

# Digitalization and the welfare state

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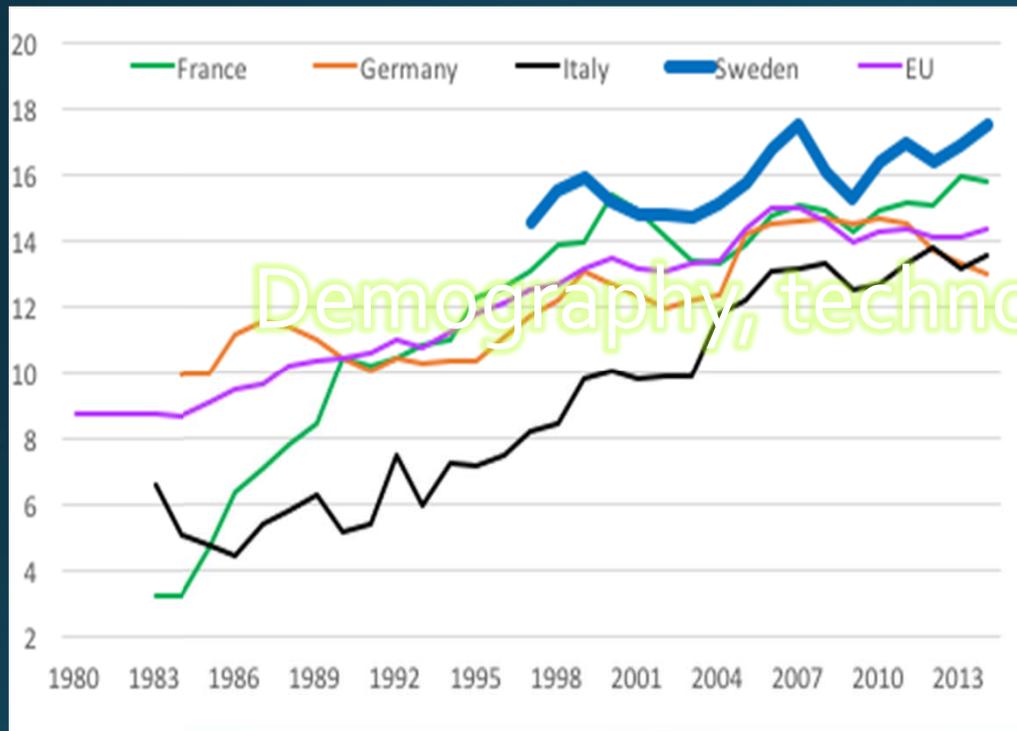
Research Institute of Industrial Economics, Sweden

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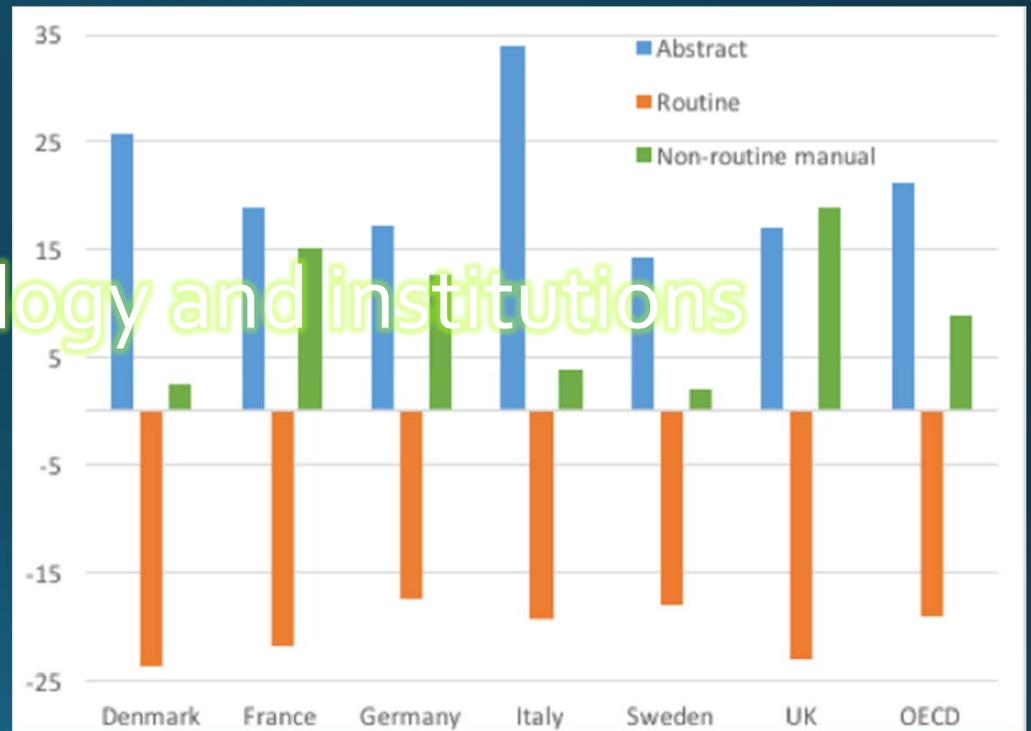
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# Transformation of work



Temporary work on increase



Labor market shares 1995-2010

Sources: OECD.

