

Capitalist Technological Innovations - Negation of Labour and Labourers - Worsening Economic Crisis

- Prof. Thota Jyothi Rani

It is a well established fact that labour power is the true source of the creation of enormous wealth. Yet, another argument is strongly forwarded - that the realisation of unprecedented, super luxurious consumption pattern is due to the continuous wonderful technological innovations. Events such as space tourism, rich enjoying in modern super yachts are highly popularised as an extraordinary consumption experiences. However the Covid-19 pandemic clearly proved that the possibility of extravagant consumption by rich is closely associated with the destruction of lives of majority. In fact Technology itself is not independent and abstract. The Monopoly capitalist system under the control of finance capital gives direction to the research and the technology to be invented. The main aim of technological innovations is to increase the appropriation of surplus production. The production of absolute surplus is limited by the working hours of labourers. But technological developments raise the productivity of labourers and increase the quantity of production for the same amount of labour hours. Consequently, the relative surplus production will rise. Thus, technological innovations diminish labour content in production. Automation, Robots and Artificial Intelligence became the quite normal in the so-called present industrial revolution 4.0. AI, driverless cars, delivery of goods through drones project as if labour is negated from the process of production. Capital is past labour in the form of present investment. Capital in terms of technology tries to exhibit that capital is significant while labour is negligible and marginal. This process enables monopoly capital to oppress and suppress labourers further. Moreover, it will become difficult for the workers to fight for better wages, improved working conditions and for their rights. Further, the governments are ready with the neo-liberal policies and strategies to continue this trend strongly.

The Employment Policy Convention, 1964, of ILO strongly stated that every nation should work to provide decent and full employment as well as freedom to choose the job. ILO's 'Global Commission of Future of Work' recommends that decent and sustainable employment opportunities should be provided to all. The sustainable development goals that are to be achieved by 2025 also aimed at the same goals. In fact, technological innovations should provide decent employment to all, eradicate poverty and create the basis for inclusive development. Contrarily, unemployment, poverty, informalisation and contractualisation are on the rise. The vulnerable working conditions are worsened further. Inequalities in the distribution of income and wealth are at its peak.

As early as 1930's J.M Keynes identified the danger of emergence of technological unemployment. But he felt that the improvement in technology will rise the living standards of people. Further, he opined that the technological unemployment is a temporary phenomenon. He failed to recognise that the aim of the process of technological progress in a Capitalist system is to raise profits. Consequently, the problem of unemployment will intensify and the issue will become a permanent feature of the system. Pearson, in 1969, worried about the failure of development process in creating decent employment. The Piketty in 2014, Joseph Stiglitz in 2017 clearly stated that the issues of unemployment, poverty and inequalities will be intensified as the rate of return of capital exceeds the rate of growth of the economy. Stephen Hawking lamented that the automation is resulting in the demise of people's ability to earn.

One and half century ago Karl Marx in his 'Das Capital' scientifically predicted that the process of development of capitalist system simultaneously creates enormous wealth, concentrated in few hands and high level of unemployed reserve army who suffer from miserable living conditions. The mode of production becomes untenable and unsustainable as the relations of production are not conducive to the development of productive forces. Ultimately, this exploitative system will be ended with the powerful revolutionary movements of working class.

Global Unemployment - Automation :

The Global unemployment increased by 69.73% between 1991 and 2019. The number of unemployed in 1991 is to the tune of 68.08 millions and it has increased to 111.08 millions in 2019. The female unemployment is relatively higher. In 1991, it is 43.97 millions in number and this has increased to 74.63 millions in 2019. Own account workers and supporting family helpers are victimised to multi-dimensional poverty. UNDP 2020, estimates that in 2018 as many as 1292 million people are living in miserable conditions in 107 emerging economies. Among them, the share of sub-Saharan Africa is 55% while it is 29.2 percent in South Asia. The countries which have youth unemployment in the range of 10 to 25% have been increased from 68 to 85 during the same period.

