


# **Future of Work Initiative: Broader context for Thailand 4.0**

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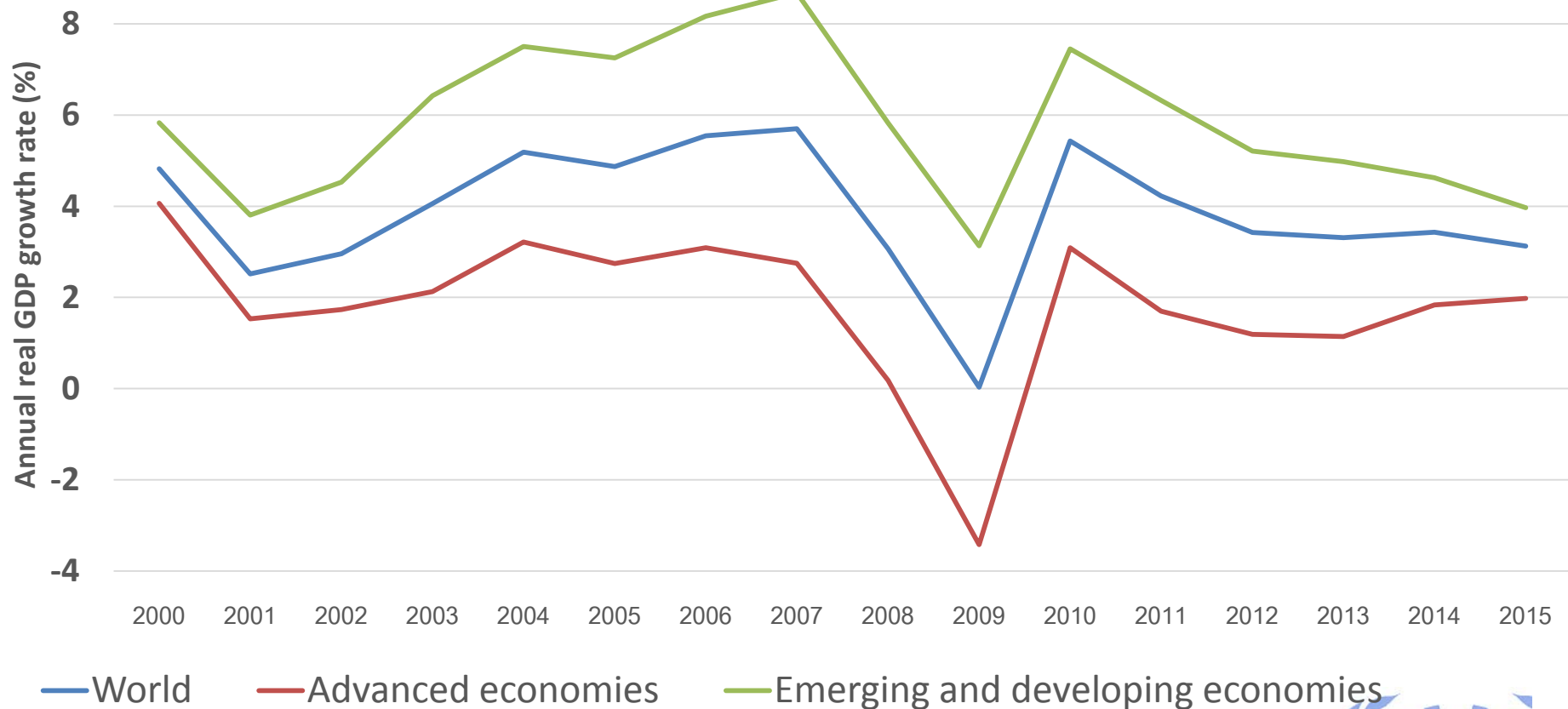




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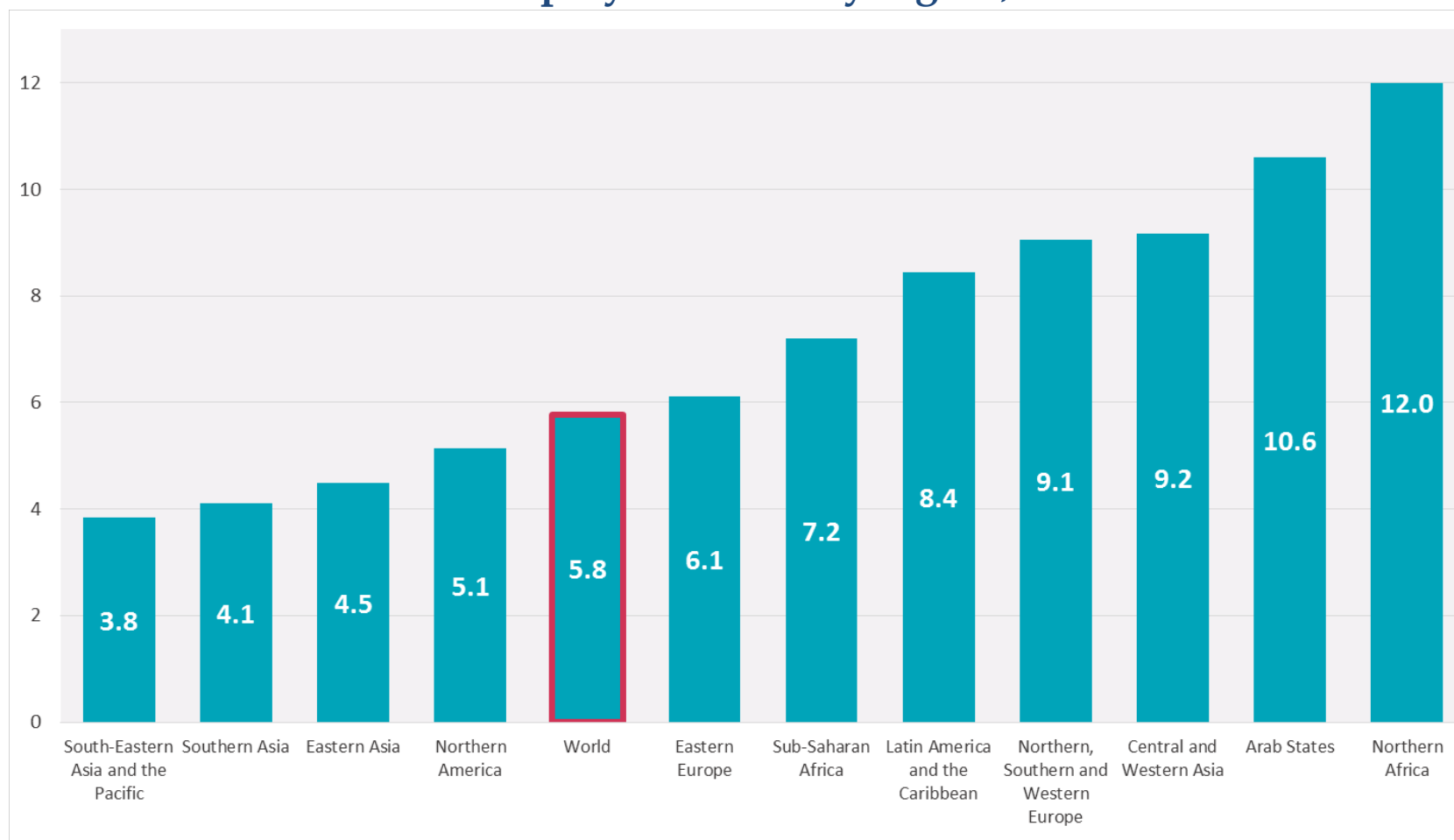
# Megatrends in the World of Work: will sluggish growth generate enough jobs?

