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The technology paradox: Is it a great equalizer for some, but digital divider for others?

Interview with Dorothea Schmidt-Klau, Senior Economist in the ILO's Employment Policy Department.

Introduction by host:

Welcome to the ILO Employment podcast series, Global Challenges, Global Solutions: The Future of Work.

I'm your host Tom Netter, and today we're going to look at the impact of technology on equity in the world of work.

Is the growth of technology the "great equalizer" in the world of work? On the one hand, technology has made enormous advances in the past few decades, improving many people's lives, and leading to incredible breakthroughs in the world of work.

On the other, tech may have its downside.

While accelerating technologies have benefited those with access and advanced communications capacity, it may also be increasing inequalities and creating a chasm of social and economic division.

That's because technology tends to favour individuals from certain income and educational attainment levels, while placing others – in particular, women, youth, older

workers, people living in rural communities, indigenous persons, and people with disabilities – at a digital disadvantage.

In this episode, we'll explore this issue, and look at some of the key observations on the impact of technology that emerged during previous episodes of our podcast series.

Our guest today is Dorothea Schmidt-Klau, Senior Economist in the ILO's Employment Policy Department.

Tom: Dorothea, welcome to the programme. It's good to have you here with us again. Let's begin with a basic question. While new technologies have definitely benefited a large swath of the world's population, others, vulnerable populations, disadvantaged or isolated social groups, aren't getting the same advantages. Is this really the case?

Dorothea: Well, unfortunately, the answer is a clear yes. Being vulnerable most often comes with a certain set of characteristics. You have less education, less skills, less training. You have less money. You live in an area that is less well connected, et cetera. All these characteristics contribute to the fact that you cannot profit from technology. You cannot handle it because you don't have the training to do so. You have no resources to buy technology because your income is just simply too low. And anyway, in your area where you live, which is a typical low-income area, you have no internet connection. And given that you need to share your workspace with your children, who you cannot send to childcare because it's too expensive, working from home is a very limited option. Well, I'm painting this very negative picture because it actually is the reality of many vulnerable groups. And the interesting and important thing is, it's not only for vulnerable groups in the Global South, but it also happens in developed economies.

And we saw this during the crisis, and we see it all the time. And I would even go a step further. Vulnerable groups do not only get the same advantages as others, but there are some specific disadvantages they get on top from technology. Why am I saying that? Well, we know technology can help improve workflows, it can make better workplaces, and it can create many new jobs, but it can also increase pressure on people who are working through its possibility to control people. So this is the word we all use, algorithmic management, which is really a promise for some, but it can be a curse for others. And we know that it's usually the jobs at the bottom end of the production line that do see more stress nowadays, because of the ways that technology can actually control the work of the people. And this is obviously something that we need to avoid. The misuse of technology is really a big threat.

Tom: Well, thanks for that, Dorothea. You mentioned the crisis. I'm assuming that you're referring to the impact of the COVID-19 pandemic. Did this lead to greater access to technology for some, like those who could work from home, and thus greater equality, or did it lead to lesser access for others? And I guess I'm asking whether the pandemic, coupled with technological growth, was a “double whammy” for the most vulnerable?

Dorothea: Well, definitely there was no greater access. The access was more or less a given, but there was an increasing awareness that technology can be used in a positive way. For example, for teleworking, for distance learning, for online shopping, et cetera, et cetera. Telework can be an option, especially for women. But there is the high risk that it just simply adds to the already over proportional level of work that women do at home. It just simply adds a job. So, you end up with women doing two jobs, working from home, plus caring for their home. In that case, the increase of stress is just tremendous, and that's what we really saw during the pandemic. Women at home were much more stressed than men at home, and that was just simply because they had this double duty.

It continues to happen now. Teleworking has become a concept which is now much more common because of the two years where we used it during the pandemic. But we see that the stress levels, especially for women, is increasing. However, we should not forget that the pandemic has shown that technology can, in the ideal case, help to find a better work-life balance. It can improve the situation of isolated people. It can connect the world without having to travel, et cetera, et cetera. In theory, everybody should be able to profit from such technological developments. But, and that is the but we also discussed in the first question, only if you have the means to be connected, you can profit, and then you still need to be careful that certain groups profit from the development, and do not just simply add to their stress.

Tom: Okay. Well, let me jump ahead here. And you were talking about the increased stress on women working from home. What about in the Global South? Can you elaborate a bit on that, and the impact of technology on women workers, for example?

