

Will automation turn workers into slaves?

by Rachel Ranosa

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Doomsday prophecies of how robots will impact jobs have dominated headlines, considering how up to 800 million jobs worldwide are expected to be lost to automation by 2030.

The more technologically advanced countries such as South Korea, Germany, and Singapore are said to be prepared to ride the wave of AI and automation.

Middle-income and lower-income countries such as Mexico, Vietnam, and Indonesia, with large manufacturing hubs, on the contrary, may find it difficult to adapt, research by The Economist revealed.

What will happen to workers who cannot upskill due to constraints in their resources and limited access to education? What does an automated future hold for those in the lower rungs of supply chains in emerging markets?

“The answer is not a comforting one,” analysts from risk consultancy Verisk Maplecroft said.

Apart from calculating the economic impact of AI and automation, not much has been said about the human rights abuses likely to ensue from job displacement, analysts believe.

In the latest forecast by Verisk Maplecroft, massive technological unemployment could result in a “race to the bottom” for millions of workers, particularly those in manufacturing, agriculture, retail, and hospitality. The condition could further spike labor violations and human rights abuses.

“Displaced workers without the skills to adapt or the cushion of social security will have to compete for a diminishing supply of low-paid, low-skilled work in what will likely be an increasingly exploitative environment,” said Dr. Alex Channer, principal analyst at Verisk Maplecroft.

In Southeast Asia, where at least 137 million (56%) of the region's manufacturing jobs face the threat of automation, the risk of slavery and human trafficking emerging in supply chains will increase.

Of five manufacturing hubs expected to be hit hard by reliance on smart machines in the next two decades, Vietnam has already been showing the highest risk of exploitation.

Beyond the supply chain

For every robot added to the workforce, about three human workers are estimated to lose their job, according to researchers from MIT and Boston University.

While the economic pie will grow bigger because of productivity gains in the Industry 4.0 era, the question remains: how do states ensure everyone gets a slice of the pie?

"The adoption of automation technologies by companies will be gradual, but the unintended consequences for millions of workers in brand supply chains is likely to be severe," Channer said.

The crisis goes beyond supply chain management and into human capital management.

"Responsible sourcing departments, in particular, need to identify and understand the adverse effects of automation on human rights, and work with civil society and governments to mitigate the impacts within their own supply chains," Channer said.

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