# Gig economy in numbers

- 60% new jobs 1997-2010 non-standard (OECD)
  - SE: 34%, DE, IT and ES over 40% in 2013
  - Univ Hertforshire, about 10% freelancers
- US
  - 10-16% for 2005-15 (Kruger)
  - JP Morgan, 10 million
  - Time Magazine poll 22%, McKinsey 20-30%

# On demand work more than uber



## Fintech, peer-to-peer lending

*LendingClub, TrustBuddy, Toborrow\*, Lendify, Prosper, Funding circle, zopa, payoff*

## Cars, transport and parking

*Uber\*, blablacar, tripda, hailo, car2go\*, Stockholms bilpol\*, justpark, easyCar, Zipcar, driveway, lyft, sidecar, RelayRides*

## Tools and miscellaneous items

*Peerby, rentmyitems.com, ecomodo, Streetbank, streetclub, freecycle*

## Tasks

*eLance, upwork, Taskrabbit, dog vacay, handy, washio, bloom that, fancy hands, spoon rocket, fiverr, Hassle, shyp, Tongal, Amazon's Mechanical Turk*

## Business applications, professional and knowledge sharing

*Simplist, fon, textio, gild, linkedin, wikipedia, coursera, studybuddy\*, NearDesk, BrandGatthering, Nimber, topcoder, Eden McCallum, Axiom, Quirky, upcounsel*

## Marketplaces, fashion clothes, giving

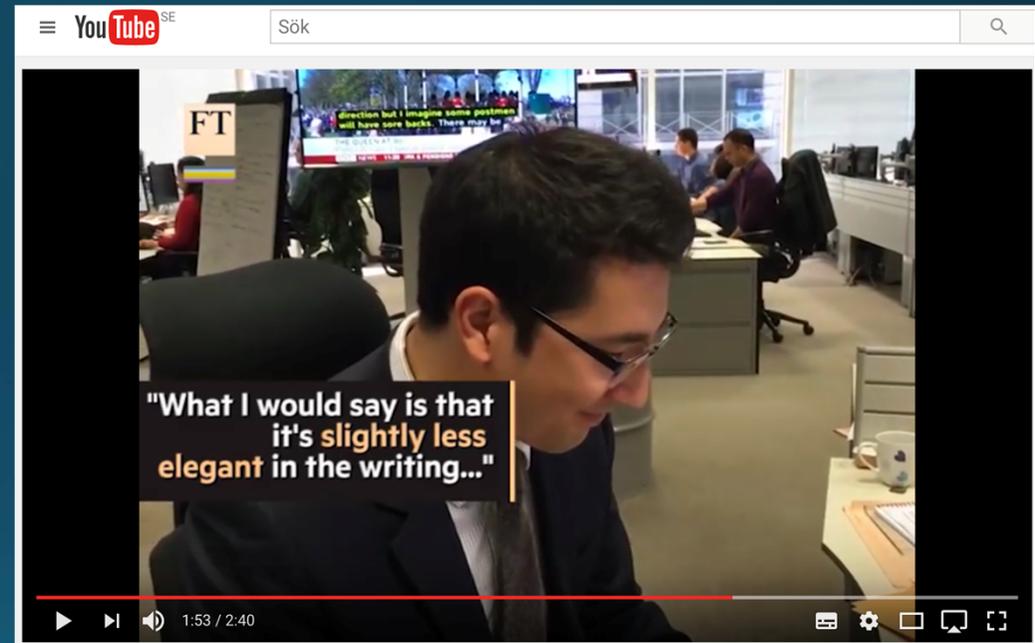
*Amazon, Etsy, yelp, tradera, ebay\*, blocket, girl meets dress, rent the runway, freegle, yerdle, poshmark, kidizen, rocksbox*

## Medical

*Crowdmed, medicast, heal, pager, retracehealth, MedZed, Dispatch Health*

# Automation also in advanced services

- Simple services
  - Restaurants, hotels
  - Logistics
- Advanced services
  - Writing
  - Banking, insurance and legal
  - Coding



Competitions between robots and journalists

➡ Results in further labor market polarization

# Welfare state in transition

- *Model of wage bargaining bypassed*
  - Automation of services
  - Atomization work and outsourcing
- *Consumer benefits, low and middle incomes*
  - Reduced need ownership frees spending
  - Free-services
  - Sophisticated services within reach
- *Easier entry to labor market, immigrants*

Thank you!

# Tough period of transition



- Increasing imbalances in risk, insiders and outsiders
- More responsibility on individual for updating skills
- Uncontroversial skills improvement, but how?
  - 50% EU-labor force deems digital skills too low to change jobs
  - OECD estimates low skills almost doubles risk unemployment
  - Who is the principal that “owns” the problem?

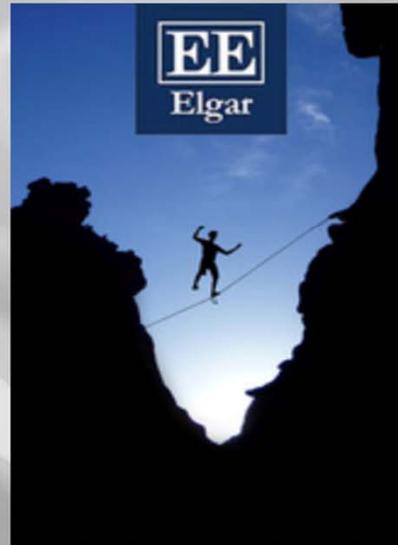
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