Dorothea: Well, you see, if we look at the Global South, there are actually two risks. One risk is that inequality within countries will increase. And this is exactly what we are observing, and we are observing this despite technological change, or maybe even because of technological change. So, for example, we see informality increasing, and we see that it's more increasing for vulnerable groups, including for women. We know that women are already disadvantaged, and those in those vulnerable groups are double disadvantaged, and they do not profit from technology because they face these multiple disadvantages. So, we really see that the inequality within countries is driven partially by the even bigger disadvantage of poor women compared to poor men. Now, there is

another risk, and that's the risk of inequalities between countries. And that is really increasing because of technology.

Technology in general has not led to the productivity increases that everybody was expecting or hoping for. And productivity increases, that's the precondition for wages to increase. But in the poorest countries, productivity increased by even less than in the more advanced countries. So, the divide between the rich and the poor countries is even getting bigger. And then you add to that, that normally in many countries, in many poor countries, women don't have a voice at all. And if it comes to sharing the gains from productivity, it's actually those who cry loudest who might get a share from the productivity increase, and that's hardly ever women. So, the lack of improvements in productivity that came with the technological progress, and that came as a surprise to all of us, actually is very negative for women, because even from the little gains, they don't get their share.

Tom: Okay. Well, and continuing in the vein of talking about the impact of technology on vulnerable groups, in your previous podcast in the series, you did focus on older workers, and whether enough is being done to recognize their value, and to harness their potential. Can you give us some further insights on this, and whether technology is the key to creating more and better jobs for the older generation?

Dorothea: Well, before I get into the advantages of technology for older people, let me just repeat some facts because I cannot stress enough that the demographic changes that we see might be the strongest force of change that we actually see. I used this example before, let me use it again. A child born today in Europe has a 50 per cent chance to become 100 years old. In contrast to that, when pension systems were introduced, for example, in Germany, life expectancy was 40 years. Now it's above 70 years. So can you see the pressure we will get from aging societies? And this pressure can partially be taken away by letting older people who want to, and who have the capacity to do so, participate in labour markets. And this is where technology comes in, because for the time being, technology serves more as a barrier for older people than as an enabler.

Older people usually are not that used to using technology. They're a bit scared of technology, and this is why the gains from technology are more difficult to actually harness for them than for other groups. But the important thing is technology, especially for this group, has a tremendous potential, including the possibility to work from home, including the possibility to profit from technology in terms of healthcare, et cetera. Including the possibilities, it gives to have an independent life, et cetera. So technology needs to be part of the solution for older people, and this is very, very important.

Now, this brings me to the point I also made in the other podcast, which is we need to take life cycle perspective, a life course perspective, investing in technology to educate

young people, and educating young people on how to use technology will ensure that when they become older, they have these capacities.

So, we not only need to invest in the digital skills of older people, but also as of now in the digital skills of younger people. At least, and that's a very important point. If we invest now into the technological skills of younger people, we need to do that throughout their lives. Because the problem with learning is if you stop at one point, it's very difficult to pick up at a later point. So it's very important that at this point we realize that we have to invest into the technological skills of older people, while at the same time also investing in younger people in their capacity to profit from technologies. And we shouldn't stop at any age.

That's very important. And this brings me to the very last point. Whenever I talk about what we need to do for older people, there is always at least one person saying, "But if we invest in older people, would that not be a disadvantage for the younger people?" And younger people are a vulnerable group. There we are absolutely sure, and we have tons of research to prove the point. It's the opposite. The second one group does better in terms of being less vulnerable, all other groups also profit from this. There is no trade-off between young and old. There is no trade-off between women and men. We need to really look at all the vulnerable groups, and anything good we do for one group, we actually do for others.

Tom: Now, in terms of investments, you mentioned investments. The United Nations and the international community are calling for increasing financing to achieve the SDGs, their sustainable development goals. So I have a double question. Are these investments going to improve equality in access to technology across the board, or is there a danger that they might have the opposite effect? And also if you can, can you tell us how you see the UN's Global Accelerator's role in expanding the populations of groups who might benefit from technology?

Dorothea: Well, thank you. That's a very interesting question, and a very important question. When the SDGs were designed, they had three driving main goals. And these three goals were less poverty, more equality and inclusion, and sustainability for our planet. And for all these goals, it was clear that equality in access to education, to infrastructure, to technology, is the precondition. The precondition for being able to reach these goals. This is why SDGs include a good health and well-being goal. They include a quality education and lifelong learning goal. They include a clean water and sanitation goal, an affordable and clean energy goal, an infrastructure goal. You see, all these points are just making sure that everybody has the same pre-conditions for development. These are the goals that enable people to use their full potential, to be able to find decent jobs, to live an independent and safe life, et cetera.

