

Tech advances may affect jobs in apparel

ILO employment specialist says production should focus on both export and domestic markets

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TECHNOLOGY and its new advances are a reality in today's world. One such advancement is robots with the capability to perform many human tasks. So much that robots are now being made that can replace workers.

In the coming days, technological advancement such as 3D printing and laser technology will make it easier for companies in developed economies to create production bases onsite, instead of placing bulk orders for garment in countries such as Bangladesh, China, Cambodia and Indonesia.

"This process has just really started to happen," said Phu Huynh, employment specialist at Decent Work Technical Support Team for East and Southeast Asia and the Pacific at the International Labour Organisation.

If the process continues in its trajectory and grows and multiplies, this could automatically bring the production of garments and labour intensive sectors back into the US and the EU.

Huynh's comments came in an interview with The Daily Star on the sidelines of a workshop last week in Bangkok.

"So, what does that mean for us in future? It means that we need to think about whether or not the production that we have is focused only on the export markets or it is also focusing as well on the local domestic consumer market."

It is important to think about the balancing of the economic structures in place, he said, while citing Bangladesh's garment industry, on which the country's economy relies heavily, as a potential casualty of technological advances.



Phu Huynh

The labour economist touted the German sportswear giant Adidas as an early proponent of technology.

The company has been testing a store where shoppers can design a sweater, have a body scan to determine fit and get it knitted by a state-of-the-art machine within hours, according to a report by Reuters in March this year.

"We would not see these changes happening overnight. It is a process and it may take some time."

But, he stressed the need for labour-rich countries like Bangladesh to start taking preparations now for the eventual shift in production methods.

Robots that can replace workers already exist, but mass adoption of the technology depends on two factors: cost and skills.

Over time, the cost of robots will come down and wages will go up,

making robots cheaper. Skills will also increase, making adoption of the technology easier for manufacturers.

"So, our sense is that these factors will affect the garment industry in Asia, particularly Bangladesh, Cambodia and Vietnam. It is just a matter of when."

And the government has an important role to play in this regard.

"They really need to think about the direction of the economy as a whole and look at sectors where there are job prospects."

He cited the case of Thailand, which has been focusing on its healthcare and tourism sectors, as an example for Bangladesh to follow.

Robots would be able to do the work of humans in tasks that can be very repetitive, that can be done over and over again in the same way.

The most important thing is to prepare the labour market for the new jobs, so that transition happens in a way that does not make the society more unequal,

"What they cannot do is replace the skills of people in which we show our ability to make a connection with other people to tap into our social and emotional sides, our ability to work in a team, our ability to communicate, our ability to persuade, and our ability to show emotional empathy to other people."

On questions about the implications of poverty and inequality on technology, he said there might be increasing inequity in the labour market.

"If we look at the evolution of technology, oftentimes those who had the skills to work with technology were benefitted -- they are paid for the skill premium. And people who do not have that fall behind. So, this is the major concern that we have."

Subsequently, he urged policymakers to ensure that the tech-

nological transition does not leave more people behind.

But, technological advances have also opened doors, he said, citing that many people living in remote areas of India and Bangladesh can now do things for firms in developed states through the internet.

"A company in Europe may ask for somebody to write a programme code and a programmer in Bangladesh can apply for the job and get it. It opens up door."

On the question of access to latest technology like internet and smartphones, he said: "It is the most basic necessity. These need to be done at the national level. There is a role of government here."

"The big issue for the ILO is we want to make sure that this process is just. We do not want people being left behind. We are not here to say that we should stop technology. That's not the right answer. We think technology is a very positive trend."

While it is exciting to hear about the new innovations from Microsoft, Google and so on and so forth, their impact on the society needs to be considered.

Technology will only enhance from here onwards but it is important to guarantee that the advances do not affect a disproportionate number of jobs.

"We also believe that in the long run jobs will be created, jobs will be transformed. A lot of new jobs will emerge that do not exist now."

The most important thing is to prepare the labour market for the new jobs, so that transition happens in a way that does not make the society more unequal, that does not leave people further behind, he added.

EU court rules companies must give workers paid annual leave

REUTERS, Brussels

The European Union's highest court ruled on Wednesday that employers must provide paid annual leave for employees in a case that could impact workers in the "gig" economy.

The case involved a salesman for The Sash Window Workshop Ltd in Britain employed from 1999 until 2012 on a self-employed commission-only contract with unpaid annual leave.

The salesman took the company to court seeking payment for leave, taken and not paid as well as for days not taken.

A British court ruled that he was a "worker" under EU law, but UK judges asked the European Court of Justice whether the company was obliged to pay him for the leave he had not actually taken.

The EU court said it was a fundamental right for workers to be able to rest and that such a right would not be guaranteed if the salesman was forced to take unpaid leave and only then be able to bring action to claim payment.

Companies could limit the accumulation of paid leave, with workers losing their right to leave if they did not take holidays within a given period. However, a company should not be enriched by extinguishing a worker's right to paid leave.

SWIFT warns banks on cyber heists as hack sophistication grows



REUTERS/FILE

Commuters cross Bangladesh's central bank building in Dhaka.