## GDP growth from 2000 to 2015



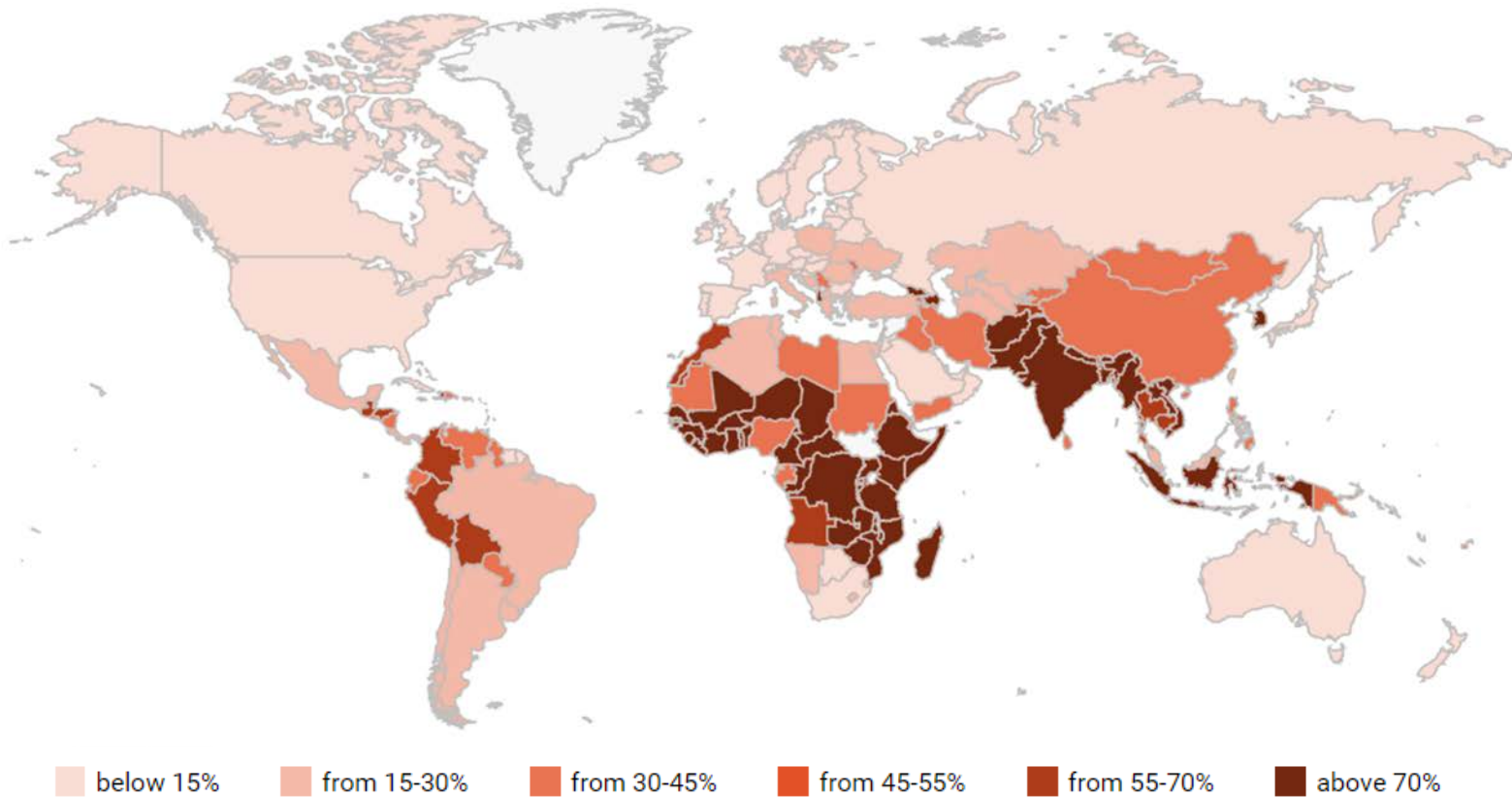
# Megatrends in the World of Work: will sluggish growth generate enough jobs?

