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Technology is changing the labour market, it makes things cheaper, faster and easier. That should be good, but cheaper consumer prices means lower wages for workers, economist Armine Yalnizyan told a Humber President’s Lecture Series audience.

In a tech-ruled labour market, the gig economy marked by short-term or freelance contracts rather than full-time work, is growing quickly. It’s also growing so competitive that jobs are unbundling into task-based work while also spreading to all corners of the globe, she said.

Yalnizyan focused on the younger generations transitioning into the workforce versus the de-transition of the aging population, and what that means for Canadians.

“We’re creating a broadened and deepened market with a global rebalancing of wages,” she said during an Oct. 9 talk at Humber North’s Seventh Semester. “Our wage goes down; other wages go up.”

The gig economy connects demand with supply for any and all jobs on the market. Recently, these jobs have crossed borders, said Yalnizyan, who is the Atkinson Fellow on the Future of Workers. She said someone can do the work required to close a real estate deal in Manila, and as advertised on their website, for a fraction of the Canadian minimum wage.

When jobs like this cross borders, the value of Canadian wage decreases simultaneously increasing the wage in another country, she said.

Yalnizyan said a new digital platform will impact rules, blurring jurisdictional issues.

“Most people have a specific place they work but digital blurs location. the people asking for the work may not be in Canada at all,” she said. “Whose rules do we live by? The employers or the workers? Where the person works or where the person who’s hiring you works?”

While the gig economy appears to be growing rapidly, the rate of expansion of the economy is actually slowing to about half of what it was in 1947. Yalnizyan calls this “slowth.”

“The reality is, we are entering an age of population aging,” she said, which only ensures growth in the geriatric care economy. In the ‘60s, the worker to non-worker ratio was high. In the next 15 years, the baby-boomer generation will enter old age reversing the ratio, she said.

Yalnizyan said unlike the lifespans of people, large-scale future technology has no set timeline. The only certainty Canadians have is an aging population.

She used the medical field to show the impact of the care economy growth.

In Canada, 50 per cent of docters are over 50, while it takes 10 years to fully train a doctor. Essentially, the older generation will need more health care while also retiring from paying taxes that fund health care, said Yalnizyan, who was the senior economist at the Canadian Centre for Policy Alternatives.

A potential solution in motion right now is the increase of temporary foreign workers. The year 2018 saw the highest number of temporary workers to date and it’s in experimental stages today, she said.

The younger generations will have to choose between investing taxes in our own labour force or simply importing a temporary labour force, Yalnizyan said.

“You are the generation that has to decide but you may find that is just an unstable way of building community that creates two tiers of people, some with more rights than others,” she said.

Yalnizyan said as work opportunity expands beyond Canadian borders, younger generations face the dilemma of whether to moderate workers’ rights, balancing an aging population, and growing the economy before technology takes over the job market.

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