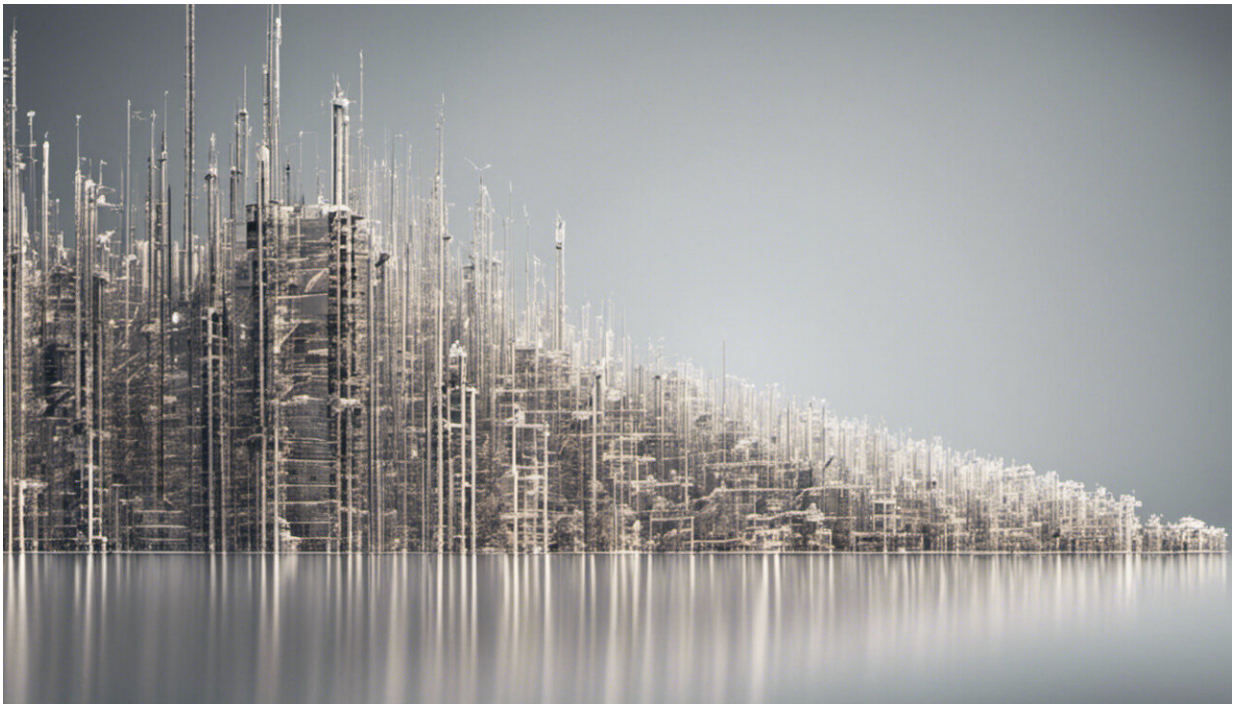


Technology and robots will shake labour policies in Asia and the world

January 23 2019, by Asit K. Biswas And Kris Hartley



Credit: AI-generated image ([disclaimer](#))

In the 21st century, governments cannot ignore how changes in technology will affect employment and political stability.

The automation of work – principally through robotics, artificial intelligence (AI) and the Internet of things (IoT), collectively known as

the Fourth Industrial Revolution – will provide an unprecedented boost to productivity and profit. It will also threaten the stability of low- and mid-skilled [jobs](#) in many developing and [middle-income countries](#).

From labour to automation

Developing countries must begin seriously considering how technological changes will impact labour trends. Technology now looms just as large a disruptive force, if not larger, than the whims of global capital.

China has for decades increased its global contribution to [manufacturing value-added goods](#), now enjoying a competitive position in [Apple products, household appliances, and technology](#). In the process, the country has made [historic progress](#) lifting its citizens out of poverty.

China has accomplished this by raising worker productivity through technology and up-skilling (improving or acquiring new skills), and higher wages have predictably followed.

However, [this trend](#) is also compelling manufacturers to [relocate](#) some low-skill production to Southeast Asia. [US-China trade disputes](#) could exacerbate this trend.

Relocation of manufacturing activity has been an economic boon for workers in countries like Vietnam and Indonesia. However, the race among global manufacturers to procure the cheapest labour brings no assurances of long-term growth and prosperity to any one country.

