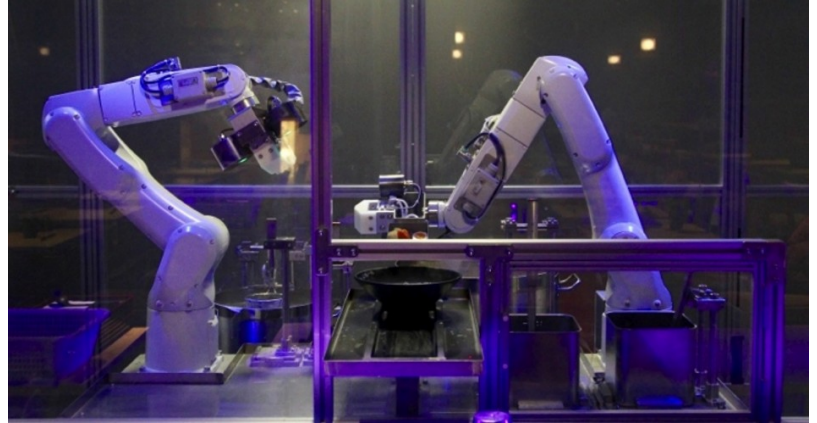




Written by [Bob Adelman](#) on January 25, 2016

Robots Transforming China, Causing Heartburn at World Economic Forum

Shenzhen Evenwin Precision Technology Company, located in China's Pearl River Delta (dubbed "The World's Workshop"), [has nearly completed](#) the first stage of turning its plant that produces mobile phone components into one of the world's first nearly 100-percent robot-operated factories. According to the company's chairman, Chen Xingai, "The use of industrial robots will help the company to reduce the number of frontline workers by at least 90 percent. When all 1,000 industrial robots are put into operation ... we will only need to recruit fewer than 200 software technicians and management personnel."



The finished product is being produced with far fewer defects and vastly greater output per unit of energy, not to mention lower pollution.

Evenwin is just one of dozens of companies operating in the Dongguan manufacturing hub in south China that are making such a change, but such "robotization" of factories traditionally staffed by humans is causing heartburn in Davos, Switzerland, where the 2016 World Economic Forum's annual meeting just ended. As noted in his article in Project Syndicate the week before it opened, Klaus Schwab, the founder and chairman of the forum, wrung his hands over the prospect of the whole world following China's example:

The Fourth Industrial Revolution builds on the Third Industrial Revolution, also known as the Digital Revolution ... but it differs ... in key ways: First, innovations can be developed and diffused faster than ever. Second, falling marginal production costs ... augment returns to scale. Third, this global revolution will affect ... all countries.

He admitted that while the Fourth Revolution "has the potential to empower individuals ... it could also lead to marginalization of some groups, exacerbate inequality, create new security risks, and undermine human relationships."

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So Schwab, educated at Harvard and a former member of the steering committee of the Bilderberg Group, has just the answer to those problems: more government, preferably on a global scale. He writes that technology "is not an exogenous force over which humans have no control" but instead must be "shaped ... in a way that advances our common objectives and upholds our values."

What values does Schwab have in mind, exactly? Part of the answer is provided by a look behind Project Syndicate, which published his concerns. Dubbed "the world's smartest op-ed page," Project Syndicate is funded by George Soros through his Open Society Foundation along with similar types such as Kofi Annan, former secretary-general of the United Nations, and Mikhail Gorbachev, former general



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secretary of the Communist Party of the Soviet Union.

Schwab says that the alleged problems that follow a wholesale adoption of robotics factories can only be solved by exploring just “how the Fourth Industrial Revolution should develop,” adding, “We must move to restructure our economic, social and political systems. It is clear that our current governance structures and dominant models of wealth creation are not equipped to meet current or, more important, future needs.... What is needed is ... comprehensive ... systemic transformation.”

He finally reaches his end point, i.e., global government with himself and his Davos cronies in charge: “I firmly believe that the new technology age, if shaped in a responsive and responsible way [by us] ... could create the sense that we are part of something much larger than ourselves — a true global civilization.”

All of which is just so much blather, according to those who see the free market as in charge of the robotic revolution and politicians such as Schwab trying (and failing) to play catch-up. In response to competition from factories going robotic such as those in China’s “world’s workshop,” American companies are already moving toward increased use of robots, providing numerous additional advantages beyond just lower costs and defect rates.

The Social Security and Medicare taxes companies have to pay will be reduced by 90 percent. Surveillance by the Equal Employment Opportunity Commission (EEOC) will be almost completely eliminated. Minimum wage laws won’t apply. There will be no more reports to be filed with OSHA (the Occupational Safety and Health Administration). The factories won’t have to be retrofitted for handicapped workers.

Union organizers will no longer be able to recruit new members or call strikes. There will be no intervention by the National Labor Relations Board (NLRB). There will be no pension plans, no healthcare plans, no family time off for pregnancies. Prayer breakrooms will be irrelevant and ObamaCare will not apply.

The revolution is going on without the “assistance” of government bureaucrats such as Schwab. It will continue to lower costs, translating into higher standards of living across the globe. It will free up workers to investigate other opportunities where their skills can be better used. Schools are already creating inexpensive (and sometimes free) educational programs to prepare them for these new opportunities.

This is part of the “creative destruction” inherent in market economies spelled out years ago by Austrian economist Joseph Schumpeter. Alternatively called “Schumpeter’s Gale,” the winds of change blowing across the globe now known as the Fourth Industrial Revolution will leave statisticians and government employees with precious little to do. They will have few options left but to find real work in the real world, rather than hoping to ride the weakening wave of internationalism and collectivism. In a word, robots are making Davos and Schwab increasingly irrelevant.

Photo of robots working at a restaurant in Shanghai: AP Images

A graduate of an Ivy League school and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at [LightFromTheRight.com](#), primarily on economics and politics. He can be reached at badelman@thenewamerican.com.



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