

# HOW IS WORK CHANGING?

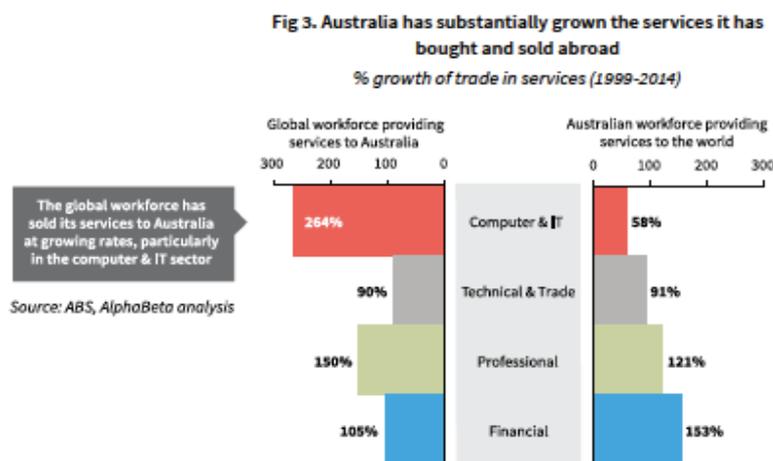
Young people can struggle with challenging pathways into work. Around Australia, nearly one in three young people are currently unemployed or underemployed. On top of this staggering underutilisation of our young talent, around one in seven young people who are not studying have stepped out entirely from the labour force and don't appear in the unemployment figures. For those who are working (and not studying), the work is often part time. More than one in three 15-19 year olds (39%) who are not studying and one in four 20-24 year olds (26%) are in part time work. Looking forward, the revolution in work for young Australians will be driven by three economic forces, one of which is detailed here:

## GLOBALISATION – OUR WORKFORCE GOES GLOBAL AND THE GLOBAL WORKFORCE COMES TO US

The globalisation of labour is not new. For at least 50 years, many companies have viewed their potential labour pool as not just in Australia, but global. Companies manage labour from different countries in different parts of their supply, production, distribution and sales channels. Technology, especially the internet, increases the globalisation of labour, as employers and workers can more easily connect and transact across the world.

In the future, we should expect that people won't always work in the country they are born in. This is known as physical mobility of labour. Nowadays, physical mobility of labour is so mainstream that a survey of more than 200,000 individuals worldwide found that nearly 2 in 3 respondents were already working overseas or willing to move abroad for work. While the physical mobility of labour is nothing new, the rise of the virtual global worker, or working for someone in a different area or country is a new and potentially very disruptive force. Technology, especially digital talent platforms like Upwork, enables people to provide their services to a global employer base and still remain in their local area to conduct the work. In particular, online talent platforms allow companies to tap into talent from geographies that are lower cost or hyperspecialised (offering a high level of quality in a more specialised way) in skills. As Bill Gates has observed, "We're going to tap into the energy and talent of five times as many people as we did before."

The relocation of global manufacturing and its supply chains to countries with cheap labour may well be repeated in other areas of work, but this time with remote service work. It has been estimated that 11% of the world's service jobs can be performed remotely (using the internet). As Figure 3 shows, over the past 15 years there has been strong growth in the labour services purchased from abroad by Australians in computer and IT, technical and trade, professional and financial services.



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In some categories, such as IT, services purchased from abroad are growing at a much faster rate than our sales of services to the world.

The birth of online digital platforms will only continue this trend. Australians will now need to compete with virtual talent from many other countries. Australian businesses are already sourcing work remotely. Australia is not among the top five source countries for work paid by Australian businesses on Upwork. Before allocating work to Australians online, Australian businesses are sourcing work (especially IT work) from India, Philippines, US, Bangladesh and Pakistan.

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