

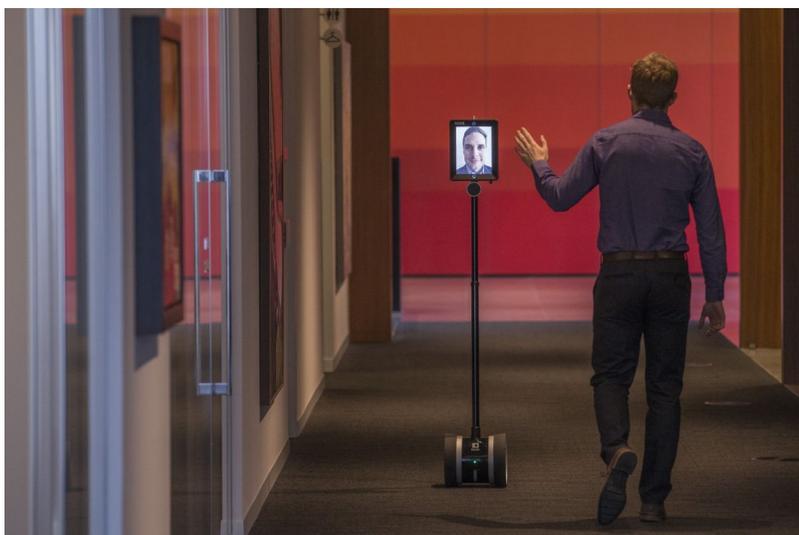
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## BOOKSHELF

# 'The Globotics Upheaval' Review: When the Robot Gets an Office

New robotics and AI technologies may soon be coming for the jobs of those who until now have only known globalization's benefits.



A telepresence robot in a Toronto office. PHOTO: UNCREDITED

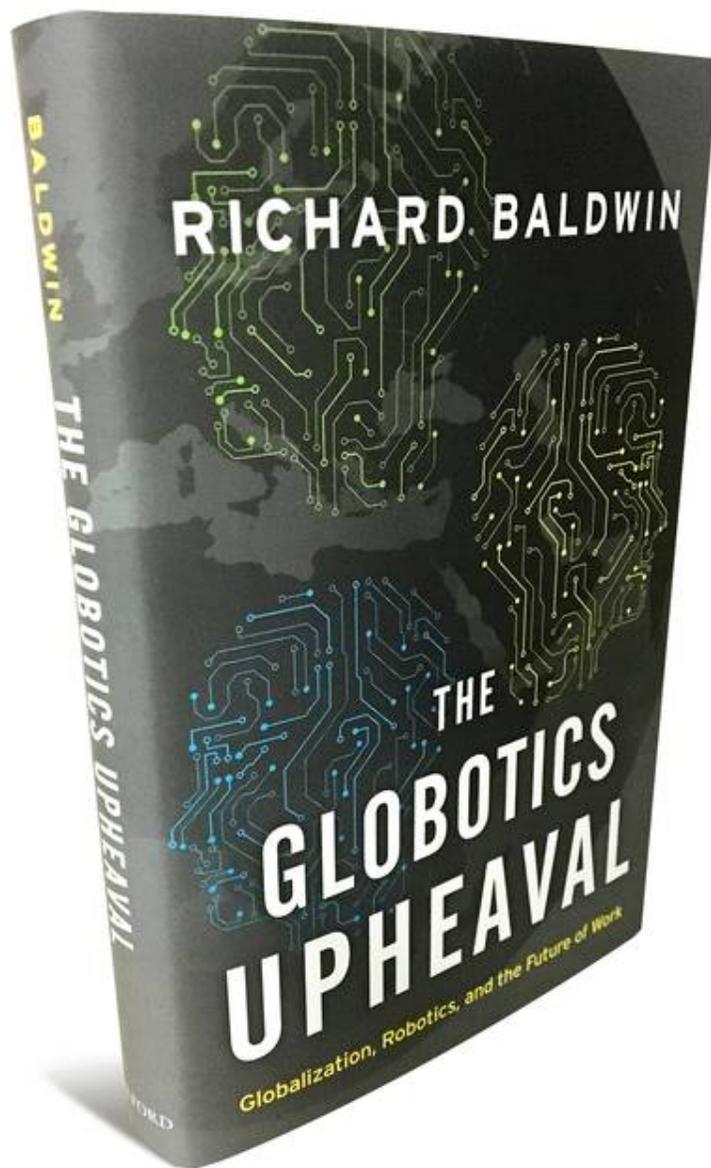
*By Marc Levinson*

March 3, 2019 4:47 p.m. ET

The great wave of globalization is ebbing, or so it seems. Trade barriers are going up, ocean shipping is slower and less reliable than it was two decades ago, and manufacturers and retailers are keeping more inventory just in case their supply chains can't deliver. But while the loss of factory jobs to foreign competition may have abated, a new threat to employment may loom. If Richard Baldwin is right, globalization will soon go after white-collar jobs with a vengeance.