REUTERS

SWIFT, the global messaging system used to move trillions of dollars each day, warned banks on Wednesday that the threat of digital heists is on the rise as hackers use increasingly sophisticated tools and techniques to launch new attacks.

Brussels-based SWIFT has been urging banks to bolster security of computers used to transfer money since Bangladesh Bank lost \$81 million in a February 2016 cyber heist that targeted central bank computers used to move funds. The new warning provided detail on some new techniques being used by the hackers.

"Adversaries have advanced their knowledge," SWIFT said in a 16-page report co-written with BAE Systems Plc's cyber security division. "No system can be assumed to be totally infallible, or immune to attack."

SWIFT has declined to disclose the number of attacks, identify victims or say how much money has been stolen. Still, details on some cases have become public.

Taiwan's Central News Agency last month reported that Far Eastern International Bank lost \$500,000 in a cyber heist. BAE later said that attack was launched by a North Korean hacking group known as Lazarus, which many cyber-security firms believe was behind the Bangladesh case.

Nepal's NIC Asia Bank lost \$580,000 in a cyber heist, two Nepali officials told Reuters earlier this month.

The new report described an attack on an unidentified bank. Hackers spent several months inside the network of one customer, preparing for the eventual attack by stealing user credentials and monitoring the bank's operations using software that recorded computer keystrokes and screenshots, the report said.

When they launched the attack in the middle of the night, the hackers installed additional malware that let them modify messaging software so they could bypass protocols for confirming the identity of the computer's operator, according to the report.

The hackers then ordered payments sent to banks in other countries by copying pre-formatted payment requests into the messaging software, according to the report.

After the hackers ended the three-hour operation, they sought to hide their tracks by deleting records of their activity. They also tried to distract the bank's security team by infecting dozens of other computers with ransomware that locked documents with an encryption key, the report said.

While SWIFT did not say how much money was taken, it said the bank quickly identified the fraudulent payments and arranged for the stolen funds to be frozen.

China warns of retaliation after fresh US trade probe

AFP, Beijing

CHINA on Wednesday warned it would take the "necessary measures" to protect its businesses after the United States launched a new trade probe into China's possible aluminium dumping.

The investigation into imports of aluminium sheet worth hundreds of millions of dollars a year was an unusually aggressive move by the United States.

For the first time since 1991, the US Commerce Department said it launched the investigation on its own initiative, rather than responding to a request from a US company.

"This practice by the US side is very rare in the history of international trade," China's Ministry of Commerce said in a statement.

"China expresses strong dissatisfaction towards the tendency of trade protectionism displayed by the United States."

The US Commerce Department said Tuesday it opened the probe into possible dumping and inappropriate subsidies of common alloy aluminium sheet from China, which may be harming US industry.

"President Trump made it clear from day one that unfair trade practices will not be tolerated under this administration, and today we take one more step in fulfilling that promise," Commerce Secretary Wilbur Ross said in a statement.

"We are self-initiating the first trade case in over a quarter century, showing once again that we stand in constant vigilance in support of free, fair and reciprocal trade."

The US imported more than \$600 million of aluminium sheet from China last year. The product, used in building and construction, transportation and making appliances, may benefit from subsidies and may be sold in the US market below cost, the statement said.

The government could retaliate by imposing punitive import duties on the Chinese aluminium.

China's Commerce Ministry



Less than three weeks after US President Donald Trump met in Beijing with China's President Xi Jinping, the US launched a new trade investigation into possible dumping and subsidies for imports of aluminium sheet from China.

said the aluminium trade was mutually beneficial to China and the US.

"Man-made obstruction to the normal aluminium trade will harm the interests of both China and the US," the statement said, which was attributed to Wang Hejun, the director of the trade remedy and investigation bureau.

China said it would adopt the "necessary measures to protect the legitimate rights and interests of Chinese enterprises", but did not detail what those measures would be.

Washington's use of the rare tactic capped a series of adversarial manoeuvres on trade with China, and came shortly after President Donald Trump's two-week trip to Asia this month, which included a stop in Beijing.

The government could retaliate by imposing punitive import duties on the Chinese aluminium.

China's Commerce Ministry

investigations into Chinese imports of aluminium and steel, warning that they threatened to undermine producers crucial to US defence needs.

The US also has slapped punitive duties on imports of Chinese aluminium foil and plywood, and announced earlier Tuesday it had done likewise for imports of Chinese-made tool chests and cabinets.

Trump rose to office on a nationalist economic agenda, squarely blaming alleged unfair Chinese trading practices for US job losses and economic hardship -- part of a combative overall stance that has focused upending prevailing trade policies to reduce deficits.

The Trump administration has launched 65 percent more trade investigations than the final year of the Obama administration,

with 79 opened compared to just

48 in 2016, according to the Commerce Department.

The last time the Commerce Department self-initiated a countervailing duty case was 1991, on Canadian softwood lumber -- a dispute that continues. The last self-initiated anti-dumping investigation was into Japanese semiconductors in 1985.

The department said it acted based on information suggesting import prices for the Chinese alloy aluminium sheets "may be less than the normal value" and production of the material may have been unfairly subsidised, the statement said.

The department also has evidence that imports of common alloy sheet from China may be materially injuring, or threatening material injury to, the domestic industry producing common alloy sheet in the United States," the department said.