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Speech

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**“ROBOTS VS HUMANS: POLICY CHALLENGES FOR FUTURE
LABOUR MARKETS”**

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Ladies and gentlemen,

Thank you for inviting me to this event. My introductory comment in this discussion aims to explain why in the Greek case having robots deployed in the Greek industries can be only positive for the current and the future labour market.

God created mankind in his own image; and male and female he created them. And the mankind, after many-many centuries, created the industrial revolutions, the 1st, the 2nd, the 3rd, the 4th, which is well underway.

The industrial and revolutionary Man created robots. As part of the 4th industrial revolution there is rapidly growing adoption of robots, mainly of industrial robots, in the last few years. This is reshaping the international division of labour and the world of work.

Robots are the epitome of new technology, of continued technological advancements in automation systems and artificial intelligence. They drive into a fundamental transition.

What stance should we adopt in front of the resulting, and largely unforeseen, challenges?

To answer this, I do not have but to quote the current Prime Minister of Sweden and co - chair of ILO Global Commission on the Future of Work, who

quoted a friend of him – a former governor of Gothenburg, Social Democrat and union leader – Göran Johansson:

“On a visit to a new industrial plant, he was asked what he thought when looking out over the high-tech industrial robots on the factory floor. He said: “I don’t fear new technology. What I fear is the old one.”

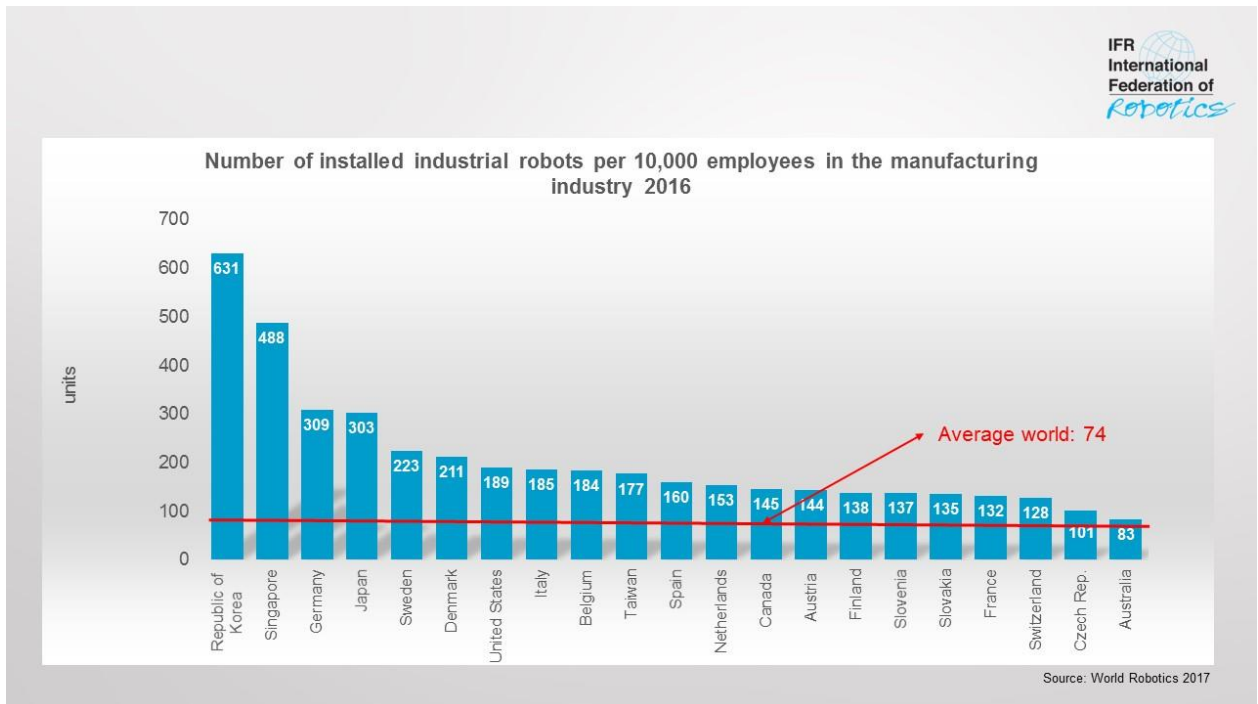
But we are not in Sweden. We are in Greece. If we had more time we could theorise, speculate, discuss and revive the old and revolving debates about deskilling, the degradation of work, reskilling, etc.

Unfortunately this is a luxury now for us in Greece.

