

The true cost of shadow work



One of the great economic mysteries of the moment is why labor productivity is falling, particularly in the US.

Some economists say this is simply an adjustment to the unsustainably hard work many of us have been putting in during the Covid-19 pandemic. But even after the Great Recession, there was a slump in productivity. And while there are certainly big long-term factors at play here, such as E.g. the failure of education to keep up with technology (which in turn reduces productivity), I think there are other under-researched issues. This includes the rise of shadow work.

Shadow work is a term coined in 1981 by the Austrian philosopher and social critic Ivan Illich. For him it included all unpaid work in the economy, such as maternity and household chores. More recently, however, the term has expanded to include the work that technology has allowed companies to offload to their own customers.

In the book *2015 Shadow Work: The Unpaid Invisible Jobs That Fill Your Day* Former Harvard magazine editor Craig Lambert focused on the myriad of tasks that used to be done by other people that most of us now do for ourselves, usually with the help of digital devices. This includes everything from banking to booking travel, ordering food at restaurants and packing groceries, not to mention downloading and navigating the apps we need to pay for parking tickets or track our kids' schoolwork or even our own tech woes remedy.

While neither Lambert nor groups like the IMF Statistical Agency have a good estimate of the total amount of extra work created by such tasks, it is clearly significant and growing, especially when you consider research showing that a quarter of all jobs in the US will be severely disrupted by automation by 2030 (in fact, most workplaces will experience some level of disruption). "I'm just amazed at how tempted we were to spend our own time fixing things that others used to do for us," says Lambert.

In a recent and not unusual week, I downloaded several new apps to my phone and used them to pay for college prep tutors, book classes, and manage a vacation abroad. Then there was the uniquely American hell of shadow healthcare work. This has included entering medical information for providers, filing insurance claims for multiple family members, and trying to obtain reimbursement or correct the common mistakes that crop up in a highly fragmented and complex system where different entities are all trying to track costs to push each other up.

I lost a few hours trying to (unsuccessfully) resolve an ordering issue with a department store, switching from multiple help emails to chatbots to speaking to overseas call centers who promised to fix things but didn't. Eventually, I escalated the matter to my credit card company, Visa, who in turn required me to enter additional digital information.

A business trip required the use of an unfamiliar travel platform that took time and effort to learn. I scanned my own lunch items into an airport kiosk who asked me if I wanted to leave a tip (for myself?). When the flight was delayed, I was sitting in a coffee shop where orders had to be placed using an iPad. After waiting 30 minutes for a latte I looked around for help but couldn't find anyone to complain to (the guy next to me claimed to have waited 40 minutes). I ended up getting in with no coffee or refund.

One could argue that all this shadow work lowers consumer prices by reducing human labor. Perhaps. But is it productive for the economy as a whole? You must be wondering. As a well-paid knowledge worker, does it make sense for me to spend several hours a week struggling with tasks that used to be much better done by entry-level workers who needed the employment?

That's not a smug question, it's a reasonable one. Economists such as Joseph Stiglitz have cited shadow labor as a negative externality of a market system in which firms are incentivized to pass on labor costs. Lambert cites the loss of entry-level jobs in the service sector as one of the negative consequences of shadow work. A 2019 Brookings study found that the low-wage jobs are most at risk from automation, which in turn means younger people, and particularly minorities, are vulnerable to the kind of labor market disruptions that lead to shadow work. Unless states improve education to keep up with technology, many of these workers cannot find new jobs, and productivity and growth decline.

Now, in an increasingly automated economy, human contact has generally become a luxury. Really rich people have other people doing shadow work for them. And yes, technology can reduce "friction," but that depends on what you mean by friction. I remember MIT professor Sherry Turkle telling me about a sensor-driven app that a colleague developed that allowed academics to move from class to class without ever encountering another human to distract them. Smooth, yes. Also faceless.

Automation and the app economy clearly bring many benefits. The emotional cost of busyness and distraction, which force us all into our individual information silos, is difficult to quantify. But capturing the full economic cost of shadow work would be a worthwhile project.

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