

Mexico Faces the Fourth Industrial Revolution

NAPOLEÓN GÓMEZ URRUTIA

THURSDAY 28TH JUNE 2018

The processing industry is undergoing a revolution in the use of technology and the digitalization production. The risks of reducing the size of the work force as a result of advanced robotics and real workers being replaced are obvious, and even more so in the poorest countries which have not yet felt the benefit of employment growth in industrial sectors.

During the meetings that followed the IndustriALL Global Union 2nd Congress, various policy decisions were taken with a view to establishing a global strategy for tackling these new and important challenges. While these significant changes could bring major benefits for the labour sector, communities and societies by offering improved living standards, this transformation will not be agreed to unless the necessary programmes to ensure a fair transition for affected workers are in place.

‘Industry 4.0’, as this fourth industrial revolution has been dubbed, has the potential to transform the world as we know it. While this new phase of global modernization is underway, it is fundamental for a different politics of social justice to be established at the same time.

Manufacturing across the world has been in a state of constant technological flux ever since the end of the 19th century. The key thing is that these processes of advanced digitalization and other aspects that make up this fourth industrial revolution, or Industry 4.0, have been widely discussed by companies and governments as implying a radical transformation in manufacturing activity. The tools required to keep progressing in this vein range from supporting customers with an adequate internet connection to indirect services to providers, and implementing advanced robotics in the very industry of manufacturing machinery and equipment itself.

The largest trade union organization in the world, the IndustriALL Global Union, the international executive committee we the Mexican Miners are part of, is currently promoting an initiative which sets out that technological changes must care for and protect workers, as well as upskilling them, allowing them to live in greater social justice. To date, 28 countries have signed up to the proposal, representing 75% of gross global product and approximately 85% of industrial production.



The current high levels of digitalization and integration require a plan to be put in place for intensive preparation on the subject over the coming years. The 33% of countries across the world which have currently introduced robotization could increase to 39% next year, and to 72% in the five years to follow. Mexico is placed at around the middle of these rankings and with a rapid growth rate, particularly in certain industries such as the automotive sector, white goods, mining and others which are highly involved in this same modernizing process of new technologies.

For companies, the success of digitalization over the same period will bring in additional economic revenue of 2.7% per year, and an annual 3.2% cost reduction. Naturally, the outcomes of Industry 4.0 will depend on various factors. It will also affect many regions unequally, and in some areas it is even set to reinforce existing inequalities within countries and continents. According to an Oxford University study, 47% of workers in North America are at high risk of losing their jobs and being replaced as a result of technological advances. In the case of developing countries, according to the World Bank, two thirds of all jobs are more susceptible to automatization and artificial intelligence.

Industry 4.0's potential impact on labour markets will be dramatic if a series of changes are not made and certain conditions fulfilled, such as the introduction of an effective training, education, and upskilling programme. The changes required do not only affect workers, but also governments and societies which are already facing shortages in skilled and qualified labour.

Mexico cannot escape this reality, and the new government of the Republic will have to take on the challenges of modernization, automatization and technological change, for if these things are properly overseen, they will simply reinforce the conditions of inequality and labour exploitation.