Unemployment rate by region, 2017



# 42% in Vulnerable employment

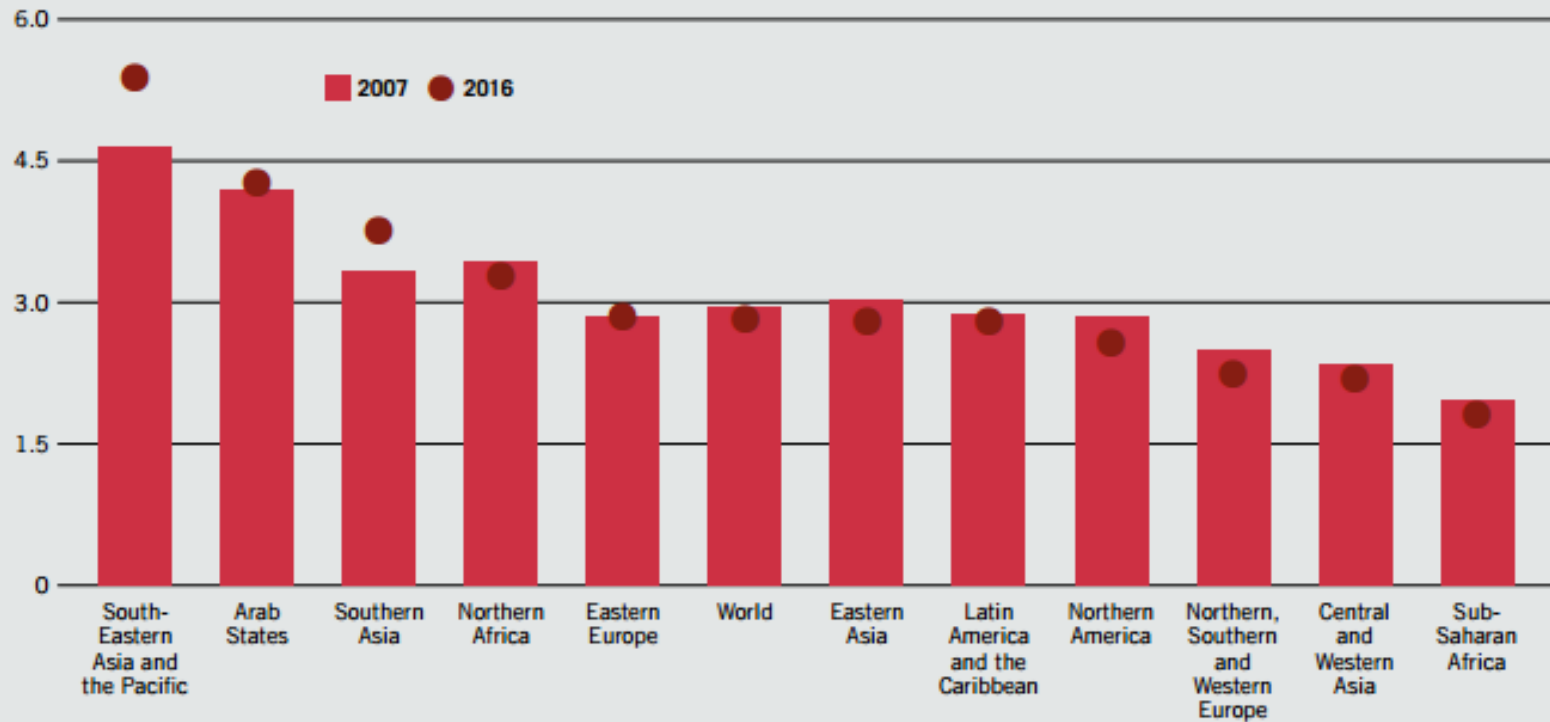
As a share of total employment, 2017



# Young people are more likely to be unemployed than adults

## Youth to adult unemployment rate by region, 2007-16

Youth-to-adult unemployment rate ratios by region, 2007 and 2016

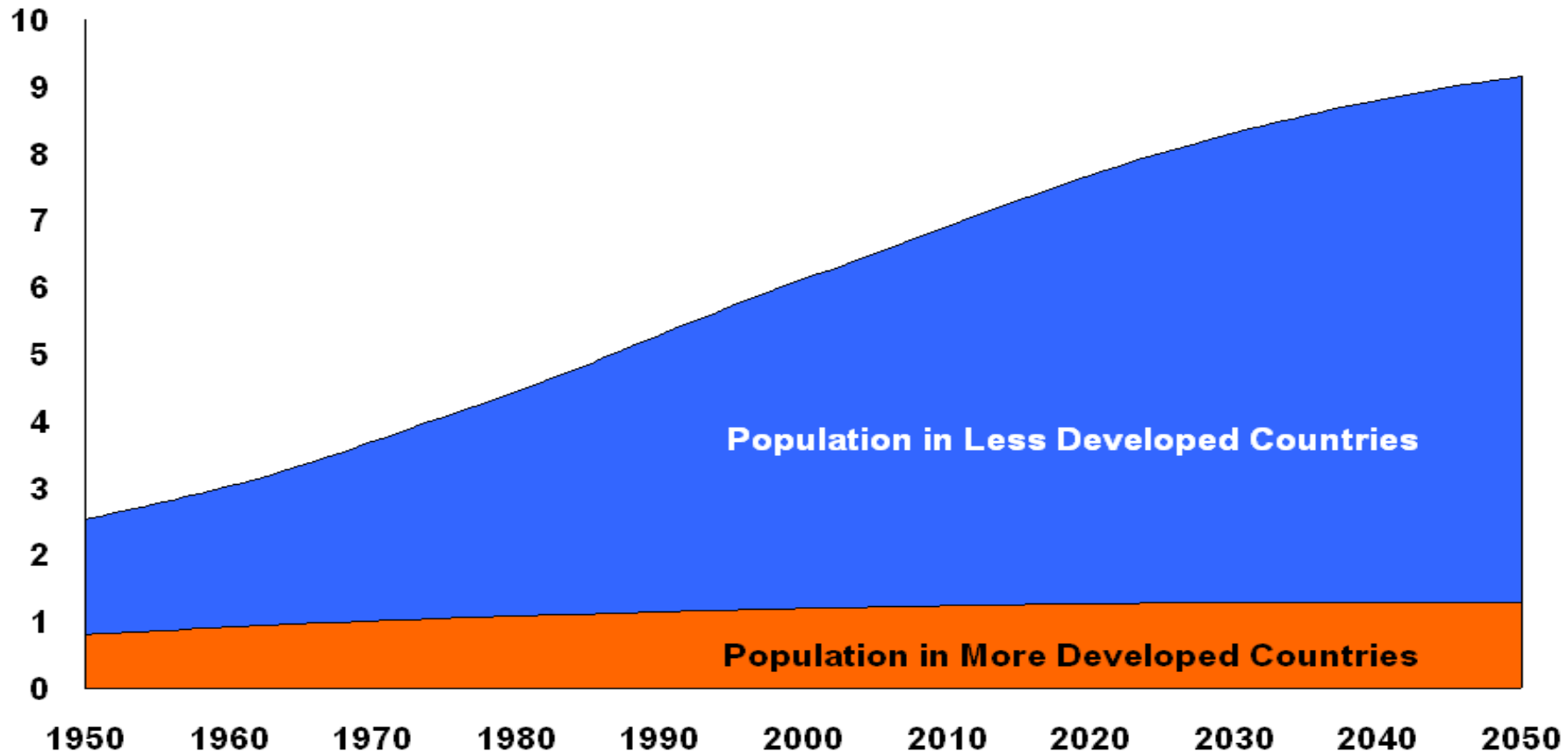


Source: ILO calculations based on ILO Research Department's Trends Econometric Models, April 2016.



