

Disruptive Technologies, Future of Work and Cooperative Future

15-16 November 2017

3rd International Conference on Cooperatives “Cooperative Transformation in the Changing Global Economy”
at Development Academy of the Philippines Conference Center, Tagaytay City, Philippines

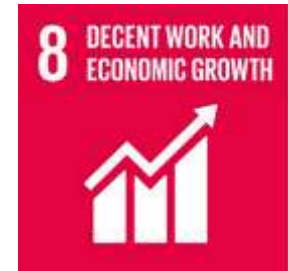
Hideki Kagohashi
Enterprise Development Specialist
International Labour Organization

Introduction: ILO and co-ops

International Labour Organization (ILO)



- The oldest UN specialized agency since 1919 responsible for world of work issues
- 187 member states
- 4 strategic objectives: standards, employment, social protection, social dialogue
- 4 pillars of the Decent Work Agenda: employment creation, social protection, rights at work and social dialogue
- A custodian of SDG 8



ILO and cooperatives



- From its creation, the ILO has recognized the importance of cooperatives as a means of implementing its mandate to achieve social justice and full employment
- It remains the only specialized agency of the UN with an explicit mandate on cooperatives
- It has a Cooperatives Unit since 1920
- The ILO Constitution gives cooperative organizations a consultative status

History of cooperatives in the ILO



Year	Events
1919	Albert Thomas, a French cooperator became the ILO's first Director
1920	Establishment of the Cooperative Service at the Office
1937	The first ILO "technical assistance" project on the development of farmer cooperatives in Morocco
1960	Expansion of technical cooperation projects on cooperatives
1966	Recommendation No. 127 is adopted (only for developing countries)
1971	Establishment of COPAC by ILO and FAO
1998	ILO's Decent Work Agenda is launched
2002	Recommendation No. 193 is adopted (applicable for all countries)
2004	ICA and ILO sign a Memorandum of Understanding under the MDG framework
2010	The first ILO/JCCU study tour for African cooperative leaders
2012	UN International Year of Cooperatives
2015	ICA and ILO sign an MoU to advance the 2030 development agenda via cooperatives
2016	International Cooperative Summit adopts a statement to the UN on cooperative movement commitment to achieving the SDGs including through the SDG8

Ariel Guarco meets Guy Ryder: strengthening historic ties between ICA & ILO



International
Co-operative
Alliance



International
Labour
Organization

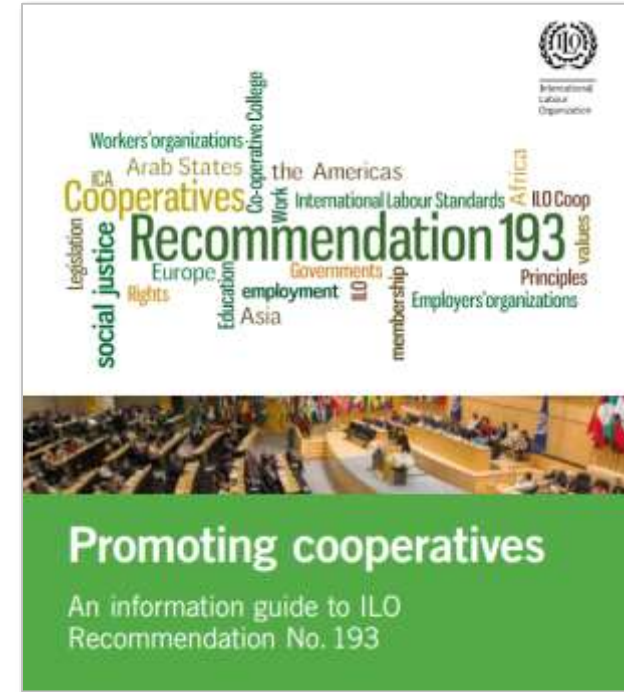


09 May 2018

ILO Promotion of Cooperatives Recommendation, 2002 (No. 193)



- Recommendation No. 127 only focusses on developing countries and the enterprise nature of cooperatives was underemphasised
- Recommendation No. 193 applies to all types and forms of cooperatives in all the sectors of the economy
- Recognizes the ICA cooperative values and principles
- Provides guidelines on the role of governments, employers' and workers' organization to create enabling environment for cooperatives



ILO Cooperatives Unit



- ILO services on cooperatives and other social and solidarity economy enterprises (SSEEs) are managed through the COOP Unit in the Enterprises Department
- COOP Unit services ILO constituents directly or through ILO's enterprise specialists in its field offices in close partnership with cooperative and SSE movements



New standard for co-op stats adopted
under the Philippine chairmanship



The International Conference of Labour Statisticians adopts guidelines on statistics of cooperatives

On 18th October 2018, the Guidelines concerning Statistics of Cooperatives were adopted at the 20th International Conference of Labour Statisticians.



