

Zhen Im: Status decline and welfare competition worries from an automating world of work: the implications of automation risk on support for benefit conditionality policies and party choice.

PhD thesis, available for download in <http://urn.fi/URN:ISBN:978-951-51-7180-1>.

Lectio (30th April 2021)

In 1920, Karel Capek, first coined the term robots in his play Rossum's Universal Robots. His play was set in the year 2000. In this play, robots were preferred over humans in production because they enabled products to be produced at a fraction of a cost. Karel Capek's premonition may be late by some years, but it seems that the age of automation has now dawned upon us. Today, we are treated to a deluge of information in the mass media that automation would transform labour markets, much like the industrial revolution. Blue-collared manufacturing jobs, which had not been offshored to countries where labour costs were lower, are now vulnerable to substitution by automation.

Yet, it is not just blue-collared and manufacturing jobs which are threatened in the wake of automation; white-collared and service sectors ones are vulnerable too. In 2019, the Atlantic ran a report about employees from the Marriott International protesting for protection against automated technology that is now prevalent in the hospitality sector. The final sentence of this commentary piece reads, "automation may not be a nuclear strike against the service industry, wiping out all of its jobs. Instead, it may quietly reduce the time, pay, and visibility employees are given as they [do] their increasingly vulnerable jobs".¹

¹ <https://www.theatlantic.com/technology/archive/2019/01/automation-hotel-strike-ai-jobs/579433/>

In parallel, we are also witnessing a rise in support for radical right parties across Western Europe. Strong support for these parties have been observed in places from Nord-Pas-De-Calais in France to Salo in Finland. One characteristic which these places share is of economic decline. These two events, the growing adoption of workplace automation and rising radical right support, thus provoke a question: are these two events linked? And if so, why? Namely, do workers whose jobs are threatened by automation have specific political opinions and preferences which compel them to find radical right parties appealing?

I would say that there is indeed a link between the threat of automation and radical right support, and for several reasons. To understand this link, however, it is first necessary to describe how automation reshapes labour markets in advanced economies. Research finds that automation threatens jobs which share the following characteristics: they contain routine tasks which are repetitive and easily codified.² Jobs like assembly line production and cashiers share these routine tasks, despite belonging to different sectors. However, and in contrast to alarmist reports from the mass media, automation of these tasks does not lead to widespread unemployment. Instead, recent research finds that it leads to fewer people entering these jobs.³ In other words, the decline in number of automatable jobs across advanced economies relates less to rising involuntary exits, and more to declining entries.

Understanding how automation affects labour markets is pertinent, because it helps us understand the types of worries which workers in automation-vulnerable jobs may have. I would argue that these workers may face at least two types of worries: (1)

² David H. Autor, Frank Levy, Richard J. Murnane, The Skill Content of Recent Technological Change: An Empirical Exploration, *The Quarterly Journal of Economics*, Volume 118, Issue 4, November 2003, Pages 1279–1333, <https://doi.org/10.1162/003355303322552801>

³ Kurer, T. and Gallego, A. (2019) 'Distributional consequences of technological change: Worker-level evidence', *Research & Politics*. doi: [10.1177/2053168018822142](https://doi.org/10.1177/2053168018822142).

worries about welfare competition, and (2) worries of status decline. The takeaway from recent research on automation is that jobs disappear over time, slowly. In the short term, workers in automation-threatened jobs are unlikely to be unemployed. In the long term, however, the prospect of remaining employed is far less certain. This spectre of future unemployment may then fuel concerns about welfare competition, especially under permanent fiscal austerity during which there is a persistent threat of cuts to unemployment benefits.

Such concerns have implications on how automation-threatened workers view and support different welfare policies. Recent research demonstrates that these workers favour governments to maintain generous redistribution⁴; in essence they support maintaining current unemployment benefit levels. However, I also find that automation-threatened workers support conditionality policies, which are policies that impose strict obligations on unemployment benefit reciprocity, like activation policies which were passed under the previous Sipilä government. At first glance, these workers' support for conditionality policies may seem paradoxical: they may become unemployed in the long run and thus be subjected to these same stringent obligations that are part of conditionality policies. So why would they support such policies?

One way to understand their seemingly paradoxical support for conditionality policies may lie in these workers' views on welfare competition. Under fiscal austerity, where the sustainability of current unemployment benefit levels has been questioned, workers in automation-vulnerable jobs may worry if welfare resources that are devoted to unemployed workers today threatens the generosity level of their own future

⁴ Thewissen, S. and Rueda, D. (2019) 'Automation and the Welfare State: Technological Change as a Determinant of Redistribution Preferences', *Comparative Political Studies*, 52(2), pp. 171–208. doi: [10.1177/0010414017740600](https://doi.org/10.1177/0010414017740600).

unemployment benefits. In short, this long term employment insecurity may make concerns about welfare competition more salient than concerns about the costs of conditionality policies on balance. In turn, automation-threatened workers may support these policies, rather than oppose them.

