

Senate Inquiry into the Future of Work and Workers

Submission

Scenario Analysis of Australian Work Futures

Introduction

This submission draws on over two decades of experience working with scenario methods, in research, consultancy and teaching in the UK, Europe, Asia and Australia. The author has contributed to innovations in scenario methodologies and has held senior academic posts in UK universities, at RMIT University and, currently, QUT Business School in Australia. Scenario methods are ideally suited to analysis of complex, ambiguous, ‘wicked’ problems to which there is no single right answer, only a range of options to be explored and assessed against each other. Option selection here requires trade-offs of particular maximised opportunities over other possible choices.

Specifically, the approach proposed here is based on application of a ‘critical scenario method’ (CSM), in which current and near-future decision and action options are considered in relation to their potential impacts on the full range of stakeholders – groups and individuals that can affect or be affected by such decisions and actions – with the intent of promoting thinking to inform action for the greater good of society and the broad environment.

With regard to the future of work and workers, scenario methods will prove particularly effective in addressing the following issues, related to the terms of reference noted:

1. Variations in working patterns and job security (item a)
2. Different impacts of change relating to demographic and geographic considerations (item b)
3. Potential effects of change on inequality, the economy and society, as impacted by government decisions (item c)
4. The impact of factors in the international arena (item e)

Overview

This submission addresses critical complexities and uncertainties that will impact the nature of future work in Australia. Some of these issues lie in the global or international arena, where Australia may have limited influence to impact their outcome over the next decade or so. Others are situated in and shared across the national domain, but will be subject to external influences from the international arena. Finally, there are issues that are defined by conditions that are specific to a region or community within Australia, but are again subject to external forces. The factors that will drive these issues are spread across the political, economic, social, technological, ecological and legal (PESTEL) domains. Exploring the complex and dynamic interrelationships and interactions between them will be central to resolution of any issue they impact. Understanding of these relationships requires detailed knowledge of: i) who are the key stakeholders with power over decision making, and ii) what are the core interests of these stakeholders as they make these decisions.

The range and complexity of the ‘driving forces’ that will determine how each will be resolved, and of the stakeholder constituency that will impact and be impacted by this resolution, precludes any notion of predicting ‘the outcome’ of any issue. Rather, it requires an approach based on the use of scenario inquiry and methods, to elicit the full range of possible and plausible futures that might unfold, and to inform decision making in the present and near future to seek to steer towards a best-case outcome, or to build resilience in the face of a possible worst-case resolution beyond national and local control.

Futures of Work and Workers in Australia – Uncertainties and Unpredictable Complexities

While many commentators talk of new opportunities for work and employment in the ‘digital age’ – drawing on examples such as fintech start-ups and autonomous transport options – others point to the dangers of human input being supplanted by technologies. For some, new businesses and skill demands will define an expanding and vibrant economy with new job opportunities, while for others, a loss of existing jobs and growth of part-time and non-contract employment will foster increasing socio-economic fragmentation and precarious living for many. Similarly, while some individuals believe that the new openings will be spread across the nation – based on ubiquitous technological access – others consider that the limited opportunities will be focussed on existing centres of economic and technological strength.

The key premise underpinning the approach proposed and discussed here is that neither of these sets of opposing opinions is likely to be proven ‘right’, to the extent that the other is ‘wrong’. Arguments for and against particular views tend to be politicised and selective in their underlying logic. Here, a key point of critique of dominant political and media debates is that they rely by and large on such dichotomous choices. In contrast, if it is accepted that *both* sets of propositions and outcomes are likely to be proven in part correct and in part wrong, issues of power and interest in arguing for a single outcome will be surfaced and interrogated.

Accepting that both outcomes are possible and, to some degree, likely, the extent to which each evolves will be dependent on the unfolding of factors that, while largely unpredictable, are also to a large extent knowable and understandable. The outcomes will be determined by a mix of impacts of issue resolutions at the global, international, national, regional and local levels, where these are interrelated and subject to certain logics of causality and chronology. Such logics underpin the application of scenario methods to explore the full range of possible and plausible futures, to inform effective and inclusive decision making.

Knowing the Boundaries of Influence and Control

In the contemporary, connected world, decisions and actions in the global and international arena will impact the environment for job creation and working conditions in Australia. Factors of impact will include, but are not limited to:

1. Evolving politics in Trump’s US, the state of the US economy and the nation’s relations with other countries
2. The outcome of the November 2020 US Presidential election and the resultant dominant politics
3. China’s rate of economic growth, demand for resources, and its relations with its Asian neighbours and the US
4. Resolution of the Brexit issue for the EU and the UK, and the changing nature of internal politics of the EU
5. Unfolding conditions in the Middle East, the Syrian conflict and Israel’s relationships with its neighbours
6. Climate change events and impacts, food and water security, and emergence of climate refugees
7. Effectiveness and take-up of new technologies, integration, cybersecurity and cyber-terrorism

How these, and other global/international PESTEL factors will drive the future and impact on Australia’s economy and work environment is largely unpredictable, despite the views of some

‘expert’ commentators. However, the range of possible and plausible outcomes from each, and the logics of how they might reasonably interact with one another in terms of cause and effect, are to a large extent knowable and understandable through the logic of scenario thinking.

