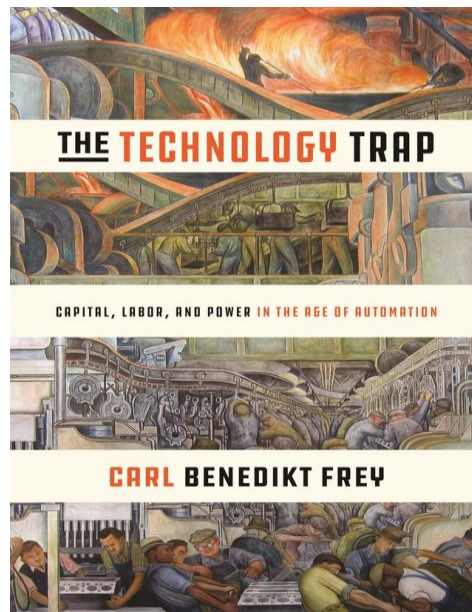


**Webinar on Technology Trap, Capital, Labour and Power in the Age of Automation by
Dr Carl Benedikt Frey on September 10, 2020**



Dr Carl Benedikt Frey, Oxford Martin School, University of Oxford in his webinar based on his recent award winning book made a sweeping look at the history of technological progress and how it has radically shifted the distribution of economic and political power among society's members. He spoke about how the Industrial Revolution created unprecedented wealth and prosperity over the long run, but the immediate consequences of mechanization were devastating for large swaths of the population. Middle-income jobs withered, wages stagnated, the wage share of value added fell, profits surged, and economic inequality skyrocketed. These trends broadly mirror those in our current age of automation, which began with the Computer Revolution. Just as the Industrial Revolution eventually brought about extraordinary benefits for society, artificial intelligence systems have the potential to do the same. But Frey argues that this depends on how the short term is managed. Although the pandemic may have increased the possibility of automation, COVID-19 also had a deleterious effect on innovation for the following reasons:

- AI is not yet a mature technology
- Immigration has been a key driver of innovation and prominent immigrant based innovation generating countries such as the USA has put a hold over immigration which can reduce innovation
- De-globalization can reduce innovation
- Market concentration may lead to less competition and innovation
- Venture capital funding is procyclical
- Innovation is increasingly happening at a distance, but collaborators first have to meet

For all these reasons, innovation on labour displacing technologies may be on a lower scale.