

# Social policies for the digital age

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Fast-paced technological change in the form of robotization, automation and digitalization is transforming labor markets around the globe. This large-scale change massively impacts employees' workplaces, transforming the everyday working experience for many and threatening the livelihoods of some.

What can governments do to support workers during this transition? Political scientists Professor Marius R. Busemeyer and Dr. Tobias Tober from the Cluster of Excellence "The Politics of Inequality" at the University of Konstanz studied respondents' policy preferences in 24 OECD countries and have now published the results online in collaboration with the Berlin-based think tank "Das Progressive Zentrum."

Based on comparative and novel survey data from over 25,000 respondents, the study gives a multifaceted view. On the one hand, there are strong concerns about technology-related job risks. On the other, however, there are also positive expectations for [technological change](#). Generally speaking, workers would like to receive political support while managing this period of technological change: Respondents were particularly interested in funding for training and continuing education that would enable them to meet new labor market requirements.

Equally popular were social support programs, like more generous unemployment insurance, to aid workers whose jobs were directly at risk due to rationalization measures. Politicians have a fine line to walk in the face of shrinking budgets: On the one hand, it is important to improve the employment prospects of workers through social investments and training measures while, on the other, providing support to those whose jobs are at risk. Based on their findings, the authors recommend taking a balanced policy approach that accounts for both aspects—social investment and social transfer—to avoid further political polarization.

## **Key results of the policy paper:**

**Workers understand benefits of digitalization, but worry about job security**

Respondents across all countries expect automation and digitalization to transform their workplace positively, with 50+ percent majorities expecting a better work-life balance, a reduction of physical demands and dangers, and a less tedious and stressful array of everyday tasks. In Germany, however, the expectations are not quite as positive, with results for these questions more than ten percent lower than the international average.

At the same time, many respondents around the world are also fearful about losing their jobs to machines, robots, or algorithms. Figures vary widely across countries, with Turkish (64.9 percent) and Korean (65.5 percent) workers most often expressing fears that the likelihood of being replaced is "high" or "very high", while only 21.5 percent of Austrian and 27.5 percent of German workers share these worries.

"We recommend that policy-makers don't overstate either the positive or negative consequences of automation and digitalization for the labor market", Tobias Tober sums up this point. "Workers in most countries are very well aware that there are opportunities as well as dangers ahead, so politicians ought to take a balanced stance, while taking their concerns seriously."

## **Support for training and life-long learning is high**

A progressive approach towards increasing workers' chances in the present and future labor markets would focus on policies that promote education, training, and lifelong learning. Greater investment in university education and vocational training opportunities for young people is a measure that finds support among 74.2 percent of respondents from the 24 OECD countries. At 78 percent, the support for increased investment in continuing education for working-age people is even greater.

Other measures are far less popular. A special tax to be imposed on businesses that emphasize using robots or other technology, for instance, only finds support among 46.6 percent of respondents. The authors recommend that policy-makers prioritize the expansion of educational opportunities, in particular in the area of lifelong learning.

## **Social transfers are preferred**

Even though support for educational measures is high, those who are worried they might lose their jobs have different priorities. These concerned workers tend to be less supportive of educational investment, instead demanding more direct forms of compensation via social transfers. This trend is independent of personal education and age.

## **Investments in infrastructure, expectations in Germany**

In comparison with the international averages, the numbers for Germany show one distinct difference: 74.8 percent of German respondents supported increased spending on digital infrastructure, about 12 percent more than the overall average (62.9 percent). This makes it clear that, in Germany, respondents perceive an obvious need for significant investment.

By contrast, only 55.3 percent of German respondents (versus 61.0 percent internationally) supported an increase in social transfers.

## **What should governments do to ease the transition?**

"We still think priority should be given to investments in education", says Marius Busemeyer. "At the same time, policy-makers also need to support affected workers directly—to help them in the short term, of

course, but also so political polarization around this topic does not increase further.

Tobias Tober adds: "Some ideas could include models that combine more generous unemployment insurance with new tools to promote lifelong learning, for example, learning accounts or even statutory rights to lifelong learning. In our view, it is also to a large degree a matter of communication. It is important that [policy-makers](#) emphasize the positive aspects of technological change even while addressing its dangers."

**More information:** Publication: [www.progressives-zentrum.org/s ...rking-hours/?lang=en](http://www.progressives-zentrum.org/s...rking-hours/?lang=en)

Provided by University of Konstanz

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