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Robots threaten SE Asian jobs

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The Asian Development Bank is urging countries in Southeast Asia – Cambodia, Indonesia, the Philippines, Thailand and Vietnam – to upgrade the skills of their workers so that they can adapt to the technological advances that are rapidly transforming industries and economies.

In an opinion piece posted recently on the ADB website, Stephen Groff, ADB vice-president for Operations said “much of Asia” is not yet prepared for the technological advances that come with the Fourth Industrial Revolution, leading to fears of mass unemployment.

Citing data from the International Labor Organization (ILO), Groff said 56 percent of total employment in Cambodia, Indonesia, the Philippines, Thailand, and Vietnam is “at high risk of displacement due to technology over the next decade or two.”

Developing countries have so far been spared from massive job loss due to automation because labor remains cheap but governments should not dismiss the fact that the use of robots for highly repetitive tasks are gaining a foothold in the region – especially in developed countries like China and South Korea – and would

soon catch up in developing countries.

“In 2015, robot sales in Asia increased by 19 percent – the fourth record-breaking year in a row. When less-developed Asian countries eventually join the technology bandwagon, layoffs will inevitably ensue,” said Groff.

To soften the blow, he said governments urgently need to pursue well-thought-of labor market reforms and overhaul their education systems, starting with technical and vocational education and training (TVET).

“Although TVET is becoming increasingly popular in Asia’s developing economies, its quality is often poor. Governments should ensure that TVET courses focus on more relevant skills, while remaining flexible so that students can study without sacrificing income,” Groff said.

One option, he said, is to

expand the availability of modular short courses, which take less time, train for specific tasks rather than entire jobs, and are more manageable for students who need to immediately earn money.

Competency-based assessment systems could also be particularly useful to formalize the credentials of Asia’s large informal workforce and enable them to land formal employment.

“Programs offering skilled workers a chance to earn certifications based on their work experience would allow for, say, uncertified electricians to find formal employment in robotics,” Groff said.

The private sector can also help produce more graduates with job-ready skills in designing their curriculum to fit the manpower needs of industries.

Furthermore, governments should offer subsidies or tax incentives to companies that invest in the skills that humans master better than machines, such as communication and negotiation, Groff said.

“They will also have to adopt more flexible labor regulations, because firms won’t hire skilled workers who cost

too much. At the end of the day, Asia’s developing countries need policies that support workers, rather than jobs. All parties can benefit from flexible contracts and lifelong learning and retraining opportunities.

Retraining is particularly important, because automation will create entirely new industries and occupations,” he said.

Citing a study by the McKinsey Global Institute, Groff said automation could boost global productivity growth by 0.8-1.4 percent annually, generating large savings and performance gains for businesses. As such, improving access to training and certification would help countries capitalize on these advances and ensure more equitable growth, by giving workers the skills needed to handle the new jobs.

“That outcome would be good for workers and for Asian economies. It would mean that businesses like the factory in Bangladesh could operate solely with robots, while its former workers would be gainfully employed elsewhere, most likely in jobs that don’t even exist yet,” Groff said.

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