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# Industry 4.0 Summarizing statements

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## 1. Will Industry 4.0 provoke disruptive change?

- Wide agreement: YES! („Tsunami“)
- Yet some cautionary statements (no revolutionary effects so far, but likely at the very beginning of a Tsunami)

## 2. Will societies at large benefit?

- Productivity paradox! IT boosting productivity ... but global productivity gains declining!
- Net job effects? Not clear
- Skills revolution needed ! But not sufficient ...
- Work force needs to adapt! Routine jobs threatened
- Concentration: Only 10% of firms improving performance above average (Grosman); big data => rent capture (Gehl Sampath)
- Taxing oligopolistic large digital corporations ???



### 3. The Industry 4.0 revolution needs to be shaped!

- Technology not neutral (Woodcock): channelled towards better social services or firm & consumer benefits at the expense of workers ... tax human workers or robots? (Abbott)
- „None of these things are coming to us naturally“ (Faludi)
- „Skills, skills, skills“ (Fischer)
- Innovations largely private sector driven (but: public pre-competitive investments)
- But huge policy challenge to prepare societies, harmonize market trends and societal expectations ...
  - protecting bogus self-employment,
  - privacy
  - competition policy, data ownership, IPR regulations
- „Industry is far ahead of public policy“



## 4. Latin America running into big problems!

- Already falling behind in GDP/capita
  - Falling behind in productivity growth
  - No clear vision for placing LAC in the digital global division of labour
- ⇒ no sufficient
- ‚Structural heterogeneity‘ & polarization likely to increase



## 5. Some big open questions for future research

- Servicification as a development strategy?
- Economies of scale & scope: Will Palo Alto supply the world?
- Productivity paradox

## 6. What can development cooperation do (more)?

- Support system transformations (smart grids, smart cities, smart mobility ...)
- Regulations: Competition policy; tax policies; social protection schemes (Universal Basic Income?)
- Competence building
- Using digital innovations for development
  - decoupling welfare generation from ecological footprint
  - Use smart grid designs for energy access for all ...
- Support international regulations



**Powerpoints will be made available at DIE website**

**Thank you for excellent contributions  
from a variety of angles !**