

AUTOMATION IN RICH COUNTRIES WILL BENEFIT DEVELOPING COUNTRIES – at least for the foreseeable future

Fears about Northern automation hurting Southern workers are vastly overblown, according to research to be presented at the annual congress of the European Economic Association in Manchester in August 2019. The study by **Paulo Bastos** and World Bank colleagues finds that on the contrary, Northern robotisation promotes North-South trade and is likely to benefit workers and consumers in developing countries.

Industrial robots are most likely to catalyse, rather than reduce, North-South trade and enhance global wellbeing. This conclusion is likely to be reinforced by the fact that other new technologies – such as high-speed internet, blockchain and digital platforms – will reduce even further the costs of trading and coordinating across borders. They can also lead to the creation of new products and tasks.

At the same time, trade and technological change will necessitate labour market adjustment and may create severe distributional tensions. Designing policies that harness the growth potential of globalisation and technological progress while ensuring the attendant gains are equitably spread is, therefore, an important task for future human research.

More details are here:

Do robots threaten North-South trade and welfare?

<https://voxdev.org/topic/technology-innovation/do-robots-threaten-north-south-trade-and-welfare>

ENDS