20th International Conference of Labour Statisticians
Geneva, 10-19 October 2018



I. Disruptive Technologies and the Fourth Industrial Revolution impacting the Philippines

Q) What are the two sources of disruption
that are affecting the future of
the ASEAN economies?

“Global value chains are continuing to shift, especially from East Asia, but also increasing reshoring... New technologies are disrupting and fostering a technology-based model of production, challenging especially the region’s SMEs.”

[WEF (Sep. 2018) Shaping ASEAN’s Future Readiness]



“Trade war and costs speeding shifts of production to ASEAN and USA”

[Next Big Future, Sep. 21, 2018]

“Can ASEAN Turn Geostrategic and Technological Disruption into Opportunity?”

[Project Syndicate, Sep. 4, 2018]

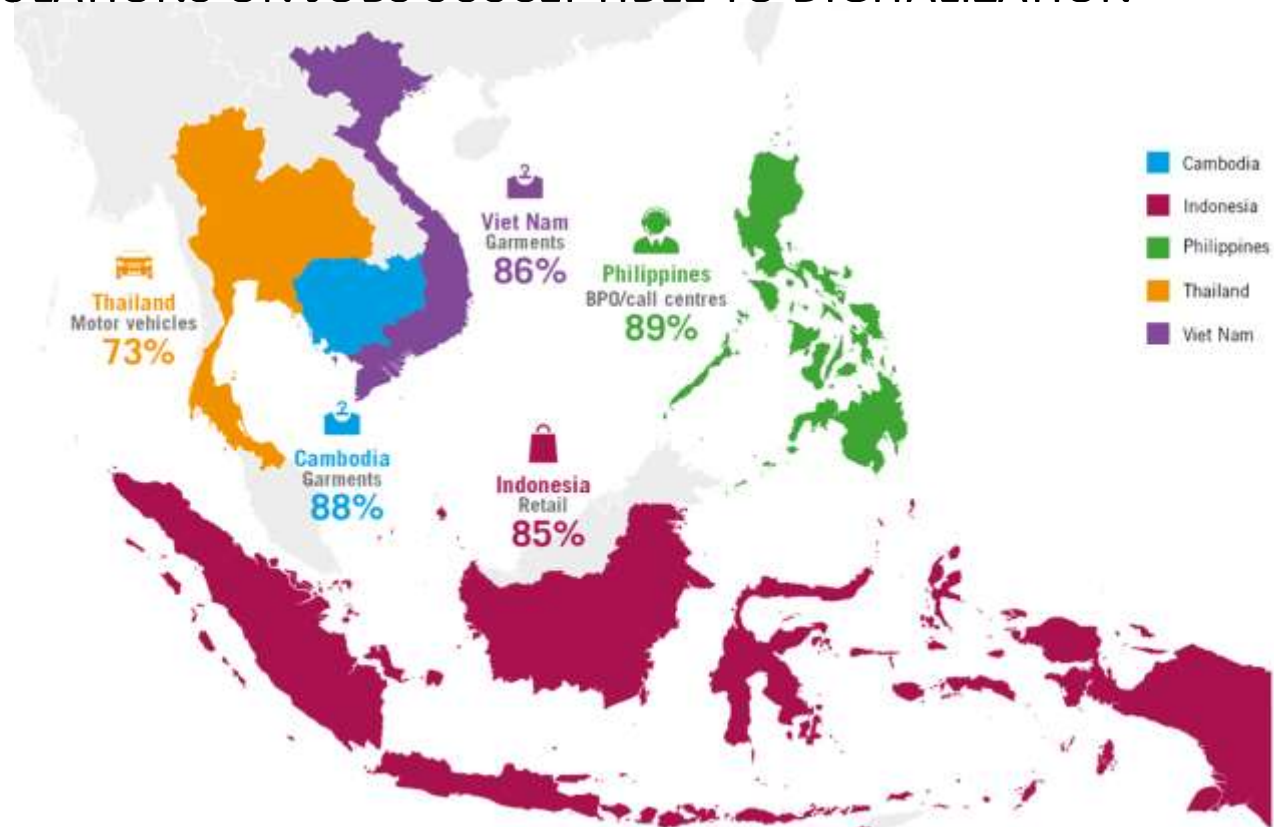


Reshoring Initiative
Bringing Manufacturing Back Home



WAGE WORKERS AT HIGH-RISK OF AUTOMATION IN KEY SECTORS IN ASEAN-5

SIMULATIONS ON JOBS SUSCEPTIBLE TO DIGITALIZATION



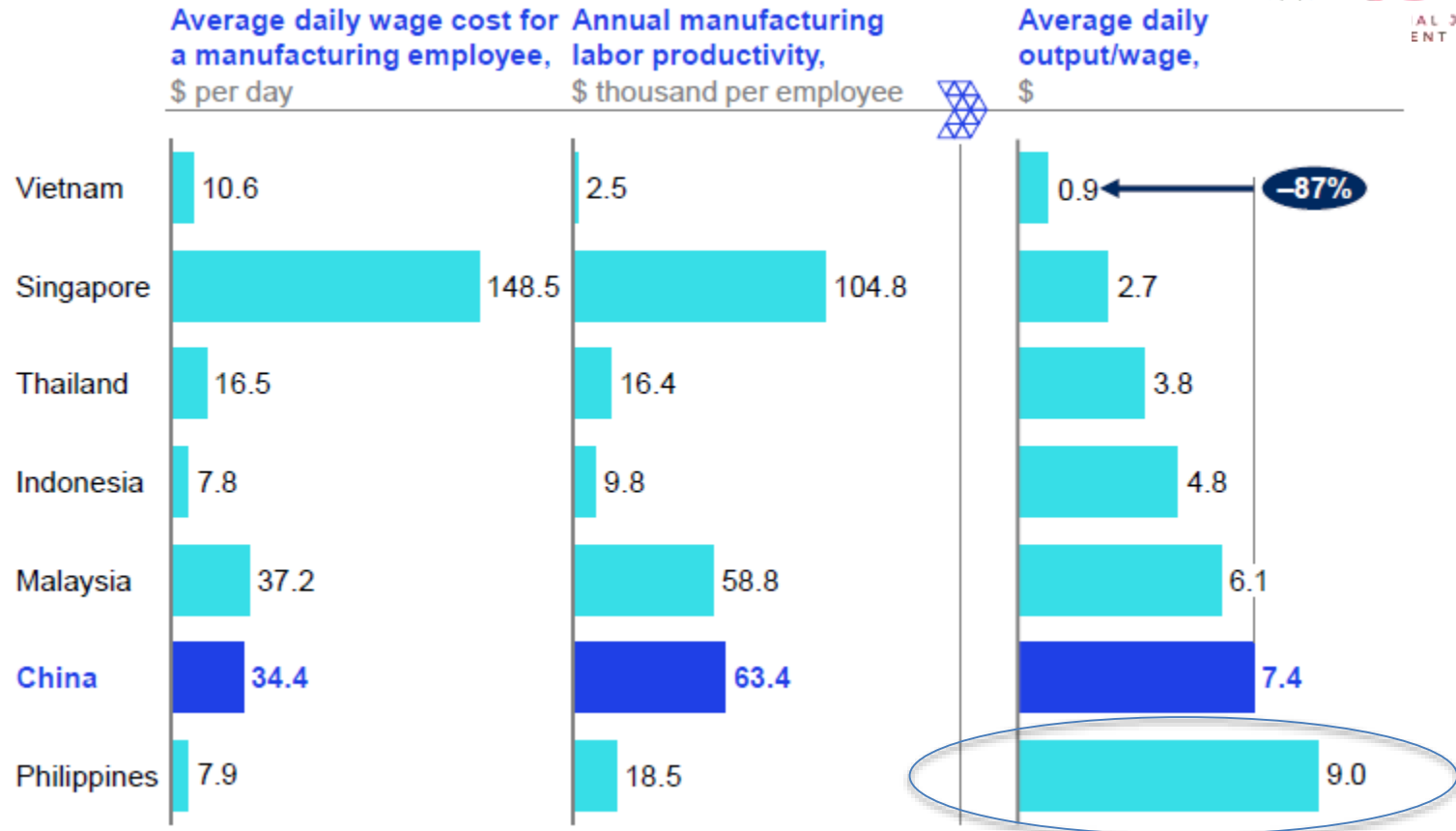
“Recent changes put the competitiveness paradigm of low-cost manufacturing exports as a means for growth and development at risk. ”

“The quality of labour and higher productivity will be the new source of production advantages.”

[World Economic Forum and A.T. Kearney (2018) *Readiness for the Future of Production Report 2018*
and

World Economic Forum and A.T. Kearney (2018) *Shaping ASEAN's Future Readiness*]

