exceptionalism

Islandia

**Ecotopia**



4IR Surfing



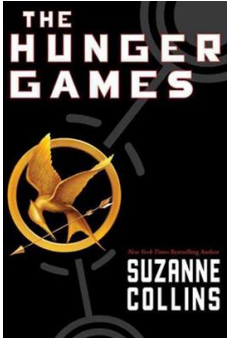
**The Hunger Games**

Faux-global fool's paradise

Factionalism & self-interest



- It is 2030, and South Africa has failed to turn current legislative and economic trends around. The country's political and economic elite has become increasingly self-serving while we continue to argue that South Africa deserve special treatment due to our history. This combination has seen the country falling into its own dystopian nightmare.
- The education system has failed to deliver suitably skilled workers in the numbers required. The majority are technologically illiterate, a short-coming that makes them effectively unemployable in the gig-economy of 2030. The effort to compete globally is further hampered by South Africa's high data and technology costs, which excludes many small businesses from world markets. This eliminates a huge source of potential employment for the country.
- The focus on automation has been driven largely by a regulatory environment that has remained very restrictive. Employers continue to have little or no flexibility in terms of managing non-performing workers, and to make matters worse unions have mobilised to protect the interest of their dwindling number of members. These protests are frequently violent and disrupts production for days on end. These protests also drive up wages beyond productivity gains, causing South African labour to become more expensive against global standards. The unemployed masses look on from the outside, excluded from both the ability to earn a living and access social safety nets. Consequently, social disruption is occurring with increasing frequency and is rapidly escalating further.
- The unemployed youth is a major source of this instability. Frustrated by a system they view as fundamentally corrupt and flawed, disillusioned by a political system that has continued to serve its political elite rather than the masses, they are taking to the streets, burning buildings and destroying everything in their wake.
- Meanwhile, the political and economic elite remains insulated from the disruption in the streets, buoyed by their resources and privileged position. South Africa has truly become a 'hungry' society – frustrated by a lingering hunger for cohesion and progress. However, the distinction is no longer between black and white. Rather, it is between the educated and technologically savvy who are able to compete in the global economy and access international markets through online collaboration, and the poorly educated (often rural) masses who are not able to compete in the new economy and remain excluded, poor and hungry.



- South Africa is a country triumphant in 2030. Few can believe how successfully the country has turned itself around from a path that had seemed destined to have it end up on the dust pile as just another failed state. Starting in 2017, a remarkable transformation occurs as the government focuses getting the basics right, ensuring efficient delivery of basic services targeted at elevating the bottom third of the population. Greater cohesion and collaboration have combined with successful economic policies and new business models to deliver an unexpected blooming of South African society that has risen to the challenges offered by the fourth industrial revolution.
- The healthcare system is overhauled; basic education receives a smart upgrade and resources are channeled towards infrastructure projects to prepare cities for the expected surge in numbers towards 2030. Government specifically targets technology education and ensures fair access to technology for all citizens.
- Recognising that government cannot deliver the services and growth the country needs on its own, the government embarks on a consultative process with big business and non-governmental organisations. These partnerships result in the more efficient allocation of resources, less cumbersome regulation and a more collaborative approach to economic development.
- South Africa finds its global competitive niche. Even as advances in robotics and artificial intelligence is seeing massive disruption in employment across the globe, South Africa has managed to grow a small but smart base of urban youth who are able to identify and exploit areas of the opportunity in the global market. They have a truly entrepreneurial mind-set and a diverse skills base, and are willing to explore new business models. They provide a base for agile growth and provide employment to millions through small start-up ventures.
- As profits to companies rise as their cost decrease due to automation, the government taxes these entities at marginally higher rates. This income is further supplemented by trimming down government institutions and harnessing efficiency savings, enabling the country to pay a modest universal basic income aimed at alleviating poverty.
- By 2030, South Africa has indeed found a way of including social costs into their calculations and have found ways to ensure all sectors of society have been accommodated in an inclusive social system. South Africa is viewed as one of the world's great success stories on how to navigate the new world of work for all its citizens



