



## Some Unanswered Questions on the Relationship between New Technology, Wages, and Work

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Thirty years ago, Jeremy Rifkin announced ‘the end of work’, though this was neither new nor surprising for those investigating the links between technological innovation and labour market dynamics. A century ago, during the recession that caused suffering and concern due to its speed, Keynes predicted that by 2030, machines and new technologies would free us from work. Since then, the public debate on technological change has given rise to divergent views between techno-optimists and techno-pessimists, which do not assist policy-makers and social partners at the time of making relevant decisions.

This was also the case in the 1980s – with the introduction of the first computer systems in companies, especially in manufacturing – which was followed by the fears of the post-recession phase – where Industry 4.0 seemed to challenge millions of jobs – and finally by today’s concerns generated by Artificial Intelligence (AI), particularly generative AI, which we have come to know through Chat GPT, among others. However, the main element of this technological transformation remains little or not at all explored, namely its impact in the medium and long term, not just on employment but on the quality of work, wages, and inequalities.

Rifkin himself – and this confirms the fact that his book has been much cited but little read – never spoke of the end of work. Rather, he discussed the unsustainability—and thus the potential end—of a system based on the economic exchange value of work. With the significant reduction in the number of workers in companies and in the manufacturing sector, this state of affairs has led to unstable employment and an increase in the number of poor workers.

In its latest annual report, the Bank of Italy focused on the potential consequences of AI for Italian workers, suggesting that about two-thirds of employees today would risk being unemployed. Of these, 40% would face complementarity and around 25% replacement, with manufacturing and agriculture which would face a minor impact in terms of employment. These are just the latest data released in the political debate area, reflecting an increasingly heated discussion among economists and sociologists.

Interestingly, some recent American scholars have shifted the attention from long-term employment trends to working conditions, highlighting how the relationship between new-generation technologies and wages is an important aspect, albeit often disregarded. Some international research, which is largely disregarded in Italy today – also due to the absence of major technological players – is moving in the right direction, examining the type and purpose of the AI we want to use in companies.

In countries like Italy, where representation and intermediate bodies still play an important role, this brings the debate on new technologies to the choices we must make, starting from collective bargaining at sectoral, company, and territorial levels, to manage a change that is inevitable and must focus on human needs. Do we want to increase the productivity of certain processes, by providing new tools and also wage increases to workers? Or, is our aim to replace certain jobs which workers are reluctant to do? Is the introduction of AI intended to address the risks of labour market depletion caused by demographic changes, thus responding to the supply crisis we are already experiencing?

These are questions that all stakeholders, particularly public institutions (which can use fiscal leverage to encourage the introduction of certain technologies) must ask, promoting policies that support industrial relations systems; these questions will guide decision-makers to make choices not only considering efficiency but also justice and long-term sustainability.

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