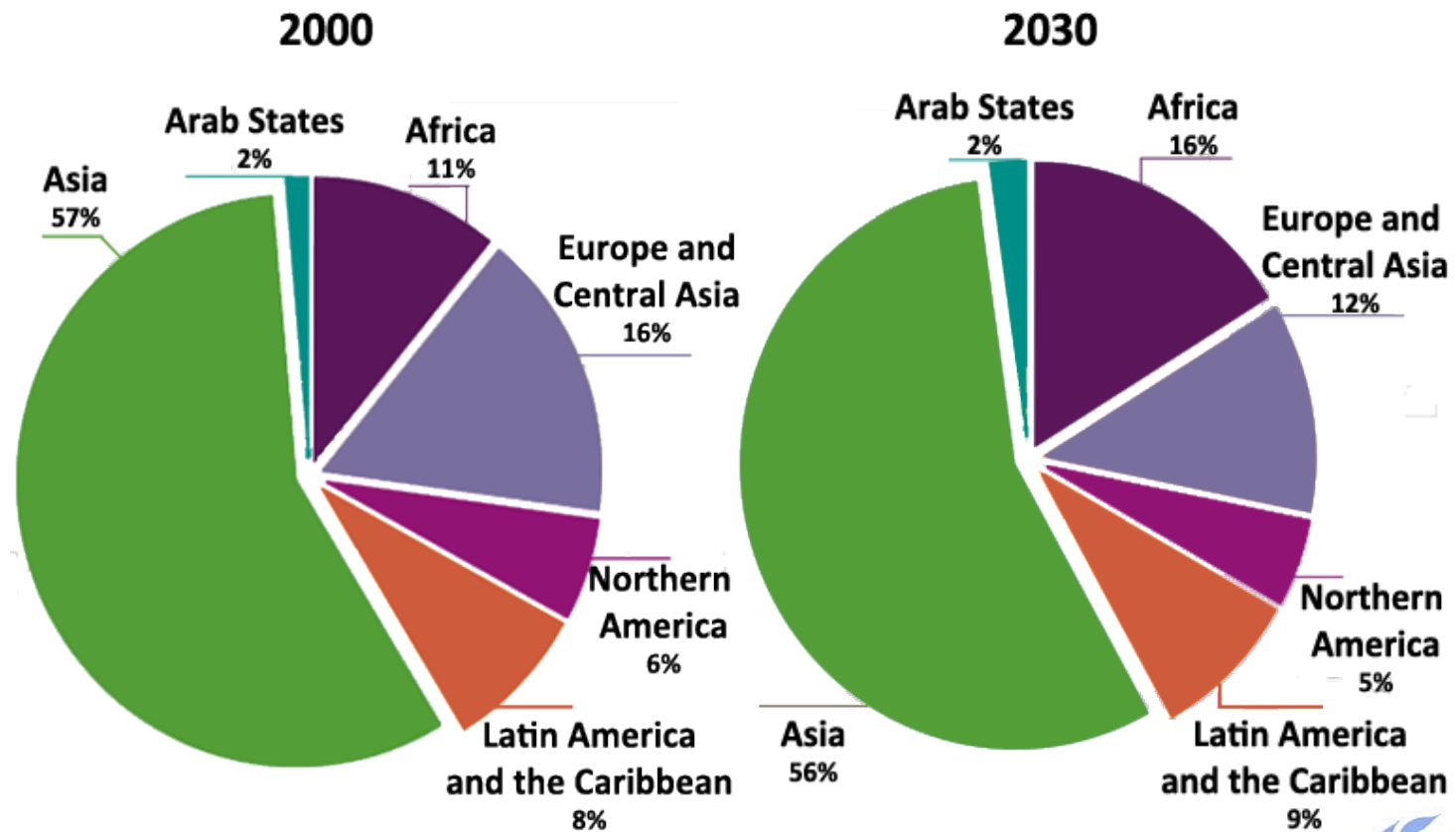
# Megatrends in the World of Work: demographics and labour mobility

World population (in Billions): 1950-2050



# Future of work → future of Asia

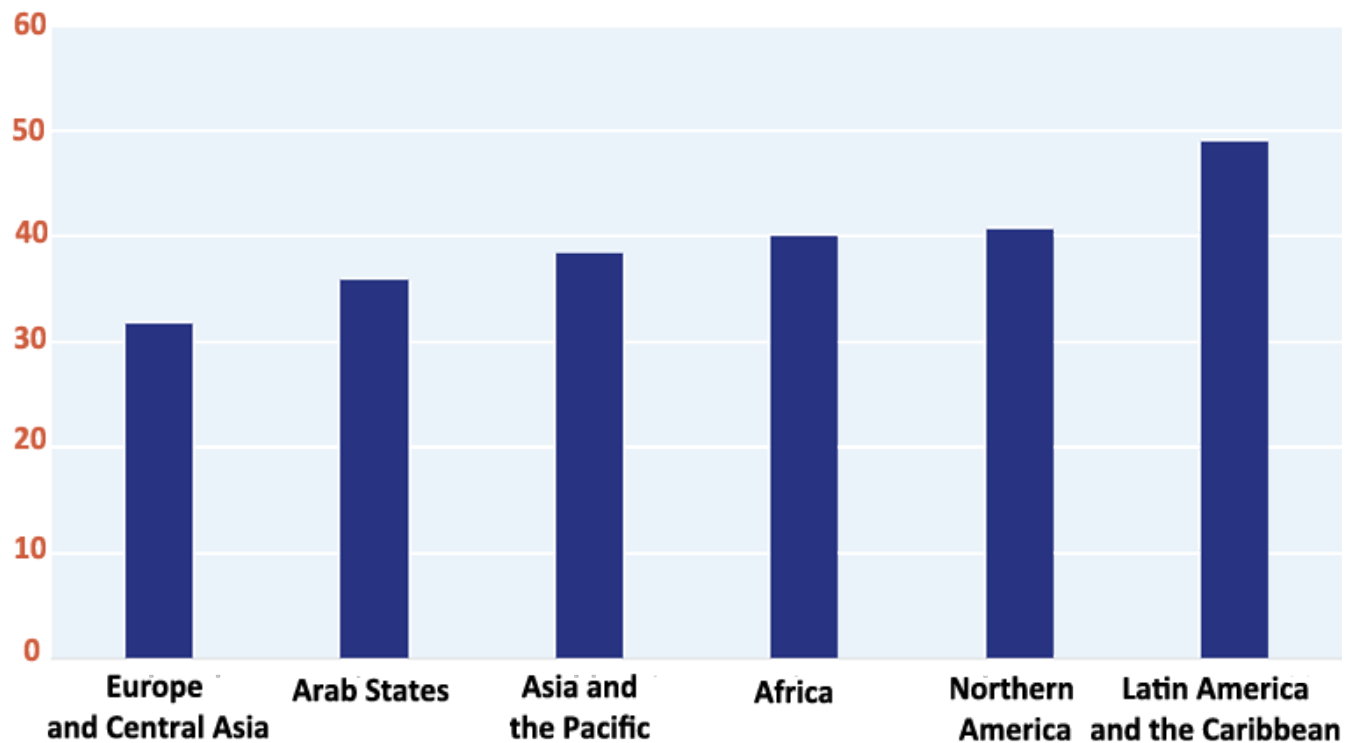
## Share of global working-age population