Mr. Baldwin, a professor at the Graduate Institute in Geneva, is among the leading scholars of international trade. In his 2016 book "The Great Convergence," he showed how the transfer of

advanced technologies to poor countries made the current episode of globalization particularly harmful to industrial workers in rich countries, and he called for new social policies to address the problem. Now, in “The Globotics Upheaval,” he moves in a new direction, considering how the spread of robotics and artificial intelligence will affect the international distribution of labor. He argues that these fast-changing technologies will expose relatively well-paid jobs to foreign competition. As this occurs, people who have until now enjoyed mainly benefits from globalization will experience its costs first hand. “We need to stop asking whether the economic impact is due mostly to globalization or mostly to automation,” Mr. Baldwin writes. “Globalization and robotics are now Siamese twins—driven by the same technology and at the same pace.”



By now, assembly-line robots and algorithms that predict what songs we’re likely to enjoy on Spotify are old news. Mr. Baldwin argues that such technologies typically spread slowly at first, as people figure out how to take advantage of them; but then they grow exponentially, as their potential becomes more obvious and as entrepreneurs invent new ways to use them. Artificial intelligence and its cousin, robotics, will arrive in the workplace gradually, he says, but will wreak havoc by fitting into existing labor-market trends in ways we haven’t reckoned with.

PHOTO: WSJ

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## THE GLOBOTICS UPHEAVAL

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By Richard Baldwin

*(Oxford, 292 pages, \$29.95)*

Remote work, for example, has been around for years, but many organizations struggle to make it seamless. Now, however, advanced telepresence systems can give people at different locations the sense of being in the same conference room. Telepresence robots attempt to overcome the psychological effects of separation by personifying remote workers: It turns out that if you converse through a robot that rolls up to your colleague's desk and displays your live video image on its screen, both you and your co-worker are likely to be more engaged than if you are exchanging phone calls or instant messages. This is all well and good. But as Mr. Baldwin points out, once an organization has become accustomed to people working remotely, it makes economic sense to move that work to a country where workers with similar skills earn less. New technologies such as telepresence systems will accelerate this trend.

Similarly, many organizations have outsourced tasks to freelancers, who are paid only when needed and demand no fringe benefits. Once an employer has figured out how to use domestic freelance workers effectively, it can engage lower-cost foreign freelancers just as easily. Several online services have sprung up to expedite such transactions. These services enable firms to announce their needs, evaluate interested candidates, and agree to an hourly rate with an accountant or an editor half a world away.

The only factor preventing large numbers of jobs from migrating abroad in this way, Mr. Baldwin says, is language. Relatively few workers in most low-wage countries can read, write and speak the languages in demand in richer countries. Enter artificial intelligence, which over the past two or three years has vastly improved the quality of written translation and enabled computers to "understand" and "speak" like a native. Very soon, workers in far-flung locations will be able to write in one language and have their missive delivered promptly in another, and to participate in a meeting with real-time interpretation that expresses their thoughts in the vernacular of colleagues at the home office. "With machine translation being so good, and getting better so fast," Mr. Baldwin writes, "the billion who speak English will soon find themselves in much more direct competition with the other six billion who don't."

Mr. Baldwin predicts that this change will not wipe out entire occupations, as technological advances affecting blue-collar work often have. Instead, it will eliminate tasks: A virtual assistant, endowed with artificial intelligence, will take on parts of the work we do now, leaving us to do only the parts that white-collar robots—the “globots” alluded to in the book’s title—can’t handle. That means that your office will stay open but with significantly fewer people needed to do the work. “It will only be after five to ten years that we’ll realize that globots have totally and irrevocably disarranged our workplaces and communities,” Mr. Baldwin says.

This vision of the future is not all bad. For one thing, we’ll be spared those mindless office tasks that everyone detests; using artificial intelligence to prepare expense accounts could be a killer app. For another, sluggish productivity growth has held the U.S. economy back for years. Many of us who have studied it conclude that productivity growth has less to do with government policy than with the adoption of innovation in the business world. If robotic-process automation and virtual reality offer new ways of producing more with less, the economic consequences could be positive.

Yet there are some obvious policy challenges. How do we cope with a sudden trade-related loss of jobs that can’t be stopped with quotas or tariffs? How do we keep society together when most employment in the information, service and financial sectors can abruptly be shifted abroad to workers earning much lower wages? And how do we deal with the anger that is likely to swell as articulate, well-educated people find their skills devalued by technological changes that they cannot escape? These are questions Mr. Baldwin deserves credit for raising.

*Mr. Levinson’s most recent book is “An Extraordinary Time: The End of the Postwar Boom and the Return of the Ordinary Economy.”*

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