Aside from welfare competition concerns, worries about status decline may also compel automation-threatened workers to support conditionality policies. This expectation may be traced to social identity research which demonstrates that jobs do not just provide economic resources to individuals, they also accord social status.⁵ As Thomas Kurer and Bruno Palier⁶ had noted, blue collared work such as assembly work in car manufacturing plants and white collared work such as clerks, used to pay wages that enabled workers in these jobs to enjoy lower middle to middle standards of living. Concurrently, these jobs were also viewed favourably by society because they contributed greatly to the vibrance of the local economy and society. These workers therefore enjoyed respectable social status accorded by these jobs. Thus, although automation-threatened work was often laborious, it was well-remunerated both economically and status-wise.

When we fast forward to today, however, many of these jobs are slowly disappearing. Even though these workers manage to cling onto these automation-threatened jobs, far fewer younger people are entering them. The disappearance of these jobs is thus accompanied not just by decline in local economies, but also decay within the local societies. Examples of such decline and decay include Sunderland in

⁵ Tajfel H and Turner J (1986) *The Social Identity Theory of Intergroup Behavior*. In: Worchel S and Austin WG (eds) *Psychology of Intergroup Relation*. Chicago: Hall Publishers, pp.7-24. See also Jahoda M (1982) *Employment and Unemployment: A Social-Psychological Analysis*. Cambridge University Press.

⁶ Kurer, T. and Palier, B. (2019) 'Shrinking and shouting: the political revolt of the declining middle in times of employment polarization', *Research & Politics*. doi: [10.1177/2053168019831164](https://doi.org/10.1177/2053168019831164).

the UK, Salo in Finland, Nord-Pas-de-Calais in France, and the Rust Belt in the US. These places were teeming with jobs which enabled them to be economically and societally vibrant in their heydays. Yet, these jobs also happen to be highly threatened by automation. Therefore, these places today are generally viewed pejoratively by the mass media as places suffering from decline, blighted by societal troubles, and relics of the past that are out of step with the new “knowledge-based” economy.

This narrative also applies to individual workers in automation-threatened jobs that were commonplace in these places. These workers no longer enjoy respectable social status, but are instead societally marginalized and forgotten. If not forgotten, they are often spoken of condescendingly. Crucially, workers in these automation-threatened jobs may not suffer widespread unemployment, at least in the short term. They may also not be blighted by wage declines that prevent them from remaining on their lower middling or middling standards of living. However, they experience status decline and remain further threatened by it. To put it simply, automation-threatened workers suffer status decline, even if most of them have been spared the economic costs of automation for now.

These worries of status decline may then spur support for conditionality policies. Individuals who have suffered and are threatened by status decline may seek to reassert their status by distinguishing themselves from social groups which are often perceived to be at the bottom of the social ladder. The unemployed and immigrants are frequently, albeit undeservedly, ranked at the bottom of the social ladder. Workers in automation-threatened jobs worry about status decline and may therefore seek to distinguish and distance themselves from these groups to compensate for their own precarious social status. These workers do so by contrasting themselves from these groups; viewing immigrants and the unemployed negatively whilst viewing themselves

positively. Michèle Lamont, for instance, noticed that some American and French workers who worried about becoming unemployed and losing their social status considered the unemployed to be ‘irresponsible’ and ‘lacking in hard work and effort’.⁷ By contrast, these precarious workers considered themselves to have maintained their employment and social status ‘against all odds’ by ‘being responsible’ and ‘toiling hard’. In other words, these workers maintain their distance by differentiating themselves on issues that enable them to be perceived in a positive light, and allow the unemployed to be viewed in a negative one.

In a similar way, automation-threatened workers who worry about their social status may do the same against social groups that are typically considered to be below them. Gamez-Djokic and Watz⁸ find that these workers oppose immigrants. For similar reasons, these workers may also oppose the unemployed. To maintain their own precarious social distance from the unemployed, these workers may view the unemployed pejoratively. Namely, they may view the unemployed as lacking effort or personal responsibility to avert their economic plight. With such harsh views on the unemployed, automation-threatened workers may also be inclined to support policies that punish the unemployed, like conditionality policies.

Prior research shows that social groups, which are viewed as lacking effort or personal responsibility for averting their economic plight, are viewed as less deserving of welfare. It is also worth noting that citizens frequently support stringent obligations being imposed on welfare reciprocity, namely conditionality policies, for social groups which are viewed as less deserving. In a similar vein, one may come to expect

⁷ Lamont, Michèle. 2000. [The Dignity of Working Men: Morality and the Boundaries of Race, Class, and Immigration](#). New York, NY: Russell Sage Foundation.