Development of macro-level global/international scenarios can outline the ‘limits of possibility and plausibility’ for alternative futures – for example: a) increased international cooperation to address critical issues of conflict, global security and ecological impacts, marginalising extremist actions and prompting economic stability, or b) protectionism, nationalism and ‘homeland security’ dominate, fomenting conflict between nations and decreasing global security, with related economic turmoil and environmental degradation. These examples are directed at outlining extremes of political, economic, social, etc. conditions, whereas the world tends not to unfold at extremes. However, if individual elements are not totally implausible, they must be considered possible. Similar extremes can be considered in relation to all such issues of political, etc. concern that are not predictable in their outcomes, whether at the global, national, regional or local level.

While Australia will play a role in the direction of the macro-scenarios, other players will have equal and in some cases greater influence and impact. As such, Australia must be prepared to respond internally to what may be negative and potentially damaging global conditions. What is certain is that the nature of work and employment in Australia, at all levels, will be impacted to some degree by all such conditions in other parts of the world, as in the concept of the ‘butterfly impact’ in chaos theory, whereby a butterfly flapping its wings in Brazil can influence the development of a tornado on the other side of the world.

Working with Scenarios – the ‘So What?’ Question

Development of a set of up to four macro-level scenarios that outline a full range of possible and plausible futures for the global political, economic, social, ecological, technological and regulatory environments provides a basis for exploring options for policy and planning in Australia, at the national, state and regional levels. Whether the global conditions are viewed as ‘best’ or ‘worst’ case, there are options for Australia to consider. Where global conditions are at their best, this nation’s leaders may decide:

- a) To make the most of these conditions to build a sustainable and resilient long-term future for Australia’s population and the broad economy, putting people before profit
- b) To take the most from them, through enabling short-term profit maximisation and return on investment for business

On the other hand, where global conditions are seen to be at their worst, there are again choices to be made in:

- a) Restricting spending and living with austerity and unemployment to await regrowth of business
- b) Cultivating a non-monetary economy of local exchange, resilience and self-reliance by communities

As with other factors discussed above, these choices need not necessarily be either/or, but can be both/and options, dependent on political will and societal aspirations and support. As such, the eventual outcomes of critical issues of work and employment at the local level in communities will be influenced and impacted by global conditions, will be subject to national political decisions and policy making, but can also be subject to local cultural conditions of either self-reliance and resilience, or of ‘learned helplessness’ and resignation.

In relation to issues of work, employment and social equality, critical questions that invite scenario-based inquiry employing a CSM approach include, the extent to which:

- a) New technologies are seen as vehicles for maximising business effectiveness and profit, or as tools for improving conditions of existence for the populace at large
- b) New job opportunities are fostered at the national, regional, local level through new business development and support, or are accepted as emerging in the international arena subject to demands of multinational company profit and rationalisation
- c) Communities are encouraged and enabled to build local skills, capabilities and resources to address their immediate needs, or are subject to national/international conditions of doing business in a competitive global economy

Summary

Scenario inquiry will enable an open and inclusive consideration of the potential nature of work and employment in Australia over the next decade. The approach embraces all factors from political, economic, social, etc. arenas, and from the global, national and local levels. In addressing the resultant complexity and ambiguity, it applies both rational and intuitive logics in order to make sense of matters of causality and chronology, whereby the future remains unpredictable, but becomes more knowable. Scenario narratives provide vehicles for assessing different policy and planning options in terms of their potential impacts and outcomes for all stakeholders.

Key to the development of effective scenarios is recognition of and working with a combination of evidence-based analysis and precedent-based, intuitive thinking. Such an approach recognises that ‘hard’ science can provide factual evidence for rational decision making but that, in a world of ‘fake news’ and ‘alternative truths’, human judgment and action is frequently influenced by issues of dominant power and interest, particularly in relation to complex issues in which there will be ‘winners’ and ‘losers’ no matter what the outcome. The key factor here is that decisions are made after consideration of all possible inputs and outcomes, that the matter of winners and losers has been overtly addressed, that the basis of decision making is transparent and open to public scrutiny and, hopefully, that implemented decisions are designed to maximise long-term benefit for society and the environment at large, rather than for the immediate profit of a small section of vested interests.

Bibliography

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