

Society – Technology – People

Theory-Interviews on the relationship between societal and technological change.

Interview with Assoc. Prof. Dr. Treber Scholz

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1 **Where do we find sources for technological change and social division of labour?**

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3 Over the last 40 years we saw a steep increase of inequality and to really understand the technological
4 development in relationship to what happened during that period we should really start in the Post-
5 WWII Period. Looking at the ways in which for about 30 years you had relative equality and – if you were
6 white certainly, living in the United States – that was the case. But then in 1972 – around that time –
7 things started to change with a real increase of productivity of the American workers while their wages
8 stagnated. So from then a real increase in income inequality which then culminated in 2008 where you
9 had the financial crisis and around that time as well we had the emergence of the sharing economy. So a
10 real change in the digital economy where companies like "Amazon Mechanical Turk", the crowd sourcing
11 company and also "Uber" and "Deliveroo" and "Task Rabbit" later on preyed on people's ability to
12 basically take/accept very low paying jobs. Also at this whole time you had a shift away in direct
13 employment towards contract work. So, if you get up in the morning and you check your phone and go
14 to, you know, platforms that offer news and entertainment chances are that all of you sitting here would
15 just go to some five sites that are owned by a number of people that is so small that you could probably
16 fit them into one Google Bus. And the question is not only that of ownership but is also one of basically
17 co-determining what is happening on those sites. So we depend so much on these platforms, but have
18 absolutely no say in what happens on them. And that's a clear problem. So you see how there was this
19 really close relationship, between - in the 1840's when unions and cooperatives both emerged at the
20 same time also in the same geographic region, in the United Kingdom, there was this very close
21 relationship for some time to push back against precarity. And you had in the 1880's of course the
22 Knights of Labor that actually as a union instituted a lot of cooperatives. #00:03:27-9#
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25 **Who is driving technological change and social division of labour?**
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27 So, there is another part to this, which is of course regulation. I think there we really we have to be clear
28 that there is a real difference between North America or the United States in particular and Europe. So,
29 what we find here is a real turn to municipalisms, so people turn to their local policy makers, they turn to
30 the local communities, where, of course, in France, Germany or Spain, in Catalonia you have a much
31 stronger orientation towards the government to look for support for the worker, the citizen. However,
32 we also need to acknowledge, that capital drives a lot technological development, and so it's also not an
33 even playing field. So, that is not that these actors are all equally strong. So, in some ways these
34 companies that have these enormous resources of course can shape automation for example in a
35 different way than other actors could. So, this is also very much resonating with Keynesian ideas of
36 technological progress, where he suggested that just slowing the progress, like slowing down these
37 developments makes the negative impact, the negative externalities on workers so much smaller. So by
38 them, let's say, owning the trucks or owning the taxis. They can still decide to shift to self-driving cars but
39 then they as a cooperative would be the owners of AI instead of unemployed drivers. #00:05:28-8#
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42 Which consequences will arise from technological change?

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44 So a shift towards contract work, a shift away from employment. And what that meant - so, there is no
45 romance about employment at all. It's not that that was an ideal relationship. But basically all the rights
46 that people worked for over 200 years, just think of the Haymarket riots or think of the 8 hour workday
47 and the labour history, all the things that people achieved, health insurance, paid vacation. All of these
48 things kind of disappeared through that introduction of these technological models in combination with
49 these other processes of this shift to contract work. So, the gig economy essentially. So there you have
50 companies operate illegally at an hourly rate of two to three dollars an hour with "Amazon Mechanical
51 Turk" for example. You have Uber-Drivers today making barely minimum wage etc. etc. And in this
52 economy basically service work has become the lowest payed sector. So what you really find in the
53 American context today is a real broken social contract. This agreement, this proverbial agreement that
54 Rousseau talked about is really not upheld today. What you find a real shift in how people identify. Out
55 of this experience of inequality comes also an increased experience and identity and identification with
56 nationalism. And so all the examples that we see with the rise of Trumpism but also all across Europe
57 and many other countries I think is an expression of that as well. After the crisis in 2008 not only that you
58 had the emergence of these companies that basically preyed on the willingness of people to work for
59 very little money, but you also had a renaissance of cooperatives: People interested in the commons, the
60 solidarity economy etc. Community currencies and now, more recently, blockchain technology, people
61 thinking about ways in which they can push back. This is also an argument that this time period after
62 2008, also really convinced people of the strength of this cooperative model, because you saw that
63 these businesses were way less likely to go bankrupt than others. You saw a bigger resilience of those
64 companies and of those business forms. #00:09:06-8#
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67 How are drivers and consequences of technological change connected?

