Life and work under digital economy: new challenges and new vulnerable

Irina Soboleva[*1]

[1]Institute of Economics Russian Academy of Sciences – Russie

Résumé

Transition to digital economy is a global trend of today and Russia is no exception. On the one hand, digital economy opens new opportunities for improving quality of life and work-family balance. On the other hand, it makes obsolete traditional human capital and creates new facets of functional illiteracy making previously skilled people vulnerable in the world of work. The paper explores readiness of different population groups to meet new demands and use new employment opportunities. Three rounds of Comprehensive Monitoring of Living Conditions of Population conducted by Rosstat in 2011, 2014 and 2016 serve as dataset. We use two basic indicators of involvement in digital economy: computer literacy and Internet access. The research shows that while the share of population equipped with at least basic computer skills and Internet access has risen significantly between 2011 and 2016 it is still lower than in majority of European societies: about one third of population remains locked out of digital economy. The key factors determining possession of relevant skills are age, place of residence, wealth and health. Elderly people irrespective of other factors face the highest risk of isolation from digital economy. When analyzing the younger age cohorts we obtain that members of well-to-do households and big city dwellers demonstrate not only the highest coverage with Internet access but a much more broad list of purposes for Internet usage ranging from financial operations to online job search and distance employment. Still the majority of population use Internet mainly for social networking and entertainment (movies, games, etc.).

The research shows that there is a segment in the Russian labor market, which fits well into the digital economy. It differs from the majority of employed population in the structure of workers, employment strategies and job characteristics. Structural features of this segment are a higher share of own account workers, of age cohort of 20-24, of people with completed higher education and of big city residents. Compared to the majority of the working population, its members demonstrate higher satisfaction with earnings. At the same time, their employment is less stable and they are often multiple jobholders. Thus, growth of this segment will mean expansion of the field of non-standard employment, which require a revision of the legal infrastructure for regulating labor relations and new social protection mechanisms for workers.

The most vulnerable segment of population unable to benefit from the opportunities presented by digital economy encompass people with at least two negative characteristics of dwelling in rural area, belonging to low-income household and disability. Thus, at least in the Russian case transition to digital economy gives rise to a new set of labor market risks and widens the gap in opportunities opened for different population strata.

---

[*]Intervenant