The Digital Revolution, Labour Markets & Policy Responses

Dr Henning Meyer (PhD, MBA, MSc, MA)
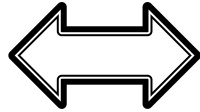
New Global Strategy Ltd.
Public Policy Group, London School of Economics and Political Science
Centre for Business Research, University of Cambridge

Moderating Forces

- **Ethical filter** (genetic engineering)

- **Social filter** (resistance against change – Uber)

- **Governance filter** (application through corporate governance – co-determination)

- **Legal filter** (self-driving cars, drones, …)

- **Productivity filter** (MS Word, washing machines on moon)

Impact On Work

Substitution	⟷	Augmentation	⟷	New Jobs

Substitution
- Which jobs will be completely replaced?
- Which jobs will be partitioned and crowd sourced (gig economy)?

Augmentation
- How do skill requirements change in the changing relationship between humans and machines?
- How does augmentation change the quantitative requirements for human labour?

New Jobs
- How quickly are new jobs being created?
- In what quantity and quality are they created?
- Where are they created?

Why No UBI?

- How to finance a UBI high enough to replace wage income?

- Reduces the value of work to income

- Doesn't solve the inequality issue (scarring effects)

- Bad allocation of scarce resources

- Who qualifies (immigration, EU) and what about health insurance and pension entitlements?

Alternative Policies

- Rethinking education

- Reallocation of remaining work

- Activity guarantee (economic vs. social value)

- Tax reform (no robot tax)

- Democratising capital ownership