Philippine manufacturing labour competitive

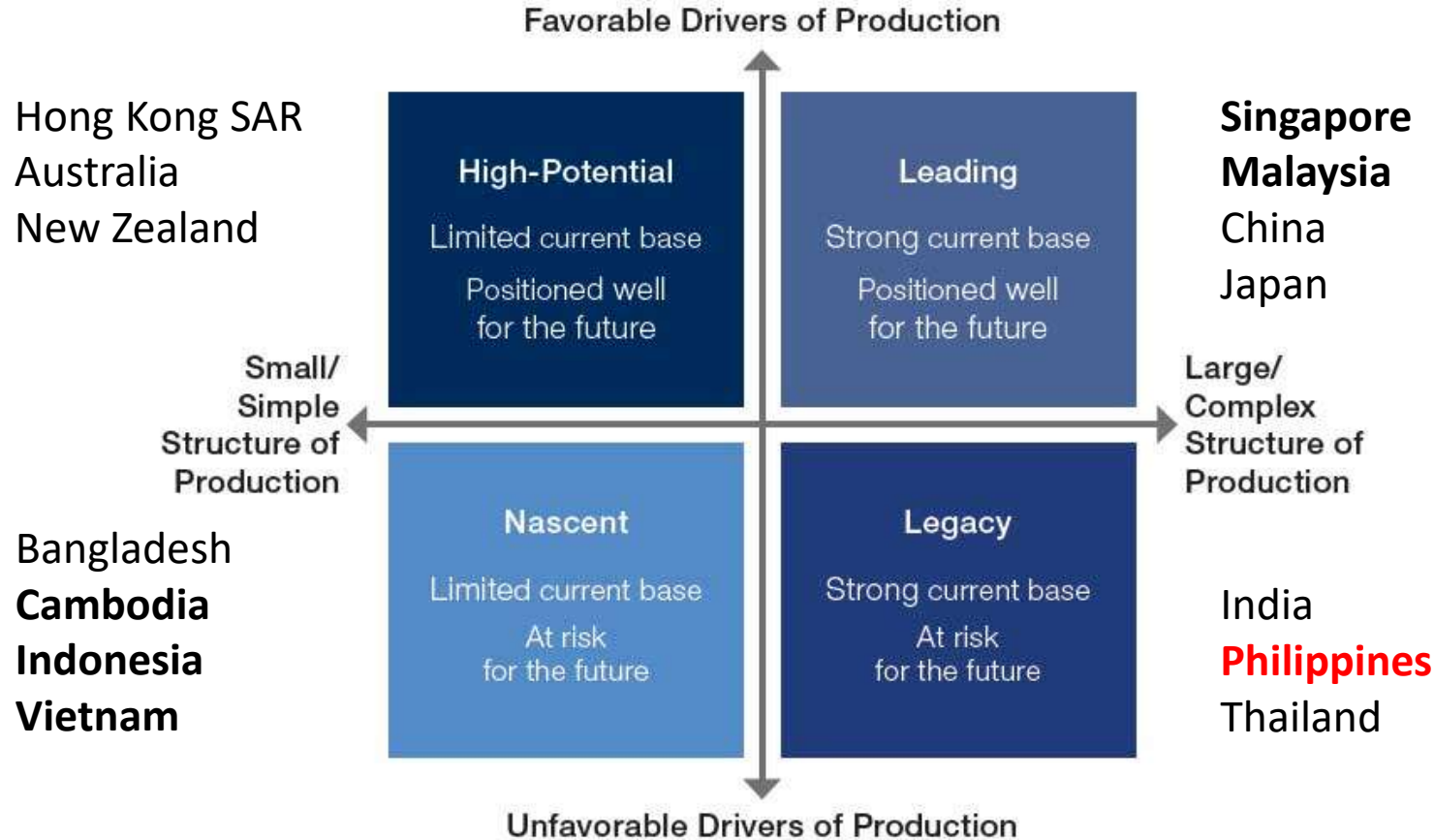


Q) Is Philippines adapting to Industry 4.0?

“The recent assessment report of WEF showed that Philippines has a low level of readiness for future production ”

[Asec. Aldaba, DTI, quoted by the Philippine Information Agency on May 17, 2018]

PHL belongs to the “legacy” countries category



Philippines geared towards Industry 4.0



DOST gears up for Industry 4.0, launches SETUP 2.0 at S&T Week



EU Manufacturing & Industry 4.0
Business Mission to the Philippines
(inc. Assembly and Services)

Oct 1 - 5, 2018 • Manila



The Fourth Industrial Revolution
(FIRe): An Overview



Philippine Institute for Development Studies
Tulay sa mga Pag-unlad ng Pilipinas



Firms working on Industry 4.0 in PHL



Cal-Comp to bring PH to the future



LOZATECH 360

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gram industrial inc.
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Nascent but vibrant startup scene in PHL

Philippines FinTech Startup Map 2017

Overview

Powered by



Remittance / Blockchain



Comparison



Alternative Finance



Credit Rating & Analytics



Payroll / HR



Payments & Mobile Wallets



- Over 200 startups
[PwC (2017) Off to a great start: The Philippine startup ecosystem]
- 60+ FinTech startups
[Philippines FinTech Startup Report 2017]
- Access to global startup investors

Blockchain is here, disrupting banks and others



Blockchain Association of the Philippines established



“SWIFT is Expensive’: Major Philippine Bank Taps IBM for Japan Blockchain Remittance”



“Ateneo, MediXserve launch 1st university-based blockchain research center”

II. Future of Work challenges & opportunities related to disruptive technologies

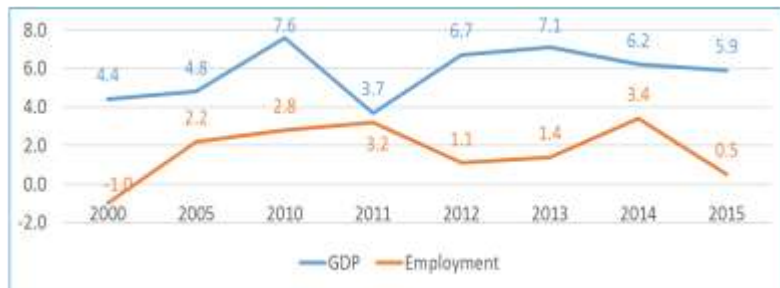
*“There is growing dissatisfaction with the increases
in the precariousness of the labour market ”*

