Job report weighs in on technology disruption: Too much or too little?

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Self-driving vans and trucks are only part of the labor puzzle. Robots that can mix drinks, make sandwiches, deliver pizzas, stock inventory and join assembly lines are only adding to the big question: Are we to be replaced in the labor market and how soon?

Those who worry about automation and robots taking over their jobs can find a different assessment in a May report from the Information Technology and Innovation Foundation.

The report title says it all: "False Alarmism: Technological Disruption and the U.S. Labor Market, 1850–2015." The ITIF findings: the level of job churn—the rate at which some occupations expand while others contract—is now at a historic low.

The May 8 report, by Robert Atkinson and John Wu, examined U.S. labor history. Atkinson, president of the Information Technology and Innovation Foundation had this to say. "Labor market disruption is not abnormally high; it's at an all-time low, and predictions that human labor is just a few more tech 'unicorns' away from redundancy are vastly overstated, as they always have been,"

What data did the authors use to perform their analysis? They reviewed U.S. occupational trends, drawing on Census data compiled by the University of Minnesota's demographic research program, the Minnesota Population Center.

They sought "to compare the changes in occupational job levels from decade to decade." They assigned a code to each occupation to see if increases or decreases in employment in a given decade were likely due to technological progress or other factors.

Glenn McDonald in *Seeker* wrote, "automation is unlikely to steal your job anytime soon."

"The ITIF report concludes with a set of bullet points for policymakers, warning against overreaction to a robotic labor market menace that isn't even there to begin with."

The report authors cautioned that "if opinion leaders continue to argue that we are in unchartered economic territory and warn that just about anyone's occupation can be thrown on the scrap heap of history, then the public is likely to sour on technological progress, and society will become overly risk averse, seeking tranquility over churn, the status quo over further innovation."

Jamie Condliffe, *MIT Technology Review*, also poked at holes in alarmist thinking over job automation stemming from the assumption "that robots are actually being purchased, installed, and used." However, "the arrival of robots in the workplace may be slower than many people think."

Among the study's key findings:

Occupational churn peaked at over 50 percent in the two decades from 1850 to 1870, but that was then and this is now—it fell to its lowest levels in the last 15 years—to around 10 percent.

The levels of churn in the last 20 years have been just 38 percent of the levels from 1950 to 2000, and 42 percent of the levels from 1850 to 2000.

Condliffe, meanwhile, weighed in. Uncertainty goes both ways. "There is clearly uncertainty, which means that it's questionable to argue that the problem of automation stealing away jobs is a problem that can be roundly ignored...it's perhaps unfair to compare the arrival of tractors on farms in the 1920s with machine learning software that can take the jobs of a junior lawyer."

Atkinson wrote in *The Christian Science Monitor*, meanwhile, further addressing their findings.

"If you study the US labor market from the Civil War era to present, you discover that we are in a period of unprecedented calm – with comparatively few jobs shifting between occupations – and that is a bad sign," he wrote.

Christopher Matthews in *Axios* weighed in. He wrote, "a central problem of the economy today is actually too little displacement, as evidenced by statistics showing slow productivity growth. Without gains in productivity that result from the application of new technologies to business, the value an individual worker produces can't rise significantly, and that means that his wages likely won't rise, either."

The report authors said that "policymakers should do everything possible to speed up the rate of creative destruction. Otherwise, it will be impossible to raise living standards faster than the current snail's pace of progress. Among other things, this means not giving in to incumbent interests (of companies or workers) who want to resist disruption."

More information: itif.org/publications/2017/05/ … bor-market-1850-2015

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