To put it roughly: Our challenges, for the current and future labour markets, are not related to the adoption of robots. On the contrary, are linked with not having enough automation systems, digitalization and industrial robots deployed by industries in Greece.

The challenge is how we can exploit the potential of new technology and robots to bring about large productivity gains and make the new labour market as inclusive as possible.

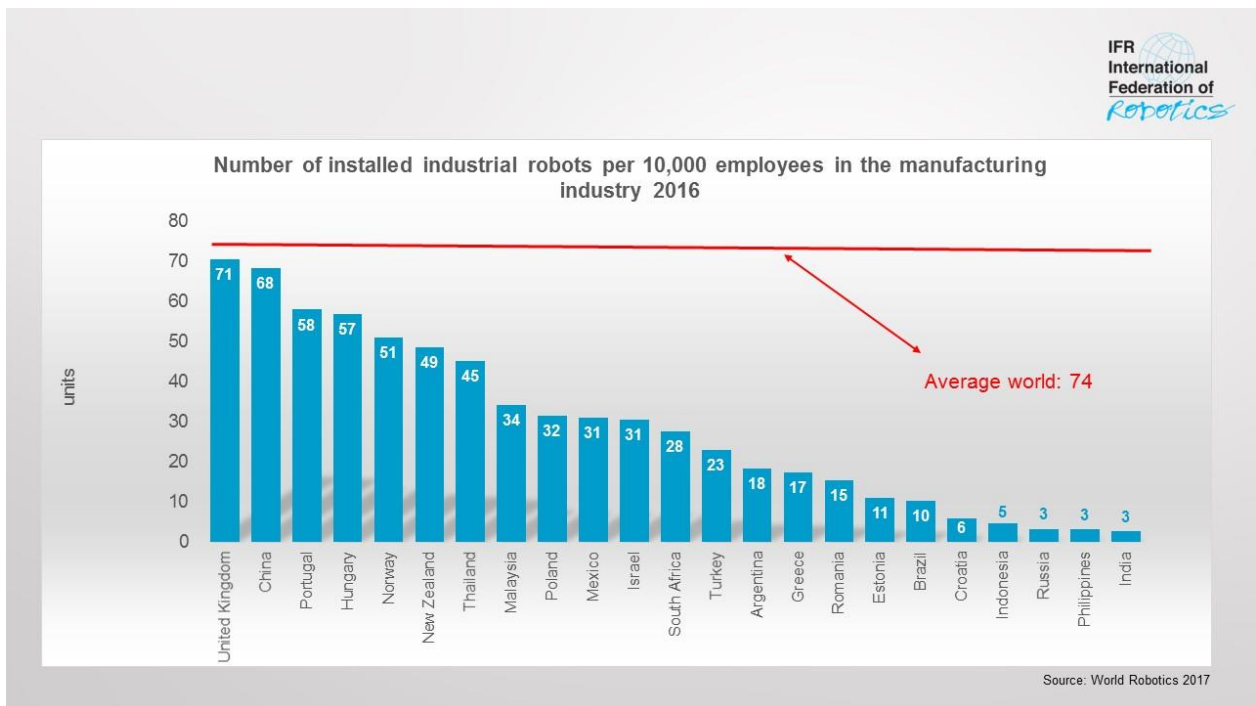
The automation of production is accelerating around the world: 74 robot units per 10,000 employees is the new average of global robot density in the manufacturing industries (2015: 66 units). By regions, the average robot density in Europe is 99 units, in the Americas 84 and in Asia 63 units.



There are 2 million industrial robots today and there will be another 1.3 million by 2020. Robot teams and mind controlled robots are underway for the factories of the near future.

But the statistics for Greece are alarming.

With 17 robot units per 10,000 employees Greece is far away from the global average (74), the European average (99), and many other small open economies of the EU and the Eurozone (Sweden 223, Slovenia 137, Slovakia 135, Czech Republic 101, Portugal 58).



There is probably a composition effect for this.