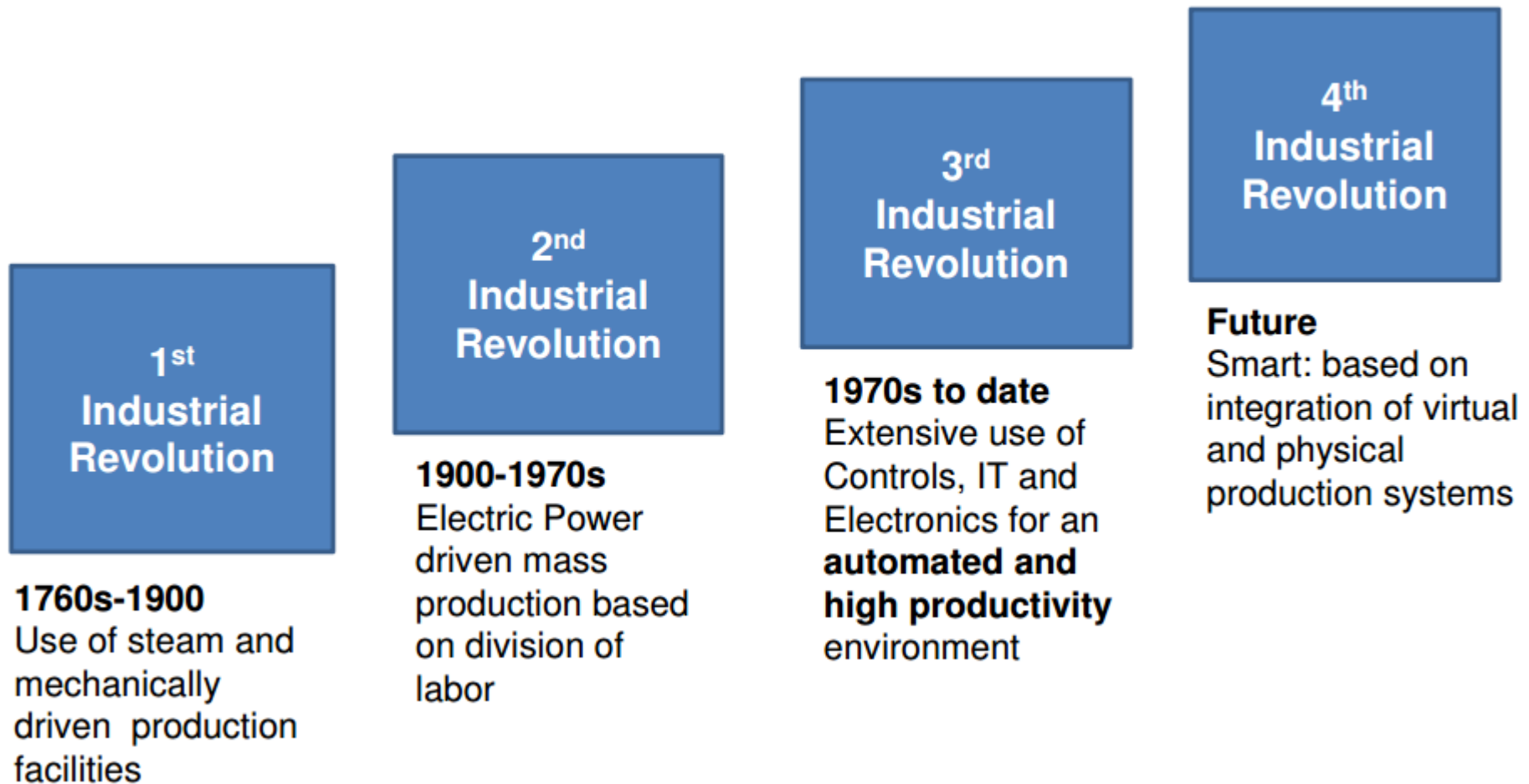
# Megatrends in the World of Work: income inequality

Average Gini index by region, latest year available



# Megatrends in the World of Work: creative disruption or total transformation?

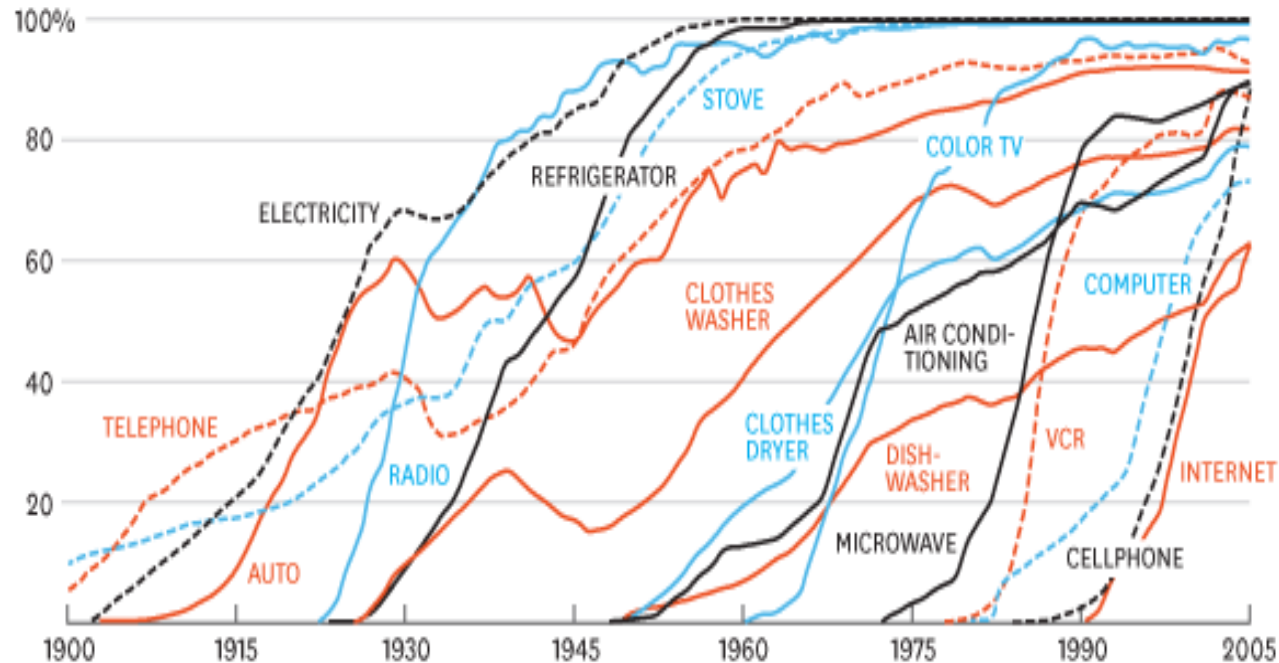
The 4<sup>th</sup> industrial revolution is around the corner