# Contrasting possible outcomes

Cohesion & collaboration

Exceptionalism

Islandia

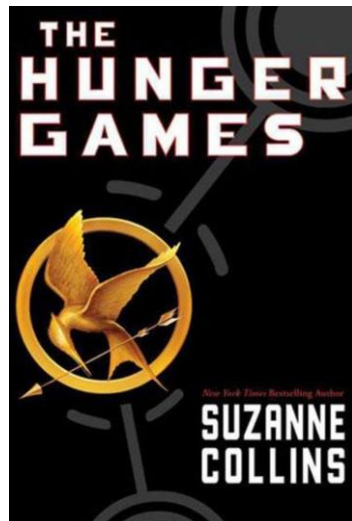
**Ecotopia**



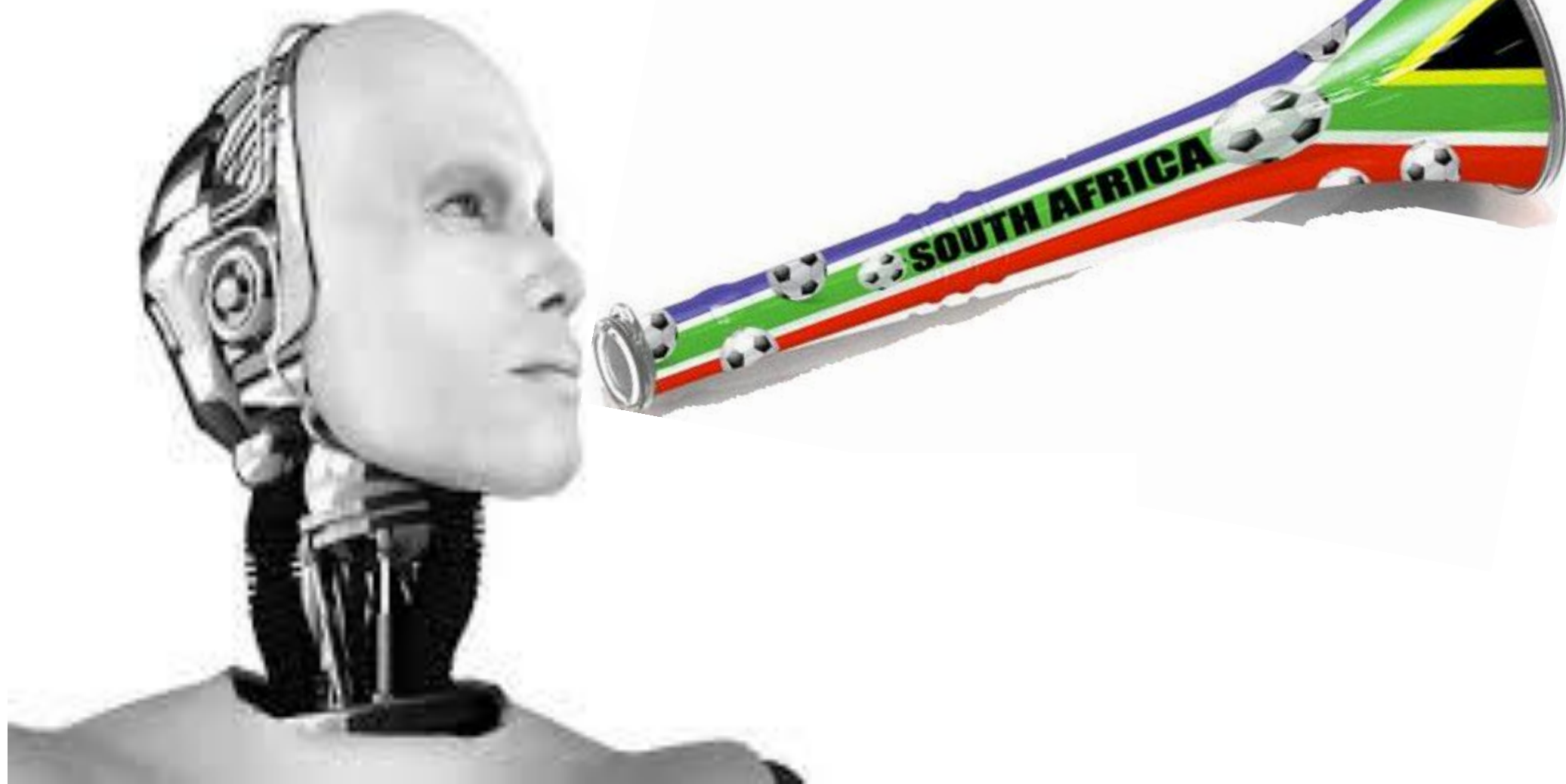
4IR Surfing

**Hunger Games**

Faux global fool's paradise

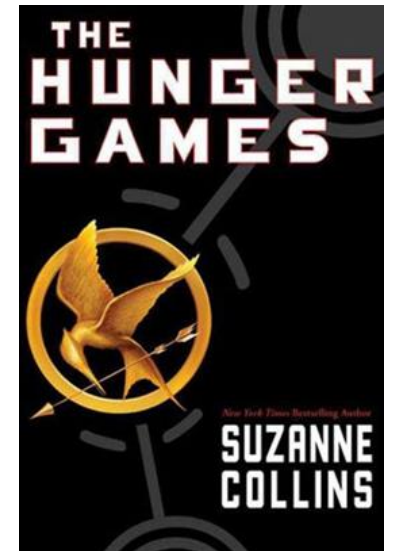


Factionalism & self-interest



# The Hunger Games: South Africa's dystopian nightmare

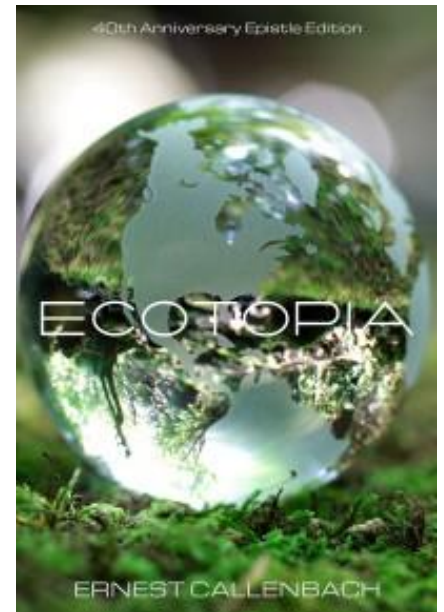
- All parties kick their heels in and defend partisan rights
- South Africa develops a self-styled, exceptionalist and parochial self-righteousness
- The education system fails
- SMEs falter
- Restrictive labour environment encourages automation
- Unemployment soars
- Two-tiered society: haves and have-nots
- Social disruption escalates
- Slow economic growth follows, but the 'west' is blamed





