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A Star Trek Economy and Workers over Jobs

On June 1st, the second day of the 2018 Economics Festival in the Autonomous Province of Trento, Richard Baldwin professor of International economics at the Graduate Institute of International and Development Studies in Geneva asked his audience to imagine the possibility of a Star- Trek economy with the famous holodeck as a tool for work. He was presenting his new book “The Great Convergence: Information Technology and the New Globalization”.

In his book Baldwin writes about how the international economy has gone through three “unbundlings”: the shift from manufacturing in jobs in the G7 countries to the other countries, the rise of the manufacturing in emerging economies, and the low cost of labor mobility. The third unbundling, the low cost of labor mobility, is happening now and gives rise to the idea of something like a “Star Trek holodeck work place”. Labor in emerging markets is cheaper than in the developed markets of Europe and the United States. What if a foreign worker from an emerging economy could work for a firm in a more developed economy without having to move? Baldwin says this is possible! Imagine a domestic telework or remote work arrangement but internationally. Baldwin says this is the next unbundling that will shake up the international economy. This kind of revolution is also going to affect the service sectors which have traditionally mitigated some of the effects of technological progress.

It is important to separate the anti-trade from the anti-migration Baldwin says. Countries where there are labor support policies like active labor management policies (ALMP) are less susceptible to anti-globalization sentiments. Baldwin believes the key to addressing the challenges of globalization is not through saving jobs, but by protecting workers. Tito Boeri, Scientific Director of the Festival and President of INPS (Istituto Nazionale Previdenza Sociale), during the celebration of the 120th anniversary of the establishment of the INPS in conjunction with the Festival of Economics, mentioned the Autonomous Province of Trento’s activation income policy which tries to protect workers from the shocks in the labor market.

For more information about the topics discussed in this press release check out Richard Baldwin’s new book “The Great Convergence: Information Technology and the New Globalization”.

[Watch the interview with Richard Baldwin](#)

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