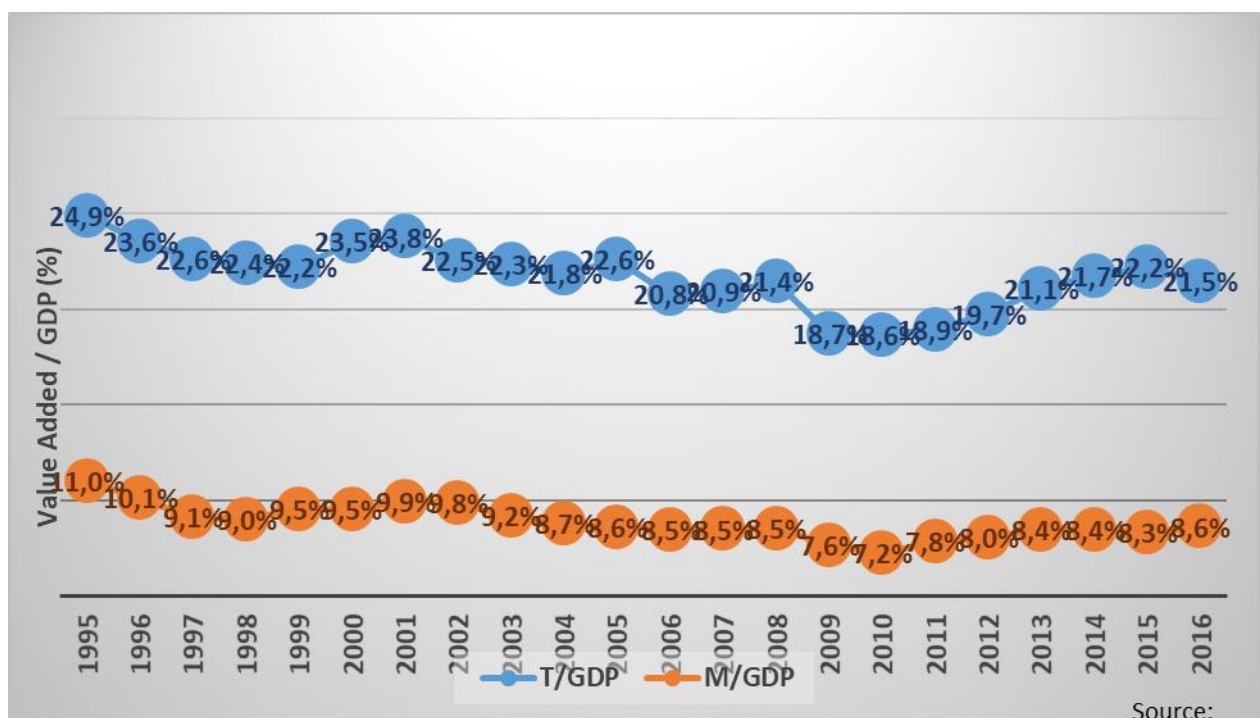
Industrial robots are mostly (2/3) used in the automotive and the electronics industries, which have a very weak presence in Greek manufacturing.

And this is exactly the real challenge for Greece. Its weak manufacturing sector, the critical need to expand it, together with the ICT sector and the other tradable sectors and services. To make possible to keep the country in the club of the developed economies and the hierarchy of the global division of labour.

We first have to drive Greece in an economic growth path, by strengthening its very weak tradable sector. This is critical.

The tradable sector share of 18,7%, and in this the manufacturing share of 7,2%-7,6%, in the GDP, indicate a fundamental asymmetry.

Shares of Tradable sector (T) and Manufacturing Industries (M) in Greek GDP 1995-2016



In light of the division of economic activities in “internationally tradable” (T) and “internationally non-tradable” (N) goods and services, the, decade long now, crisis of the Greek economy could be interpreted as the result of the asymmetrical growth of the two sectors in a currency regime of fixed exchange rates and a concurrent situation of continuous excessive demand financed by public sector deficits, and excessive public and private debt.

Keeping up with the continued technological advancements in automation systems and industrial robots should be considered a prerequisite for strengthening the very weak tradable sector in Greece.

When thinking about the future of work in Greece we should approach the ever-ongoing evolution of technology, as a prerequisite for bringing about much needed productivity gains and create new jobs, with positive spillovers in the economy, labour market and society.

In parallel we need a regulatory framework for the labour market, which at this stage should be flexible and efficient, conducive to the transfer of resources, including labour, towards the tradable sector.

This requires considerable investments in terms of training and skills upgrading to smooth the transition. Not only for manufacturing. Also for ICT industries and services, and the other segments of the tradable sectors in Greece.

It also requires planning how fairly gains from this growth will be distributed.

To sum up. We should not fear the new technology, we should not fear having robots and industrial robots.

We should mainly care about the lack of them from the tradable sectors of the Greek economy, the weak tradable sectors, the low digitalization.



All these limit the productive transformation of the Greek economy and preserve dire conditions in the Greek labour market.