# Ecotopia: South Africa's globally competitive dream

- Government focuses on providing enabling environment:
  - Healthcare, education, technology education, infrastructure, deregulation, collaboration
- SA finds globally competitive niche
- Appropriate skills for new economic reality
- Urban youth emerge to compete globally
- Driver for broader employment and economic growth.
- UBI funded from rising corporate profits



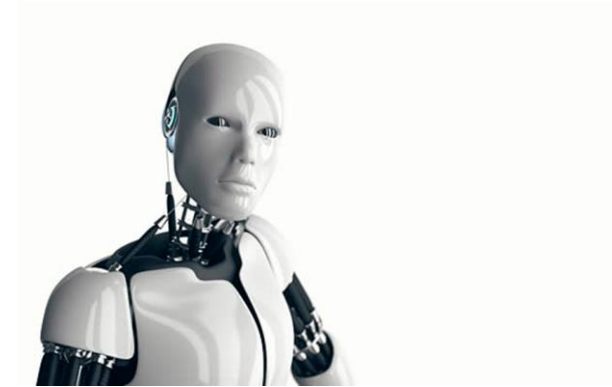
# How to get to our dream

- Economic growth as a priority
- Labour reform
- Youth focus
- Skills, especially technology, but also
  - curiosity
  - imagination &
  - Sharing
  - Moral code
- The acceptance of job category obsolescence will be vital, coupled with the productivity imperative.
- Public private partnerships, social dialogue and collaboration

