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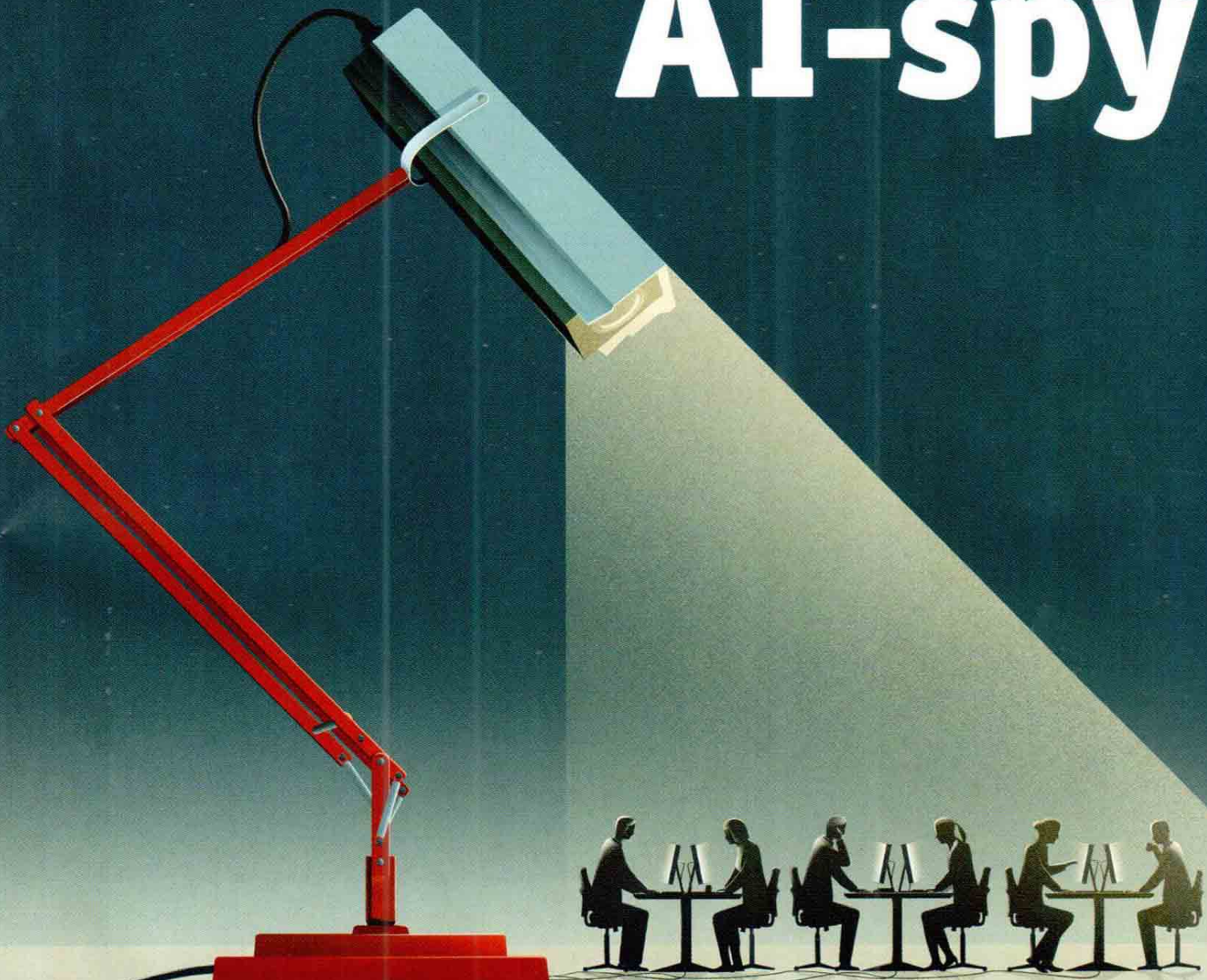
How China hunts down fugitives

Trump and trade: the danger of the deal

Iraq, on the right track at last

If bees could talk

AI-spy



Artificial intelligence in the workplace

A SPECIAL REPORT



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On the cover

As it pushes beyond the tech industry, artificial intelligence could make workplaces fairer—or more oppressive: leader, page 13. AI has big consequences for companies, consumers and workers. See our special report after page 46