The estimates of the McKinsey Global Institute, 2017, revealed that automation in the world resulted in the loss of job opportunities to the extent of 50 percent. The labour market polarization as well as wage inequalities accentuated owing to the entry of automation in lower and middle level skills. The estimates of World Economic Forum in its 'Future of Jobs' 2018, states that the automation and mechanization will increase from present 42% to 62% in the sectors of information, data processing and transmission by 2022. The report further states that the automation is taking place in highly labour absorbing sectors such as 30% in communicating and interaction, 29% in co-ordination and development and 27% in reasoning and decision making. Another study reveals that as high as 70 percent job loss

will take place due to technological progress in South Asia and sub-Saharan Africa which have predominance of agriculture and informal sectors. World Economic Forum's large scale survey of major global employees across 15 major developed and developing countries in 2016 estimated that between 2015 and 2020 job loss is to the tune of more than 5.1 million owing to disruptive labour market changes which have occurred due to automation and technological advancements. Further, a total of 7.1 million jobs are expected to be lost.

Unemployment in India - Automation:

The labour intensity is declining in all the sectors in India owing to automation and technical progress. The elasticity of employment decreased to zero by 2011-12. Later on, job loss exceeded job creation and resulted in the negative employment elasticity. It is astonishing to notice the employment generation is zero in the sectors which appear to be fast growing. The job loss will be seen mainly in agriculture and allied activities, mining and quarrying as well as manufacturing sector. As high as 95% job loss is in these sectors only. In the organised manufacturing sector especially in automotive and steel industry, job loss is high due to technical progress. The McKinsey report, 2017 states that 52% jobs will be automated with present demonstrated technology in India. The studies of Frey in 2013, Osborne in 2017, estimates that there is the danger of automation for 69% jobs in manufacturing sector.

The unemployment among youth is on the rise. This has increased from 8.98% in 2012 to 22.53% in 2018. The miserable lives owing to depressing wages is aggravating the issue of migration. According to ILO's estimates the share of labour in Gross Domestic Product has declined from 60.7% in 2004 to 49% in 2017. As high as 80% workers are expected to be thrown out from highly labour intensive ready-made garment sector due to the use of robots. The share of industrial employment in Gross Domestic Product is minimum in India among South Asian countries. Comrade Tarimela Nagi Reddy proved it with relevant statistics as early as in 1970's in his book 'India Mortgaged'. Technological innovations in India did not improve working conditions and raise living standards. It is impossible to talk about the provision of decent employment. Moreover, unemployment and under employment are increased. Without industrialisation, deindustrialisation is taking place. The share of manufacturing sector in National Global value chain is 17.40% in 2011-12 and declined to 17.1% in 2019-20. This is further decreased to 16.9% in 2020-21. This clearly shows the process of deindustrialisation. The manufacturing sector is expected to generate employment. Contrarily, it is destroying employment. Net loss of jobs during 2010-11 and 2017-18 is as high as 14,70,000. The gross loss of jobs in highly employment generating industries of Ready-made Garments, Leather, Footwear, Gems and Jewellery is to the tune of 17,30,000. Thus, job-loss growth is established in India.

Asian development bank ,in its report 'Asia's Journey to Prosperity, Policy, Markets, Technology over 50 years', states that contrary to the issue raised in Gunnar Myrdal's 'Asian Drama' the globalisation increased the wealth of Asia. However, the study of Deepak Nair and others in 2019 – 'Asian Transformation: An Inquiry into the Development of Nations', critically analysed and stated that industrialisation did not take place in India. Conversely, deindustrialisation took place. The dependence on imports in the production of manufacturing goods excessively increased. The dependence on inputs increased even in highly labour intensive goods as well as in telecom, power equipment, active ingredients of medicine. Exports are mainly technology-intensive, resulting in the deterioration of South Asian countries, especially India, due to globalisation. The Global Production Chain has reached 4th industrial revolution. In emerging economies including India, the employment generation deteriorated to the bottom due to the excess usage of technology. No agenda is there for decent employment. The strategy of monopoly capital is to concentrate automation in the countries which are either highly populated or with high wages so as to suppress wages and workers. Thus, India assumes importance for automation. The automation is excessively high in computers, electronic products and equipment, parts, transport equipment and machines in our industrial sector.