⁸ Gamez-Djokic, M. and Waytz, A. (2020) ‘Concerns About Automation and Negative Sentiment Toward Immigration’, *Psychological Science*, 31(8), pp. 987–1000. doi: [10.1177/0956797620929977](https://doi.org/10.1177/0956797620929977).

automation-threatened workers who are status anxious, and who desire to maintain their precarious social distance from the unemployed, and thus hold harsh views on the unemployed, to support conditionality policies being imposed on them. Furthermore, I also find that the difference in automation and non-automation-threatened workers' support for conditionality policies is greatest in European countries which have experienced worsening economic hardship over time. Worsening economic hardship over the long-run may aggravate these workers' fears of status decline and compel them to draw sharper boundaries between themselves and unemployed workers, which may in turn increase their support for conditionality policies imposed on these workers.

Beyond support for welfare policies, automation threat may also affect workers' voting behaviour. The specific demands of automation-threatened workers are met by some political parties more than others. These workers demand measures that reduce welfare competition and compensate for their status anxiety. And such workers also support conditionality policies. In advanced economies today, this combination of demands appears to best met by radical right parties. Radical right parties like the Front National of France and Perussuomalaiset typically support the restoration of traditional and authoritarian social norms, issue nostalgic calls for a return to a "better" past, and campaign to exclude social groups that are not part of the "honest common people" such as immigrants and the unemployed. These appeals may assuage the status worries of workers whose jobs are threatened by automation. Increasingly, radical right parties also support welfare chauvinist policies that exclude or hinder access for the unemployed and immigrants who are not part of the "honest common folk". One way to hinder access to welfare is to impose stringent obligations in the form of conditionality policies. Such appeals may also assuage automation-threatened

workers' worries about welfare competition. My research does indeed find that these workers do prefer radical right parties over other parties such as the centre left, centre right, and radical left in Europe.

There is however a crucial caveat to be made here. Although automation-threatened workers prefer radical right parties over other parties, they still have a higher probability of vote abstention than voting. Put differently, they seem to abstain from voting more than turn up to vote. However, if they choose to vote, they prefer radical right parties over others. Thus, the relevant question is: under what conditions do they choose to vote for radical right parties, and under what conditions do they abstain from voting?

I find that one such condition relates to automation-threatened workers' feelings of income security. When they feel insecure about their income, they are more likely to abstain from voting. However, when they feel secure about their income, they are as likely to vote for radical right parties as they are to abstain. In other words, these results suggest that automation-threatened workers do not turn to radical right parties when they are under economic duress. Instead, automation-threatened workers turn to such parties only when they manage to remain on their comfortable standard of living, but nevertheless worry about status decline and welfare competition.

Taking a step away from automation, it is perhaps worth asking: do other labour market transformations such as job offshoring and insecure employment contracts also yield similar outcomes? Recent research on the political consequences of offshoring suggests that places which have suffered economic and social decay from offshoring are frequently also strongholds of radical right parties.⁹ I also find that

⁹ Colantone, Italo, and Piero Stanig. 2019. "The Surge of Economic Nationalism in Western Europe." *Journal of Economic Perspectives*, 33 (4): 128-51.

workers who support welfare chauvinism and are employed on insecure temporary contracts are far more likely to support radical right parties than workers who similarly support welfare chauvinism but are employed on permanent contract. Reasons for this difference may stem from the status and employment security provided by temporary work. Temporary work typically accords lower social status and provides lower long-term employment security than permanent work. Consequently, temporary workers may also resemble automation-threatened workers in their concerns about status decline and welfare competition. In this respect, this story about automation is not an isolated story, but part of a broader story about labour market transformations in advanced economies.

Before I end, I would also like to touch on what may perhaps be done to alleviate the negative sociopolitical consequences of workplace automation. Arguably, these consequences may be exacerbated in a post-COVID world where the pace of automation adoption may accelerate. I would argue that social policies that compensate for labour market disadvantage alone may not diminish status worries experienced by automation-threatened workers. Instead, policies that help retain dignity and status that were previously conferred by automation-threatened jobs may better avert this political fallout. Upskilling and training these workers to perform tasks that complement automation in their current jobs may help maintain the dignity and societal relevance of such jobs. Separately, the continuous narrative of welfare cuts surrounding fiscal austerity may perpetuate worries of welfare competition. Policymakers should therefore be aware of these implications when they harp on welfare cuts simply for the sake of political maneuvering, even if these cuts are unavoidable.