Precariousness & other challenges remain in PHL labour market despite the high growth and the decline in vulnerable employment



Job-slow growth (job-less growth in 2017)

GDP and employment growth (in percent)



Large informal employment

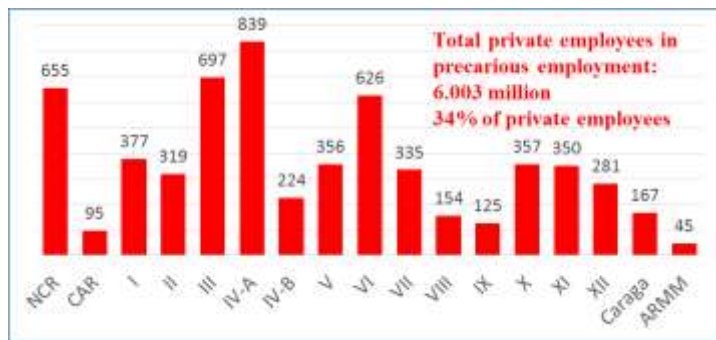
Informal employment (in percent)



→ Continuing reliance on OFWs & remittances

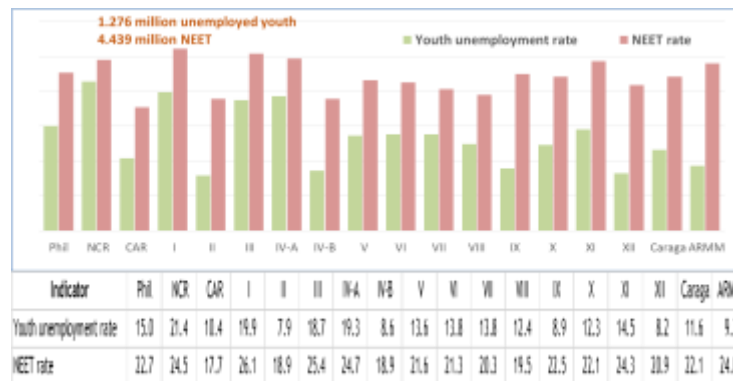
Growing precarious employment

Employees in precarious employment (in thousands)



High youth unemployment & NEET rate

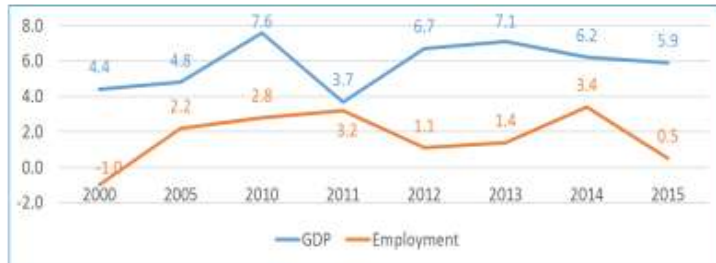
Youth unemployment and NEET rates by region (in %)



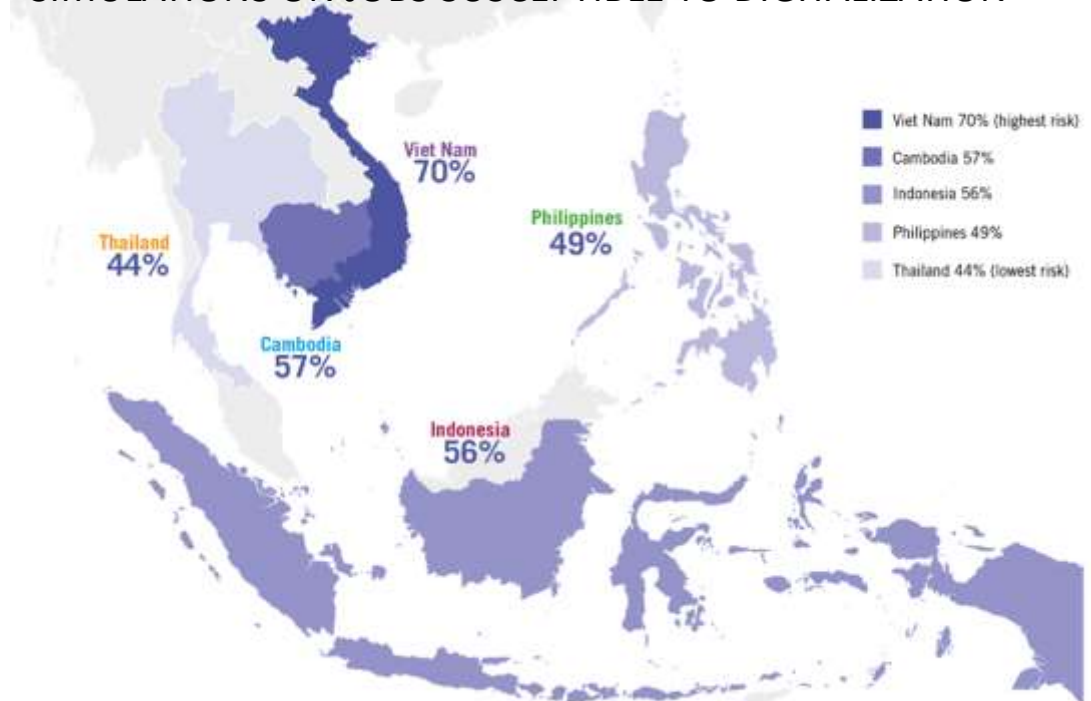
The technology and jobs analysis “coincided” with the “job-less growth” of 2017