# Industry 4.0: Is this any different than the ones that came before?

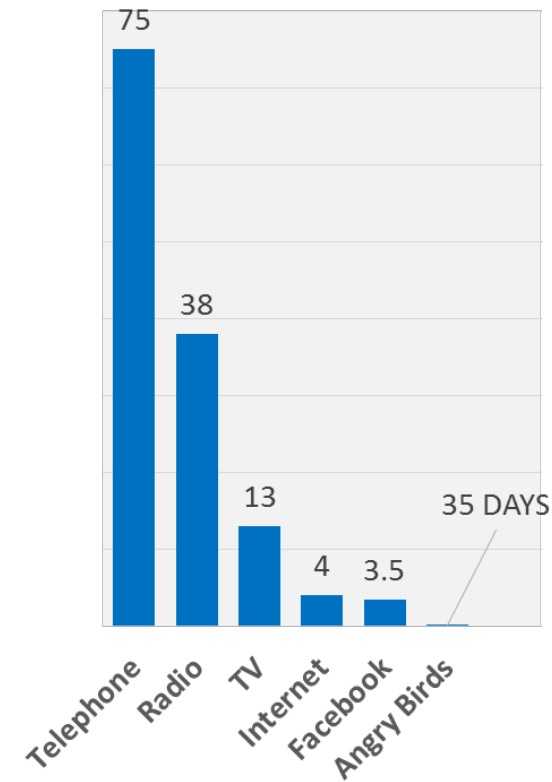
## CONSUMPTION SPREADS FASTER TODAY

PERCENT OF U.S. HOUSEHOLDS



Source: Michael Felton, The New York Times.

## YEARS TAKEN TO REACH 50 MILLION USERS

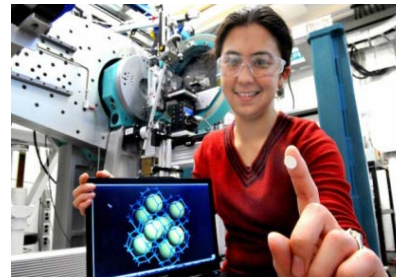
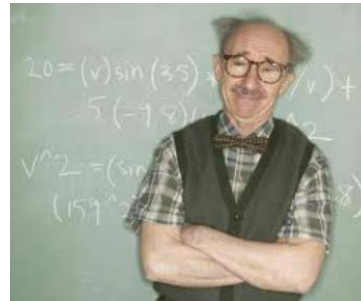


# Jobs at risk: medium and low-skills

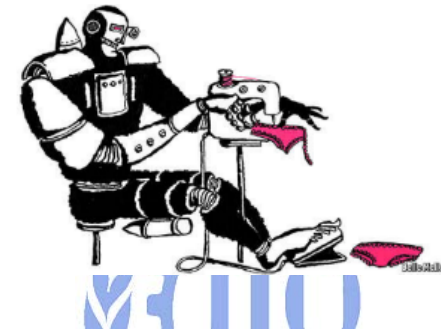
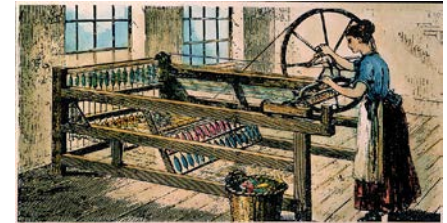
Routine, **medium-skill** occupations now compete with computers