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69 So I think there is – I talked all lot about labor -, but there is a whole other strand to this discussion. And
70 that is about infrastructure. So, what you have in the digital economy, is essentially a "winner takes all"
71 economy based on the network effects that you see playing out with the likes of "Facebook" and "Uber".
72 Network effects being the power of a technology that comes with the number of its users. So you two
73 fax machines, this is a very uninteresting and none-consequential technology but if you have billions of

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74 people using fax machines then suddenly that becomes incredibly important. And that's exactly what
75 you have in the digital economy – where there is an extreme difference between the power of the
76 owners of platforms and the users. And this power imbalance is a real problem. A very central discussion
77 is that of infrastructure. If we want to push back against these conglomerates like "Facebook" and
78 "Apple" etc - The Big Five, then we really need to develop a decentralized internet which would mean a
79 cooperative cloud, a cooperative data commons. How can you create standards that translate across the
80 internet and allow cooperatives to work together and do what cooperatives are meant to do.
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What measures can be taken to steer technological change?

84 So this is where having worked on digital labour for the last decade really and having published on this
85 and convened networks here at the New School for the past ten years around these questions that come
86 up with digital labour I developed about four years ago a concept that I called platform cooperativism.
87 And that is bringing the almost 200 year old model of the cooperative business model and the
88 cooperative cultural and political model to the digital economy. So to explain this quite simply you would
89 think about what would it be like if an "Uber" would be owned by its workers, what would it be like if an
90 "AirBnB" would be owned by a network of cities, what would it be like if "Deliveroo" would be taken over
91 by the couriers. That is the basic suggestion that I made four years ago and now you have some 240
92 businesses around the world following this model. There are research centers in Australia, some starting
93 in Tokio, Berlin, Barcelona and other cities, focusing on creating an open social economy that is more
94 worker-centered and brings this idea of workplace democracy to the digital economy. I think that
95 cooperatives in that sense are hidden in plain sight. In the United States you have one in three
96 Americans being a member of a cooperative. There are one billion coop-members worldwide. That is
97 also true for Germany, France and of course Spain and Italy. So what would it be like to bring these one
98 billion coop-members to the digital economy and transform what as of now is a quite extractive form of
99 ownership into something that brings this idea of an open social economy to the internet. At the heart of
100 this theory and practice of platform cooperativism are four concepts. One is broad based platform
101 ownership. This means that these platforms are owned by the workers and/or by the users as well. So
102 you could also think of taking the model consumer cooperative to the internet what would that look like
103 and there are examples of that to which could we be point and which we could discuss already. The
104 second one is democratic governance. Just sprinkling around ownership will not change society either. It
105 will not change the internet either, will not democratize the internet either. It's not only about
106 ownership, because ownership has to be paired with democratic governance. People have to have a say
107 about what is happening on those platforms. And then thirdly it's about design, co-design, inclusive
108 design. What you have in Silicon Valley right now, is a very waterfall design approach the big-ego
109 designers implementing their ideas and then pushing them out onto people instead of what we are
110 proposing which is a co-design approach that designs with the workers from day one and not just the
111 workers, but everybody involved, all the stakeholders. A very different approach which also leads to very
112 different results including edge populations, people with disabilities, including transgender identities and
113 other identities that are usually not designed for. And lastly of course is about open-source. So that you
114 can collectively alter the code and don't waste resources in the process. I think that there are real
115 opportunities through the cooperative model in this digital economy right now. We find a real
116 fragmentation of the workforce. Workers are freelancers more and more and are way harder to organize
117 through unions etc. There is a real problem in how to create worker voice in response to these shifts of
118 labour markets to the internet. And here I think cooperatives can really make a real decisive intervention
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121 by offering this cooperative form which we see with examples like the "SMart" mutual risk cooperative in
122 Belgium which is now also operating in eight other countries and offering distinct benefits to Freelancers
123 in particular and frankly offering benefits as a cooperative that unions used to offer. Tangible benefits for
124 creatives in the digital economy that really work to their benefit. Well, there is fair pay, worker voice.
125 Workers actually being able to participate and co-govern platforms, democracy in the workplace. And
126 which – If you talk to some of these workers and I think this is important when we talk about theories,
127 but there are also actual workers and how they actual relate to those models. And for them it's also
128 about personal development. It's about identity. Suddenly they are not solely mothers, housewives or
129 workers in a laundry or other stores but they are owners of their own business. And they are
130 participating in the digital economy which many of them could have never dreamt off ever being part of.
131 So that's very empowering to them. Other positive externalities, positive sides of this are: Skills training
132 that is introduced into a model where that is absent. And there is a distribution of value/revenue in the
133 community where otherwise that revenue is extracted and ported to silicon valley and there is a citizen
134 participation and the idea is that if you have workplace democracy, if somebody in the workplace feels
135 they have a say and they can co-shape and create, co-create their workplace then they will also act
136 differently as citizens. There is a parallel to what Yochai Benkler talked about in the "Wealth of
137 Networks", where he has talked about in 2004 how there was this real - blogs were just emerging and
138 people have all these theories about how blogs will change the way people look at the world. And Yochai
139 Benkler was saying that by virtue of somebody walking down the street and now feeling that they can
140 document a pothole or anything they see and contribute this to the online world they will also act more
141 participatory as citizens. So that this posture of workplace democracy, this is what I do with that concept
142 essentially, is also changing them how, in the way they operate in society.