WAGE WORKERS AT HIGH-RISK OF AUTOMATION IN ASEAN-5 SIMULATIONS ON JOBS SUSCEPTIBLE TO DIGITALIZATION

Job-slow growth (job-less growth in 2017) GDP and employment growth (in percent)



[ILO (2017) Decent Work Country Diagnostics]



[ILO (2017) ASEAN in Transformation: How technology is changing jobs and enterprises]

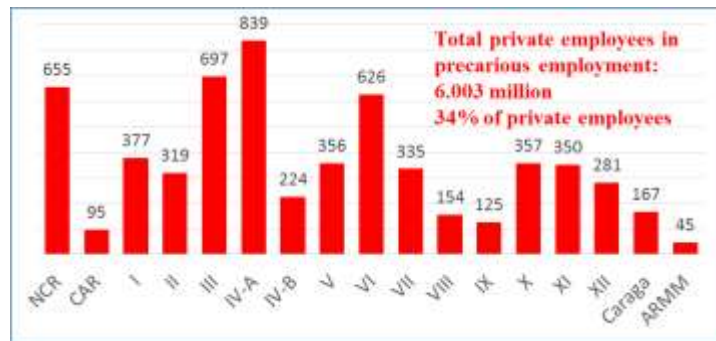
Q) Can the retrenched workers due to technology catch up with the increasing requirements in the jobs of tomorrow?

The contractualization regulations come to co-ops



Growing precarious employment

Employees in precarious employment (*in thousands*)



[ILO (2017) Decent Work Country Diagnostics



DEPARTMENT
ORDER No.
174

EXECUTIVE ORDER NO. 51

IMPLEMENTING ARTICLE 106 OF THE LABOR CODE OF THE PHILIPPINES, AS AMENDED, TO PROTECT THE RIGHT TO SECURITY OF TENURE OF ALL WORKERS BASED ON SOCIAL JUSTICE IN THE 1987 PHILIPPINE CONSTITUTION

Blockchain traceability in your smart phone

A grassroots approach to proving fair pay with Fairfood



Arjo Wiyadi is one of 55 farmers who took part in a joint effort by Fairfood and Provenance to prove fair pay with blockchain technology.

In the regular sales processes, it's almost impossible to find out what a farmer receives for the goods they produce. Our work with Dutch NGO Fairfood brings greater transparency to the coconut industry, using blockchain to prove fair pay.

Together with Fairfood, we used blockchain technology in creating a grassroots approach for proving fair payment in coconut trade. How did we do this? First, we enabled 55 farmers from Yogyakarta, a town on the Indonesian island of Java, to connect with Provenance software via SMS. We then integrated with Fairfood's platform, designing a proof of payment mechanism to verify and display a visual representation of farmers receiving the Living Income Premium (LP) for their harvest. The premium is derived from the United Nations formula for living wage, which considers location, family size, and modes of transport, to determine a satisfactory living wage per nut, shown in Euros.



PoP (Proof of Payment) webpage displaying the Living Income Premium verified by Fairfood, and powered by Provenance blockchain technology.

Blockchain for worker rights initiatives



Food Supply Chain

Brewing blockchain:
Tracing ethically
sourced coffee



Cobalt: blockchain tested in
the DRC in an effort to
combat child labor



BUSINESS NEWS, AUGUST 11, 2018 / 2:38 AM / 34 DAYS AGO

Coca-Cola, U.S. State Dept to use blockchain to combat forced labor

Gettrude Chavez-Dreyfus

5 MIN READ

NEW YORK (Reuters) – Coca-Cola Co (KO.N) and the U.S. State Department along with two other companies said on Friday they are launching a project using blockchain's digital ledger technology to create a secure registry for workers that will help fight the use of forced labor worldwide.



With the Grab-Uber merger in the Philippines,
the gig economy euphoria is gone...

