

THE IMPACT OF DIGITAL ERA ON EMPLOYMENT RELATIONS

Changes in socio-political and economic landscape brings changes in the nature of work, workplace structures and relations. These in turn affect the Labour Relations environment and the Collective Bargaining environment. Thus, policy interventions by governments, employers and labour unions play a significant role in determining the negative and positive impacts of the changes in the structure of the economy, the polity and the workplace. This requires a constant and continuous study and analysis of how the developments and changes in the structure of the economy and industrial and technological advances affect workers and trade unions to be able to plan interventions at the level of Collective Bargaining and other levels.

It is important to note that responses to the upheavals on work and livelihoods caused by rapid changes in economies and societies always necessitate new social and political institutions to reduce the negative costs of change. However, new developments in the world of technology and the reorganization of workplace accompanied by such developments often have the tendency to erode on the very interventions and mechanism that were put in place to deal with the adverse effects of previous technological advances.

The reorganization of work and restructuring of workplaces brought about by new technologies often lead to the reversal some of the labour and social rights gained through responses and interventions to previous industrial and technological changes. For an example, some of the key responses to the challenges of super-exploitation of labour, unsafe and unhealthy working conditions, poverty, unemployment and inequality brought by the 1st and 2nd waves of Industrial Revolution were the establishment of trade unions and the introduction of universal education, social security and pension systems and therefore the emergence of a social democratic state. The third wave of the Industrial Revolution, namely, Digitalisation brought about challenges in the world of work that are related to:

- Technological unemployment (the risk of jobs, tasks and duties becoming obsolete and the risk of a decrease in the demand for work due to the automation and digitalisation of production processes)
- Changing the Quality of Employment and Work conditions through modification of the structure and composition of the workforce (increasing the demand of highly specialised jobs), production processes and task execution methods (timing, frequency, location, ergonomics, monitoring, health and safety)
- The effects of automation on the control and reorganisation of times and procedures for the execution of tasks,
- Rising levels of economic inequality and wage disparities brought about by increased employment opportunities and income conditions for the highly skilled workers at the price of the decrease of the same among workers in lower-skilled jobs,
- The rise of new jobs and new markets characterised by the absence of regulations that guarantee adequate rights and protection and proper appreciation of work.

These have direct and indirect negative impact on four key pillars of a welfare or social democratic state that emerged in response to the 1st and 2nd waves of industrial revolution and related socioeconomic challenges:

1. Comprehensive social welfare (Health, education, care through tax)
2. Social inclusion through universal education, progressive tax system to reduce income inequality
3. Balance of power between unions and the employer to manage and resolve conflicts
4. A trade union policy to increase wages

This is as a result of the following effects of digitalisation

- Accumulated changes in consumption
- Increase in polarisation
- Volatile income and uncertainty in labour Markets
- Reforms not occurring or occurring in slow pace
- Resistance of interest groups to reforms
- Disenfranchisement and challenge on institutional legitimacy; attack on social contract; rise of opportunistic populism and fascism
- Wage stagnation
- Technology and automation create stronger adversities between human being and machines at a rapid pace
- Reduction in bargaining power of workers
- Middle-man function under pressure from robots

The factors that account for these problems include

1. Downward pressure on wage growth
2. Non-standard work on the rise
3. Gig work (Work performed on a conduit of digital platforms without the employer being responsible for payroll taxes)
4. Mobile tax on labour
5. Distortion of tax on labour markets
6. High tax rate lead to sizable substitution between legal and markets, unpaid household production and market production.
7. Automation could bring larger effects

While the Trade Union movement is still dealing with the effects of these changes and attuning itself to these changes, the Fourth wave of the Fourth Industrial Revolution kicks.

- Predicted decrease in office and administration jobs (because of mobile internet, cloud technology, workplace flexibility etc.)
- Increase in computer, mathematician , architecture and engineering jobs(because of need for skills required to operate new technology and changes in the analytical technology)
- 7.1 Million likely to lose jobs in the office and administration job category and other categories
- 2.1 million new jobs in the computer, mathematician, architecture and engineering jobs
- Increase of jobs in traditionally male-dominated jobs will worsen gender disparities
- Rise in freelancers, free agents, informalization and casualisation and microbusiness will contribute in decline in union membership as the fulltime employed workforce is reduced
- Current legislation providing for employer-based social security and occupational health and safety does not cater for new emerging types of work and the new workplace structure
- Main beneficiaries to be providers of intellectual and physical capital

The main challenging effects of digitization are reduction of the bargaining power of workers and increased job insecurities, inequalities, policy uncertainty, fragmentation of jobs and narrowing of tasks to a point where workers are left disconnected from the final task or product or service, and are left with less challenging, less satisfying and less remunerating jobs, and stress related to excessive monitoring that leaves workers feeling watched all the time. These have a potential to increase conflict at the workplace and therefore require critical interventions

Practical interventions

- Revise labour laws and social security policies to accommodate changes in the world of work
- Reorganize the structures and operations of unions to respond creatively to changes in the world of work
- Collective Bargaining and agreements on reskilling, training and skill development policies and programs aimed at reducing negative impact of FI on workers.
- The agenda items on Collective Bargaining and Collective Agreements should include discussions and agreements on the introduction of new technologies and new workplace structures in such a way that the protection of workers' rights, jobs, benefits and social security is prioritised
- Community trade unionism that raise social issues and attract non-union workers and communities to the work and benefits of labour unions
- Union's worker-education, training and development policies and programmes should include programmes aimed at reducing the vulnerability of workers in the face of the Fourth Industrial Revolution
- Campaign for assessment and monitoring of the environmental and social impact of introduction of new technologies
- Campaign for the assessment of the job and social security impact of any workplace restructuring.
- Campaign for active participation of unions in the impact assessment programmes.
- To deal with the depletion of union membership, link union demands to broader societal issues and raise issues specific challenges of frontline communities ii

How Will The 4th Industrial Revolution Impact Jobs, Equality & Africa? Available on
<https://insights.principa.co.za/how-will-fourth-industrial-revolution-impact-employment-equality-africa>