

Machines and labour – increase in poverty

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Since introduction of automated machines in factories and offices, labor force is being slowly dispensed with. For instance, before mechanization and computerization, banks used to employ clerical staff for writing ledger accounts. But after introducing computers to note transactions, many posts were removed on the pretext of ‘downsizing’ or ‘right sizing’. The banking industry, which was ‘labour intensive’ began to employ less in clerical cadre and instead, the persons with computer knowledge started to be filled so that they could displace more than the actual required personnel. Similar is the case with other firms. In an article on the impact of automation, (Manufacturing Jobs and the Rise of the Machines, January, 29, 2013, hbr.org), Andrew McAfee states, “I believe that technological unemployment (and underemployment) is a real and growing phenomenon”. Analysing impact of robotics and computers in the industrial sector, he states that manufacturing employment has been on a steady downward trend in US since 1980. (It may have increased after the end of the Great Recession but the boost is leveling out). He also states that the trend has been downward in Japan and Germany since 1990 and China since 1996. This decline in manufacturing employment is a global phenomenon. Citing a Bloomberg story, he agrees with the summary, “some 22 million manufacturing jobs were lost globally between 1995 and 2002 as industrial output soared 30 percent. ...”. It indicates that growth of output in industry need not reflect welfare of people.

Job Displacement

Increase in use of computers, automated machines or robots will increase output but displace labor to a large extent. ‘In part the opposition to spread of technology springs simply from a more or less visceral fear of scientism, which is often taken to imply the dehumanization of humankind. ‘(Does More technology Create Employment?, By R. H. Mabry and A. D. Sharplin, March 18, 1986, www.cato.org). In 1983, the Upjohn Institute for Employment Research forecast the existence of 50,000 to 100,000 industrial robots in the United States by 1990, resulting in a net loss of some 100,000 jobs. The present situation of low employment generation has its roots mainly in use of mechanization of basic jobs thereby making the labor look for other alternatives.

Wealth accumulation and poverty

Over the years, top industrialists have been accumulating wealth rapidly. The top 1% of industrialist rich own 99% of wealth. The Forbes list (March 06, 2018, forbes.com) has pinned down 2,208 billionaires who are worth \$ 9.1 trillion up 18% last since last year. According to Oxfam, 62 people are as wealthy as half of world’s population in 2016. (the guardian, 18 Jan 2016). The wealth of poorest dropped by 41% between 2010 and 2015.

Since the richest own firms, industries and manufacturing plants, they employ more and more machines by reducing manual labor. This results in more displacement of semi- and unskilled-labour who lose their bread earning capacity and are pushed to extreme poverty.

Machines and capitalism

Therefore, increased use of modern science in industries is leading to production of goods by machines and services through the use of computers. Manual calculations or recording of transactions and accounting is being computerised leaving scores of clerical staff jobless. A few computer operators are being hired to complete office work while machines are being employed to complete routine work leaving labourers, who are already reeling under poverty, jobless. This is a dangerous consequence of capitalism as few capitalists are dictating terms. They are using scientific inventions to their advantage and advancement. The rich- poor gap is ever widening and poor are being pushed to extreme poverty. The number of poor is rising. Hence, the problem which is grave must be addressed soon. Otherwise, the gap may still widen in future .