“Increasing concerns around tech monopolies and the potential erosion of workers’ rights through the gig economy have raised questions over who really holds control over the platforms”

[New Economics Foundation (2018) Disrupting Together: The Challenges (and Opportunities) for Platform Co-operatives]

ILO supporting the Future of Work dialogue



FoW is a three-stage global research
-dialogue of the ILO towards 2019.

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



III. Cooperative Future: challenges and opportunities

“In today’s changing world of work, there is a need for alternatives that can reverse the deterioration of worker rights. Cooperatives have a unique opportunity to make an impact, given the growing global requests for new forms of business and growth models”

[Simel Esim, Manager, Cooperatives Unit, ILO]



Significant co-op presence globally



- 2.94 million co-ops w/ 1.13 billion members
- **Generated 279.4 million jobs (9.46% of the world's employment):**
 - 10% *in co-ops (co-op employees or worker-members)*
 - 90% *within the scope of co-ops* (mainly self-employed producer-members in agriculture)
- the largest 300 cooperatives across 25 countries had a turnover of 2.5 trillion USD in 2015

Philippines represents the strong co-op presence in Asia Pacific



Total coop membership
in Asia
**550
million**

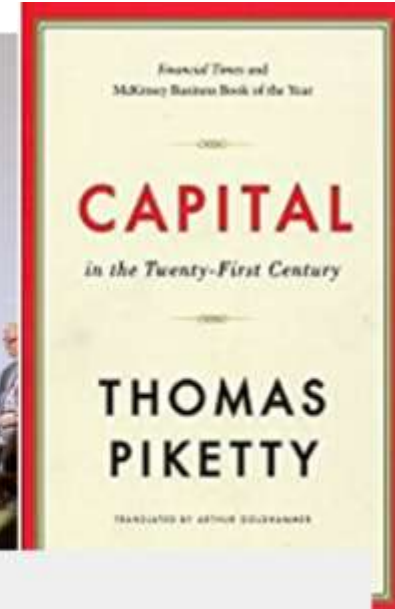
Direct jobs
created in
Asia
**220
million**

Coops in the
Philippines
have
13 million
members

In Malaysia
27% of
the total
population are
members

Coops in
New Zealand
produce
3% of
GDP

Rise of the Social & Solidarity Economy (SSE) out of the market/government failure



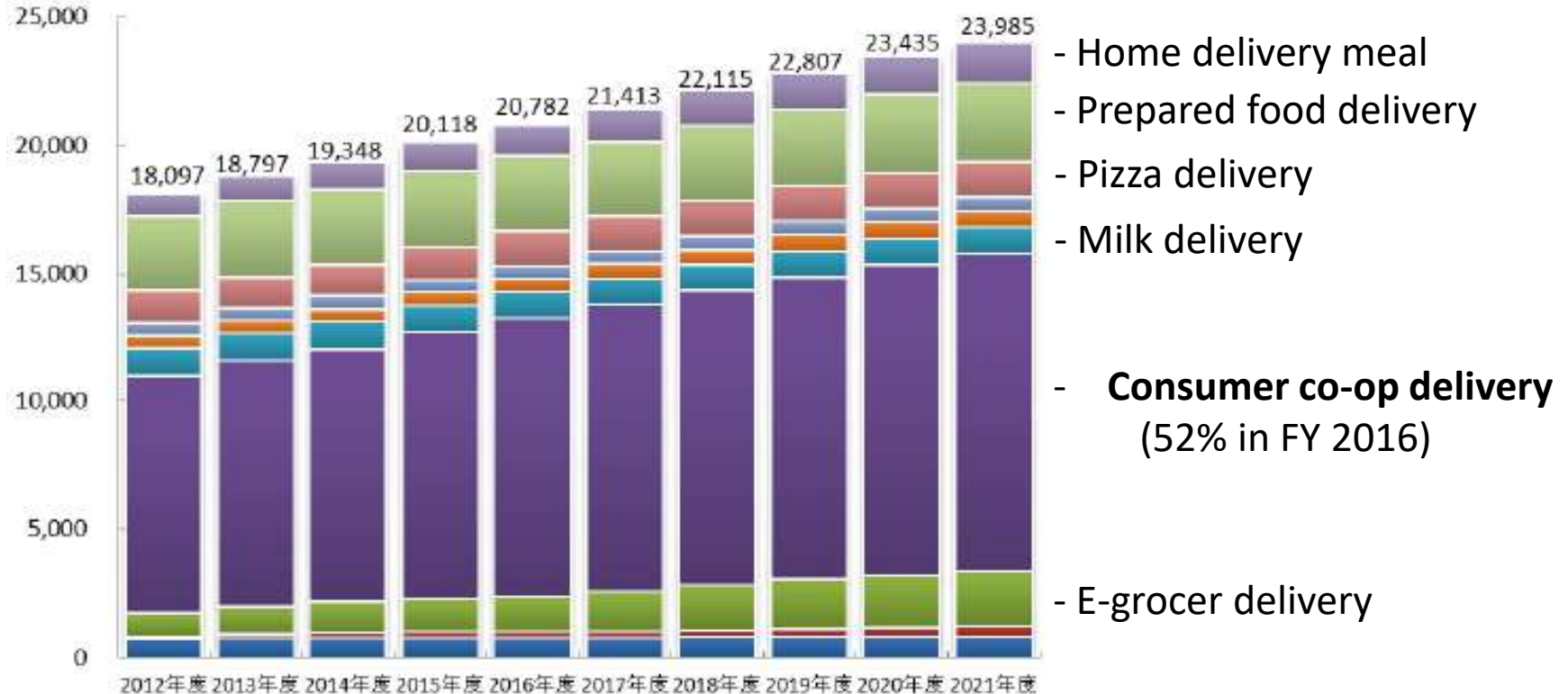
Inter-Agency Task Force on
Social and Solidarity Economy

