Lukas Schlogl and Andy Sumner, Disrupted Development and the Future of Inequality in the Age of Automation.

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Disrupted Development and the Future of Inequality in the Age of Automation scrutinise the impact of automation in both the developed and developing countries. This emerging trend of automation has taken over the globe terming it as 'robot reserve army' affecting the economy with premature de-industrialisation. This book, unlike other books in the domain, notably by Girasa (2020), Goldfarb et. al., (2019), and Bernhardt and Thomason (2018), focuses on the most recent trend in mushroom growth of automation that result in national inequality, besides proposing the ways how to tackle this social strain in terms of public policy.

The authors have introduced the book quoting a World Bank report (2016) that automation has contrived almost two-thirds of the developing countries' current labour force. Likewise, they have also quoted several international agencies global reports on employment prospects towards weakening the labour force. The majority of the reports focus on high-income growth countries, neglecting the developing countries whose progress remains understudied.

The book sets in motion with contemporary economic development in the developing world, discussing the three economic theories: (neo-)Classical and neo-Schumpeterian school. According to the first two (classical and neo-classical) schools; market equilibrium is determined through supply and demand where manufacturing sectors are portrayed as inconsequential. In contrast to this, neo-Schumpeterian school of thought explains; how the market is self-regulating, where manufacturing sectors do matter. These thoughts, according to Rodrik (2016), could be the turning points for developing countries, provided technological capacity as of developed nations. Further, the book presents that the absorptive capacity of labour in poor countries is low that hinders the transfer of labour towards high productivity sectors. Likewise, excess natural resources' export is also portrayed as negatively impacting the structural transformation, limiting the labour force. These issues, are found to be factors limiting the economic growth rate in the under-developed regions like, Latin America, studies like McMillan and Rodrick (2011).

Lukas Schlogl and Andy Sumner have also emphasized Kaldor (1957) work who postulated that industrialisation is necessary for economic development. This would be possible by introducing modern techniques in different sectors to enhance productivity, e.g., agriculture. It is also pertinent to bring out export-led reforms and policies which will help in booming economic growth. However, the study conducted by Gollin (2014) propounds that the Lewis model of economic development is only the relevant model in developing countries to do so. An emphasis towards labour market, this model provides insight about structural transformation and economic development in most of the developing countries. In addition to this, the movement of labour changes the structures of Gross Domestic Products (GDP), leading to economic growth.

In the further chapter, the authors have provided case studies of different developing countries under Groningen Growth and Development Centre (GGDC) Database (version 2014) developed by Timmer, de Vries, and de Vries (2015), which provides data for countries' exports and its employees. In this database, an overview of the diverging trend in trade position is illustrated. In the second part of this book, the authors have highlighted the impact of technological advancement on the global world. According to the International Federation of Robotics (2016) report, Asia is trending on top of the demand for robotics surpassing double-digit growth. The rising trend is visible in both software and hardware development. However, it is quite early for developing countries to adopt this changing trend of technological advancement as these late comers/developers lose their ability to achieve economic growth due to the unskilled labour force.

The authors have further elaborated on the future risks of automation and digitization with clear views and facts about the technological changes. They also projected less involvement of labour force in the production process as labour is replaced by machines which are more efficient and effective than humans. Also, a fine critical analysis of various economic models in relation to the development (from classical to neoclassical economics) is coupled with other supporting models. It shows; how the work pattern of labour has changed over time with innovations and advanced technologies. Likewise, booming scientific knowledge and inventions have resulted in more profits for businesses. It also has intensified market competition internationally.

These inventions (automation and digitization) has altered the labour force employment. Robots and machines are performing conveniently as compared to humans – increasing the production levels in the agricultural and industrial sectors. Subsequently, such changing trends have an adverse effect on the employment of labour, both in industrial and agriculture sectors, in both the developed and developing countries. Currently, High-Income Countries (HICs) has automated their industrial, agricultural and services sectors to some extent. This transformation has both advantages and disadvantages for the economies. For instance, developing countries (the periphery dependent on the primary sector) use traditional agriculture methods, as the labour-intensive sector. Their sudden switch to modern technologies will have consequences, e.g., increased unemployment, that would lead towards more economic challenges. However,

this book explores things in a critical way by using a framework of sectors that are prone to- and resistant towards the technological changes. Here, developing countries are susceptible to the pace of changing technology in the higher income countries (HICs), capitalism, and competitive markets – pushing developing countries to replace the costly labour with highly intensified technologies. It can help them to increase productivity and enlarge (overall) revenues of the agricultural and industrial sectors. In this regard, the author has further explained the contemporary situation due to the existence of dual economies, i.e., automation and susceptible sector. In some countries, new automation would lead to income inequality, tertiarization, and wage stagnation, significantly affecting the whole economy. This is an emerging challenge for industrial countries and agriculture-based economies, as even in less developed countries where the cost of labour is low, they are shifting towards advanced technology.

It also uncovers the facts about the fourth industrial revolution and the emergence of robot technologies. Economic theories of Lewis and Malthusian assumptions and their views about economic development in relation to automation unfolds the current issues. There could be consequences for the whole world due to the fourth industrial revolution. The world population, is already increasing, and job markets are shrinking. Wealth is confined in a few hands. Such situations are worthwhile for all stakeholders to think over and find solutions to provide opportunities for masses across countries. Nevertheless, fourth industrial revolution has connected us and brought more comfort. However, it has, on the other side, affected the job markets, which demands new skillsets needed to go smoothly with technological changes.

In addition to the above, this book briefly analyses the work of different researchers, organizations, and research institutes regarding the impacts of automation on employment. Additional findings showed that most countries are adopting automation and facing labour surplus issues. Various other researches on global studies have estimated that automation has more negative impacts than positive outcomes in the context of unemployment.

The six chapters of this book provide an explanation of politics towards automation and responses in the countries. Adopting upskilling strategies is not the only solution to automation, but there is a dire need to provide labour with proper wages, subsidies, and safety nets. The budget provision here is a question mark? In this regard, the author has suggested investing in construction, social sectors, and health will provide more job opportunities. In the concluding chapter, the authors underline three pivotal points: automation is a challenge to the labour force; unskilled labour are more vulnerable towards the changing trend and thus can be easily replaced by technology; it is imperative for the policy makers and researchers to provide a framework highlighting the political economy of automation and its implication on job market.

Biography of the Book Authors:

Dr. Lukas Schlogl (PhD) is an affiliate of the Department of International Development at Kings College London, UK. His research focuses on structural change, digital transformation, and political behaviour in developing countries. His research is at the intersection of political science, development economics and digital social science.

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