The usage of robots is on the rise from 2000 onwards. The usage of robots is inordinate in Automotive, Metal, Electrical, Electronics, Chemicals, Rubber and Plastic industries. This is taking place in line with Global trends. Automation is at higher level in our automotive industry which is in the grip of MNCs. The subsidiary of Tata Motors, TAL manufacturing solutions, produced TAL Brabo robot to meet the production needs of small and medium scale industries. This will accelerate the use of robots in highly labour intensive small industries. Moreover, China started supplying robots at cheaper rate. All this escalates the dangers of use of robots.

Monopoly Capital – Technology- Dividing Labourers:

The technology is a powerful tool for monopoly capital to increase exploitation continuously. The working class should be divided and fragmented as much as possible for smooth protraction of exploitation without any hindrances. There should not be any common interest among workers so that they cannot unify. Conditions are created where the top level officers, managers and employees in Organisation, Management and Finance Sectors think that their interests are closely associated with the interests of this exploitative system.

The revolutionary progress in ICT Technology resulted in the high level of mass production for global markets. On the other, MNCs will integrate the process of production vertically and horizontally with efficient strategies for their profits. They spread across countries from the view point of availability of cheap labour and resources to minimise the

production costs. They mobilize inputs. They decide which processes have to be established in high wage countries and which process should be outsourced to low wage backward countries. For example, in automotive industry the hubs related to the crucial Auto production, Research and Development and Design are concentrated in North America, Europe and East Asia while the hubs related to production of parts can be seen in low wage backward countries. This shows that developing countries could get new employment opportunities due to globalisation. But these are confined to low grade jobs permanently.

The strategy of monopoly capital to control Global working class and to raise profits so as to strengthen their dominance resulted in 1.2 million job losses in 1982 in US and Britain. In order to control working class in imperialist countries the Monopoly capital strategically campaigned through various media that the availability of required skills are inadequate in their countries. Thus, they attract youth from emerging economies including India. Under the direction of foreign institutes, various coaching centres are established enormously in emerging economies to impart various skills. Our youth will run after these centres by paying lakhs of rupees as fees on the expectation that they get job in foreign countries. They run for visas to get foreign jobs. This trend will continue for ever.

Technology will change quickly. Employees and Job seekers should learn new skills continuously. Old skills become obsolete quickly. Our higher education system which has been developed over the last several decades becomes outdated. Therefore, our national New Education Policy recommends the establishment of huge sized educational institutions with Global standards by foreign capital in the subjects of Organisation, Management, Finance and Artificial Intelligence. They are free to charge high fee. They are not subjected to our government control. Leaving aside bottom class, this kind of education is not accessible even to middle class. Thus, high level professions will be confined to the wealthy.

It is known to all that informal sector in India provides livelihood to majority. Their vulnerable working conditions are continuing. In line with the speedy changes in technology, job seekers are forced to learn new technologies and run for job, expecting high level jobs with advanced skills, the process of hectic competition continues for ever which perfectly divides workers.

The corporate forces have created digital platforms for delivery based Gig services during lockdown period of Covid -19 pandemic. The youth for their minimum survival waits for hours together on the platforms for work. They may get work for few minutes or few hours or no work at all. They have to deliver food items or goods to consumers to get remuneration. They are relatively more vulnerable compared to informal sector. Corporates receive online payments from consumers. Gig system is disastrous to workers.

Is Foreign Technology Transferred to India?

The foreign collaborations are seriously encouraged since second Five Year Plan to achieve industrial development through foreign technology. But there is no evidence of technology transfer till now. However, in the name of royalties, concessions and fees, our resources are drained to monopoly capital. Moreover, the domination of monopoly capital on our industrial sector is established and strengthened. This has been proved as early as in 1970's by comrade Tarimela Nagi Reddy in his 'India Mortgaged' with accurate and appropriate statistics.

With the aim of getting foreign technology transfer, attracting foreign direct investment is accentuated since 1991-92 with the entry of globalisation. The declaration of new concessions and incentives to attract foreign collaboration became a regular feature. The commercial giants of dominant countries are the owners of this technology. Due to the unfair and unequal bargaining power, the contract terms always give controlling power to the owner. Who should utilise, how much time and how, as well as price of technology will be decided by the Owner. There is no question of technology transfer, our dependency rises continuously. There is no opportunity to the development indigenous technology. Further, there is the high cost burden of royalty payments, but benefits are negative.