Bigger-than-Amazon co-op delivery in Japan



100 mil yen

Growth of the food delivery market in Japan



Growth of the platform e-grocer in India – years after the co-op success in the White Revolution

Started in 2011, bigbasket.com grew to occupy more than half of the Indian e-commerce market. With investment from Alibaba, it is seen to become a next unicorn and competing harshly with Amazon in India.



bb big basket

1860 123 1000 | 100 Feet Rd-Koramangala, Bangalore

Search for Products...

NEW LAUNCHES

My Basket 0 items

SHOP BY CATEGORY | OFFERS | BB EXPRESS | BB SPECIALTY | MORE STORES

fresho! FRESH FRUITS & VEGETABLES DAYS

Buy fresh fruits & vegetables

LOWEST PRICES* Every Wednesday & Thursday

Apple - Kashmir 4 pcs bb Price ₹89

Orange - Ningsur 1kg bb Price ₹45

Baby - Kiwi 500 gm bb Price ₹49

Powdered Snacks | Fresho Dips | Drishti Chutneys | Organic Store

Why choose bigbasket?

- Quality you can trust
- On time guarantee 10% value back if not on time
- Free delivery on orders above ₹1000
- No questions asked return policy

Dry Fruits | Sweets | Chocolates | Deals of the Week | Hot Beverages | Winter Fruits

Cooperatives tapping blockchain



“Next, the Internet: Building a Cooperative Digital Space”

“FairCoin activates the world’s first ‘co-operative’ blockchain”

“Ark, a new all-in-one blockchain solution available to users, developers and startups, is using the innovative smartbridge system to offer flexibility and power like never before. It is the first blockchain ecosystem to be incorporated in the European Union, having been incorporated in France as a cooperative society. “

Platform cooperativism explored



Emerging cooperative responses
to gig economy in Asia (ILO)



DISRUPTING TOGETHER

THE CHALLENGES (AND OPPORTUNITIES)
FOR PLATFORM CO-OPERATIVES

Directory: Platform Cooperativism
Platform Cooperativism Consortium
supporting the **platform co-op** ecosystem

More on ILO's *cooperative future* debate



Spotlight Interviews with Co-operators



**Interview with
Trebor Scholz –
connecting
cooperatives to the
future of work,
digitally**

**NeedsMap: Visualizing and
matching social needs
through an online cooperative
platform in Turkey**



FoW Issue Note Series



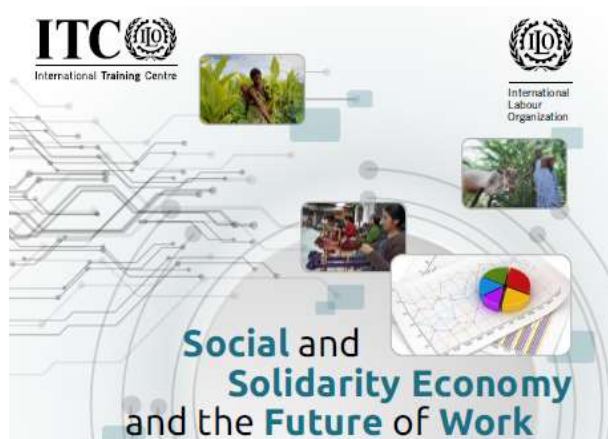
The world of work is undergoing major changes that will continue, and potentially intensify, in the future. To better understand and in order to respond effectively to these new challenges, the ILO has launched a "Future of Work initiative" and proposed four "centenary conversations" for debates in the years leading up to its centenary anniversary in 2029: (i) work and society; (ii) decent work for all; (iii) the organization of work and production; and (iv) the governance of work. This Issue Note Series intends to provide an overview of key trends and issues in selected thematic areas of particular relevance to the "centenary" with a view to informing and facilitating dialogue and debates at the national, regional and global levels.



**COOPERATION IN A CHANGING
WORLD OF WORK:**

Towards a cooperative future*

SSE
&
FoW



Are we ready for disruptions
and
for a cooperative future?