Governments in developing countries must parlay the proceeds of ephemeral labour cost advantages into infrastructure investment, industrial upgrading and worker upskilling. China has done this to better effect than many.

The growth in sophistication and commercial feasibility of robotics, IoT, and other automation technologies will impact jobs at nearly every skill level. More broadly, the fallout from technological advancement may replicate the disruptive geographic shifts in production once resulting from labour cost arbitrage.

Political blowback

After many decades of globalisation, a borderless economy has emerged in which capital and production move freely to locations with the greatest investment returns and lowest cost structures. This has prompted a pattern of global economic restructuring, generating unprecedented growth opportunities for developing countries.

Workers have been rewarded for their personal efforts in education and skill development, while millions have been lifted from poverty.

Given advancements in technology and the associated impact on livelihoods, it is time to consider how the next chapter of global development will play out politically. Automation will be a highly disruptive force by most economic, social, and political measures. Few countries – developed or otherwise – will escape this challenge.

Some Western countries, including the United States, are already experiencing a populist political wave fuelled in part by the economic grievances of workers displaced from once stable, middle-class manufacturing jobs. Similar push-back may erupt in countries already embroiled in nationalist politics, including India.

Growing populations and the automation of work will soon mix to create unemployment crises, with serious implications for domestic [political stability](#).

As education systems flood the employment market with scores of ambitious graduates, one of the greatest challenges governments face is how to generate well-paying jobs.

Further, vulnerable workers will include not only new entrants but also experienced workers, some of whom are continuously and aggressively up-skilling in anticipation of more lucrative employment.

In [India](#), over 1 million people enter the working-age population every month. More than 8 million new jobs are needed each year to maintain current employment levels.

India's young population is [becoming increasingly pessimistic](#) about their employment prospects. Although official statistics are unreliable, as a large percentage of work occurs in the informal sector in positions such as domestic workers, coolies, street vendors, and transient positions lacking contracts, indications are that India may be facing [the prospect of jobless growth](#).

Insufficient skill levels in much of the workforce are impeding India's effort to accelerate growth in high-productivity jobs. Thus, the country's large-scale manufacturers, both domestically and internationally owned, are turning to robots to ensure consistent, reliable, and efficient production.

Urbanisation also adds to India's employment challenge. The promise of higher-paying jobs has lured many rural workers into urban areas, but these workers are often illiterate and lack sufficient skills. This was not always a concern, as these workers could find menial factory jobs. Robots are now doing much of the low-skilled work that migrant workers were once hired to do.

Towards a future of stable livelihoods

The lingering socio-economic imperative for many governments is to replace eliminated jobs. According to [The World Economic Forum](#), "inequality represents the greatest societal concern associated with the Fourth Industrial Revolution."

However, the WEF and others have given little useful guidance on how to address this challenge. How should the economy absorb multitudes of variously skilled workers displaced by technology?

People aspire to economic and social mobility more than ever before, particularly as they observe wealth rising ostentatiously all around them – on the streets, in the news, and among seemingly lucky friends and acquaintances. Sadly, the aspirations of most will go unfulfilled.

One way forward is said to be through [up-skilling](#) by retraining workers to operate and maintain technology systems. However, this seems to be a paradox, as workers would be training robots to eventually take jobs held by humans. If a major driver of automation is reduction or elimination of labour costs, one cannot expect all displaced workers to enjoy stable and continuing employment opportunities.

Despite political promises about employment growth from high-tech industries and the technological transformation of primary sectors, the tension between the drive for technology-based efficiency and the loss of jobs is undeniable and may have no clear resolution.

Societies have reacted to global economic restructuring in discouraging ways, indulging in nationalism, racism, militarism, and arbitrary economic protectionism. Populist opportunists and foul-tempered troglodytes have ridden reactionary rhetoric into positions of political power, raging against what former White House chief strategist Steve Bannon calls the "[liberal postwar international order](#)." At the same time, left-leaning solutions such as universal basic income face significant

fiscal and political headwinds.

The 21st century will see increased disruptions to once-stable work life, due to technological progress and the continuing liberalisation of global capital and production. Early indications about how countries will respond – haphazardly and with no clear long-term strategy – are not encouraging.

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Provided by The Conversation

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