Abstract, **high-skill** occupations have benefited from computers



Repetitive, **low-skill** jobs now being automated for the first time



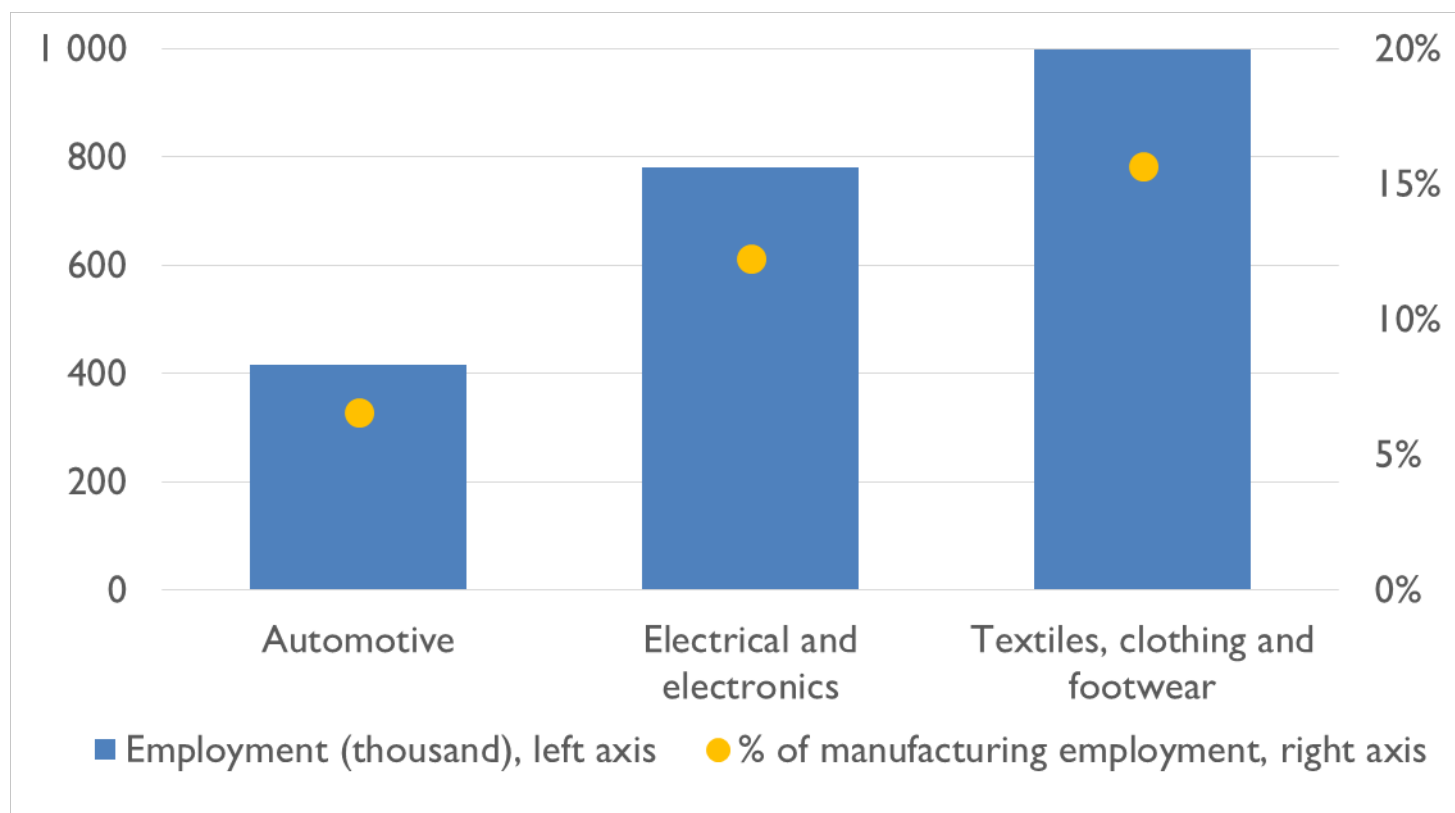
# Jobs at risk in Thailand

Employment shares by skills (%), 1995-2016

	Low skills- Male and female		Medium skills- Male and female		High skills- Male and female	
	1995	2016	1995	2016	1995	2016
<b>High income</b>						
Brunei Darussalam	26.7	13.9	50.2	45.1	23.1	41
Taiwan, China	21.5	24.9	53.4	41.2	25.1	33.8
Hong Kong, China	17.1	20	56	41.8	26.9	38.2
Japan	6.8	6.8	75.1	68.1	18.1	25
Korea, Republic of	11.2	12.9	72.4	65.3	16.4	21.8
Singapore	6.4	7.5	54.7	37.6	38.9	54.9
<b>Middle and low income</b>						
Thailand	10.6	10	76.6	76	12.8	14
Philippines	28.8	32.1	56.1	43.7	15.1	24.2
Viet Nam	69.8	40.3	24.9	49	5.3	10.7
Cambodia	4.3	17.3	91	78.8	4.6	4
Myanmar	31.4	30.7	64.8	62.8	3.9	6.6
Lao	1.2	1.1	94.2	93.4	4.5	5.4
Indonesia	17.3	16.3	76.3	73.5	6.3	10.2
Malaysia	10.7	12.7	67	61.4	22.2	25.9

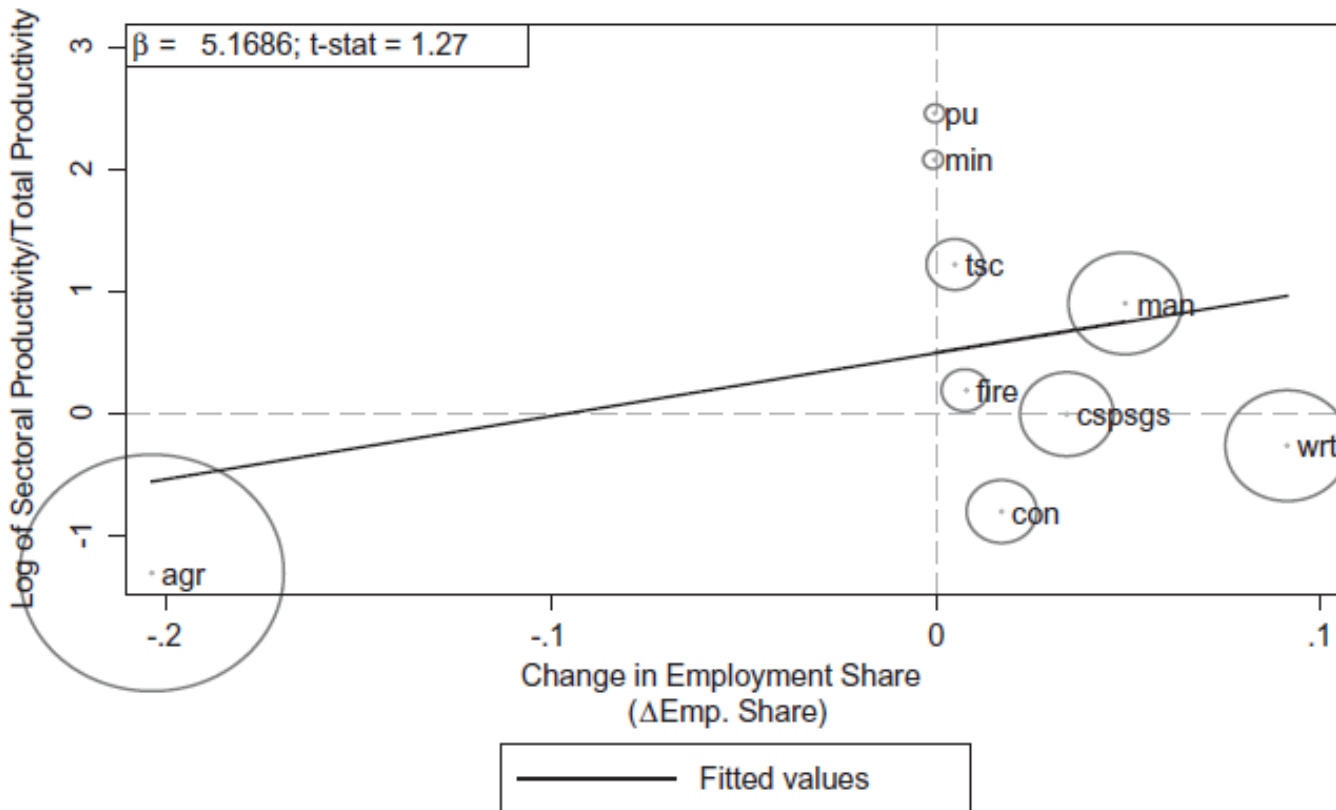
# Manufacturing employment → decent work