And this is catering for their economic independence, but also for their dignity as human beings. This is not the place to discuss where we stand on these wonderful goals, but certainly COVID-19 and also the multiple crises we see these days have certainly not made it easier to reach these goals. But the thing is, even if we were able to finance all these goals, if we were able to financially reach these goals, it would not automatically lead to a situation whereby those suffering the most would profit the most. For that, you really need to have good policies in place, you need to have functioning institutions, and that's not a given in many countries in this world. And you need to make sure that the needs of all are taken into account, not only of those who cry loudest, and this is actually where the Global Accelerator comes into play.

The Global Accelerator aims at, as the name says, accelerating the progress made in terms of the SDGs, and we urgently need such an accelerator. If you look at the full title, it actually says "Global Accelerator on Jobs and Social Protection for Just Transitions", and Transitions comes with an "S" at the end. Jobs and social protection would give the financial resources and the protection you need to have in an inclusive and fair world. And just transitions means that you enable everybody to participate in a transition that leads you to a decent job, or to a space in life that is well protected. For that, the Global Accelerator works with countries, and that's now very important, not just telling them what they need to do in theory. Because in theory most of them know what they have to do, but the Global Accelerator tries to find the financial means within countries, or through other sources, to actually make these goals happen.

What is very important is such a change in the development thinking within a country needs to have the entire society behind it. You need to really take the society with you if you want to have such dramatic change. And this is why the Global Accelerator really tries to build on tripartite dialogue, and works with the entire government, with all relevant stakeholders, with local partners, with global partners, to make sure that everybody is on board and that we can really have this shifting of the minds to make development happen, not just in theory, but in practice.

Tom: Well, I think that answer really does put things in context, and I think it's good to be able to draw the link between the SDGs and the Global Accelerator. You also mentioned the question of policies. So, in conclusion, what do you see as the way forward in terms of policies and programmes? Can we develop policies that, to paraphrase the development meme, are like the tide that lifts all boats? Can we actually make technology more of an equalizer, and less of a divider?

Dorothea: Well, the clear answer here is a clear yes. Technology has the potential to help us all, and to make the world more equal, definitely. It has the potential to create decent jobs. It has the potential to spread skills development, and education to those left behind. It has the power to make institutions work more efficiently, and it has also the power to

make democracies work better. But this does not happen automatically. It needs the political will and the will of the whole society to make it happen. We, in the ILO believe, and I think we have proven it multiple times, that there is no other way to build inclusive societies than decent work for all. And decent work for all means social justice, and leaving no one behind. Technology can help us to create such decent work opportunities, so can other drivers of the future of work, but only with the right policies in place, and only if forces in societies work together.

For this to happen, we promote comprehensive employment policies. And what we really want to achieve with these frameworks is that every political action is carefully checked to see what impact does it have on the creation of decent employment. This is the case for all elements of policies. It's the case for macro policies. It's the case for sectoral policies. It's the case for trade policies, for investment policies, and many more. Of course, and I don't want to underestimate that, for many countries in the Global South, it is a question of resources, which is, and I really want to stress this, when international solidarity needs to kick in. We cannot leave them alone, but we need to find solutions with them. And this is, again, what the Global Accelerator tries to do, and not force on them our own solutions. Equal access to technology, but also equal access to education, to infrastructure, to social protection, is the pre-condition for social justice. If this is not happening, the negative sides of technology can take over, and they will increase inequalities and injustice.

Tom: Wow. Dorothea, that was really great. I want to thank you so much for your thoughts and your insights, and it's always good to have you with us, and I hope we can do it again.

Dorothea: So do I.

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As our expert has made clear, technological development has been a great equalizer for some, but less so for others. Despite major advances, many people are still at risk of being left behind.

So, we've got our work cut out for us if we want to turn technology into a more equitable benefit for all. We shall see if we can come up with the right policy measures and initiatives that will benefit us all.

In the meantime, I'm Tom Netter and you've been listening to the ILO Employment Policy Department podcast series, "Global Challenges, Global Solutions: The future of

work". For more on this, go to www.ilo.org/employment. Meanwhile, thank you for your time.