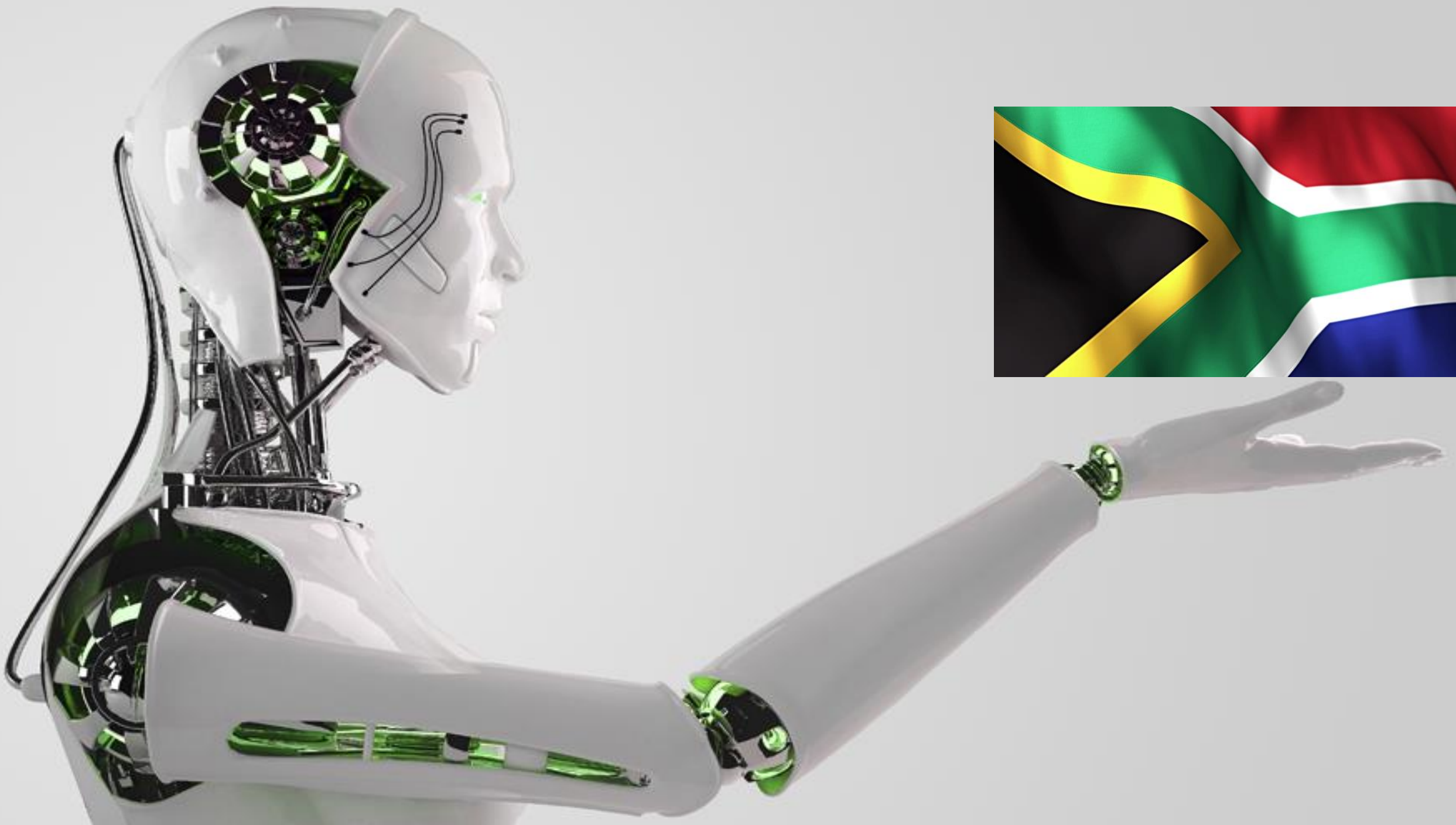


# Summary

- South Africa does have something of a unique position
- This is a blessing and a curse
- There is great potential if we get it right
- and dire consequences if we get it wrong
- This is a gargantuan task: We have time, but must act now
- The most likely scenario for success is a combination of a cohesive, collaborative approach by all spheres of society, coupled with an embrace of universal standards of competition
- We can make our desired future happen – we have done it before







# Notes: Ecotopia

- Ecotopia: The Notebooks and Reports of William Weston is a seminal utopian novel by Ernest Callenbach, published in 1975. The society described in the book is one of the first ecological utopias and was influential on the counterculture and the green movement in the 1970s
- Callenbach wove his story using the fiber of technologies, lifestyles, folkways, and attitudes that were common at the time.
- The scientific discoveries in the fields of ecology and conservation biology. The urban-ecology movement, concerned with a new approach to urban planning. The soft-energy movement, championed by Amory Lovins and others. Much of the environmentally benign energy, homebuilding, and transportation technology described by the author was based on his reading of research findings published in such journals as Scientific American and Science.