Total employment in automotive and auto parts, E&E and TCF (thousand) and share of total manufacturing employment (per cent), Thailand, 2015



# Structural transformation in Thailand: agriculture → manufacturing

Correlation between sectoral productivity and change in employment shares in Thailand, 1990-2005



\*Note: Size of circle represents employment share in 1990

\*\*Note:  $\beta$  denotes coeff. of independent variable in regression equation:  
 $\ln(p/P) = \alpha + \beta \Delta \text{Emp. Share}$

Source: Authors' calculations with data from Timmer and de Vries (2009)



# Key findings: ASEAN Report

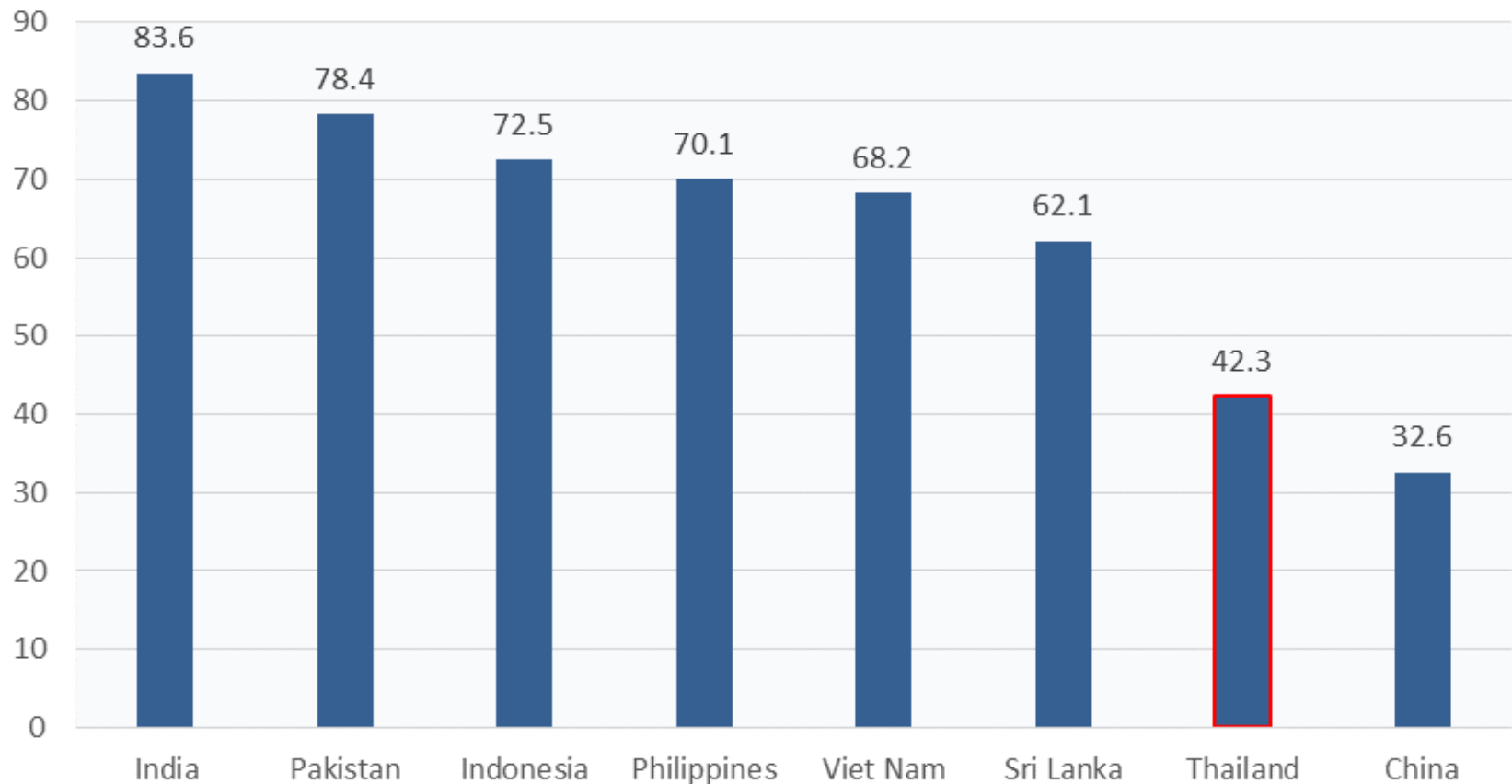
- In the next two decades, 44 per cent of jobs in Thailand are at high risk of being automated
- Technology adoption in Thailand will impact → low-skilled workers, women, youth and less educated workers
- Automotive and E&E sectors → “cobots” will collaborate with skilled workers and improve workplace safety
- TCF sector → automated sewing machines → 80 per cent of workers are at high risk of automation (mostly women)






# Informality in Thailand

Informal employment out of total non-agricultural employment, latest year available





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# Overarching goals

- **Generate a shared understanding** of the forces transforming the world of work
- Provide a **constructive global forum** for the exchange of ideas between the tripartite constituents
- **Articulate and promote policy alternatives** and good practices that can be replicated by governments and social partners





# Three stages

- **2016/17** – national tripartite Future of Work consultations
- **2017/18** – establishment and work of **Global High-Level Commission** on the Future of Work
- **2019** – Centenary celebrations and discussion of the report of the Commission – culminating in the **International Labour Conference**





# Four Centenary Conversations

- Work and society
- Decent jobs for all
- The organization of work and production
- The governance of work





# Strengthening our knowledge base in six areas

1. The **changing employment relationship**
2. Towards a **new social contract** or compact (incl. social dialogue, income distribution etc.)
3. **Labour demand** (including the role of technology, productivity)
4. **Labour supply** (including demographics, migration, unpaid work)
5. **Access to rights** and compliance
6. Role of macroeconomic policy, finance & investment





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**THANK YOU**

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