PM's group report, 2008 of India's National Manufacturing Competitiveness Council [NMCC] clearly stated that transfer of technology via FDI is resulting in excessively high cost of technology, FDI brings old technology, it will not emphasize about appropriate technology in the Indian context. Moreover, the liberalisation of technology related payments during reform phase resulted in high out flows.

Despite these observations by the government's high level committee, it has announced 'Liberalisation of Foreign Technology Agreement Policy in 2009. This policy removed all prior ceilings especially 2 million dollars [Rs. 16 crores] on technology related royalty payments. It is a serious contradiction that our government is willingly formulating policies to transfer our wealth to foreign countries in the name of Foreign Technology Transfer. However, Inter Ministerial panel is constituted in April 2017 by Department of Industrial Policy and Promotion to analyse royalty out flows. The panel discussed on how to attract \$100 billion Foreign Direct Investment annually but was silent about Regulation of Transfer of technology, royalty, framework on costs and restrictive conditions. Thus, our government itself encourages continuation of foreign dominance on technology. In 2017, 65 emerging countries adopted 126 policies in relation to foreign investment. Out of which 84% are favourable to foreign investors. It is acceptable for the governments of emerging economies to transfer our wealth to imperialist exploitative forces.

The national manufacturing policy, 2011, as well as 'Make in India' 2014 aimed at raising the share of manufacturing sector to 25% in Gross Domestic Product and creating 100 million jobs. However, the industrial policy 2017 focused only on technology transfer via

Foreign Investment i.e., How to attract \$100 billion FDI per annum for two decades is its only aim. Consequently, strengthening of our manufacturing sector so as to create 100 million jobs was sidelined. Therefore, recently the media is highlighting the creation of 70000 jobs by our Prime Minister. No one talks about the creation of 100 million jobs. The FDIs neither transfer technology nor create employment rather result in job losses. They purchase our domestic industries. This results in the crowding out of domestic industries and indigenous technology. Our dependency strengthens further. Still, our government formulate rules for ease of doing business to attract Foreign Investment. As part of it, Industrial Relations Code, 2020, was declared which abolished workers' strike deteriorating the bargaining power of workers, it encourages domination of employer and legally makes the owner as the final judge. The Social Security Code 2020, legalizes discriminatory deprivation. The Occupational Safety, Health and Working Conditions Code 2020, repeals protection to 13 groups of informal sectors. Thus, our government provides legal encouragement for the oppression of workers by monopoly capital in the name of Technology.

Robots are used even for normal task in dominant countries especially in US to control workers. Ex. Baxter, an industrial robot which can be used even by small industries. It is easy to train it and it can be purchased with the annual salary of an average worker. No tiredness, no holidays, no leaves and will work for day and night obediently. No rights, no Salary Payment and allowances. Now, robots and computers are available at cheaper rate. If the cost of using robot is less than the wage payments then, the Monopoly capital will not hesitate to substitute robot for workers in India despite labour abundance to make the lives of workers more miserable.

Conclusion:

In the name of technology, imperialist exploitative forces are diminishing the value as well as need of labour in developed and developing countries. The part of the surplus value which is appropriated from the loot of working class as well as periphery countries has been allocated for technology development to negate workers lives. The necessary strong basis is always created by the government policies, agreements, pressure of global industries for the implementation of these technologies. The Monopoly Capital feels that it is their right to raise profits. However, this trend might provide profits for individuals and institutes temporarily but the excessive use of technology will throw the system into critical crisis. As unemployed reserve army increases with no jobs, no earnings, no purchasing power. It is impossible for the capitalists to sell their output, resulting in a serious economic depression. This process increases the instability of the system and the financial capital is searching for various ways and means to hide it. The destruction of lives of majority will make the system unsustainable. This is the right context to consolidate oppressed people. The decent lives for all can be ensured only with revolutionary movements.