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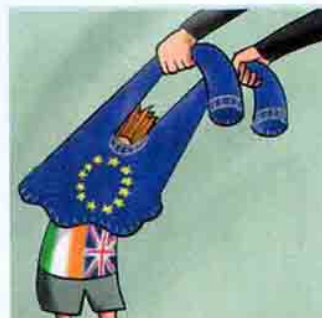
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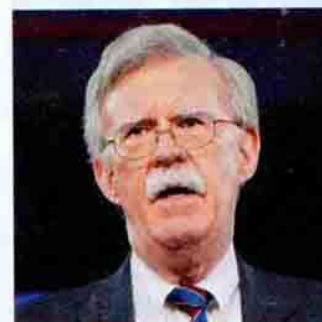
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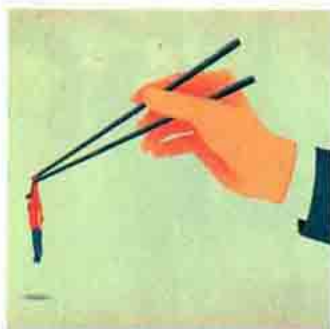
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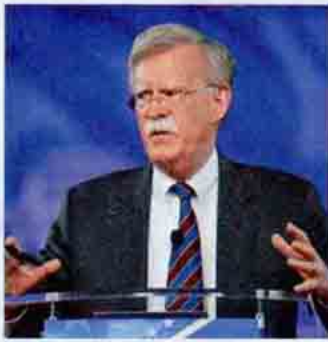
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Politics



John Bolton said he favoured keeping up the pressure on North Korea in the run-up to proposed talks on its nuclear programme. Mr Bolton was speaking three days after President Donald Trump appointed him as his national security adviser, replacing H.R. McMaster. Mr Bolton has in the past advocated pre-emptive military strikes to prevent the rogue regime in Pyongyang from acquiring the ability to hit America with nuclear missiles. He has also suggested bombing Iran's nuclear reactors.

Mr Trump signed a \$1.3trn **spending bill** passed by Congress that avoids a government shutdown and funds public services until October. The president had threatened to veto the bill because, among other things, it did not resolve the legal status of the Dreamers (immigrants brought to America illegally as children), or provide the full \$25bn to build his border wall.

Tens of thousands of people, many of them high-school students, rallied in Washington, DC, in favour of gun control. The **March for our Lives** was led by survivors of the mass shooting in February at a school in Parkland, Florida. The measures that the demonstrators called for, such as banning semi-automatic weapons, are unlikely to be passed by Congress.

We all stand together

America decided to expel 60 **Russian** diplomats in protest at the attempted murder on British soil of a former spy, Sergei Skripal, and his daughter. They were attacked with a

nerve agent. More than 25 other countries and NATO have supported the move against Russia by announcing their own expulsions.

A fire in a shopping complex in the **Siberian** city of Kemerovo killed at least 64 people, more than 40 of them children. The government's slow response triggered huge demonstrations; some called for President Vladimir Putin to resign.

Italy's parliamentarians elected new speakers for the Senate and the Chamber of Deputies. Some saw the choices as a sign that a coalition government involving the two big populist parties, the Northern League and the Five Star Movement, is in the offing.



Violent protests erupted in Catalonia following the arrest of the **Spanish** region's leader in Germany. Carles Puigdemont is wanted in Spain on charges of sedition for declaring Catalan independence after an illegal referendum. German police took him into custody as he tried to return to Belgium, where he has been living in exile since October.

A new broom

Martín Vizcarra was sworn in as **Peru's** president, following the resignation of Pedro Pablo Kuczynski. Mr Kuczynski was facing impeachment, after evidence emerged linking him to Odebrecht, a Brazilian construction company involved in corruption across Latin America. "We've had enough," said Mr Vizcarra in his inaugural speech.

Court documents emerged showing that Nicolás Maduro, **Venezuela's** socialist president, gave Odebrecht priority

in \$4bn-worth of public-works contracts, which also involved the Brazilian Development Bank. In return, Odebrecht pledged \$35m in donations to Mr Maduro's presidential campaign. Most of the projects, including a metro line, were never finished.

Brazil's president, Michel Temer said that he plans to run for re-election in October, despite popularity ratings in the single digits. He later announced that Henrique Meirelles, the finance secretary, will resign in order to launch a campaign of his own.

The proxy war

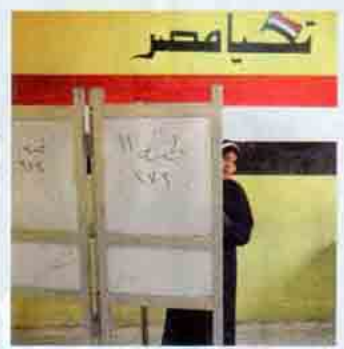
The Houthi rebel group in **Yemen** fired a barrage of missiles at **Saudi Arabia**, which is bombing the Iranian-backed fighters in a bloody campaign. The Saudis claim to have shot down several missiles, but debris fell on a home in Riyadh, killing one person.

In a deal arranged by Russia, some 7,000 people were allowed to leave Eastern Ghouta, as **Syrian** rebels surrendered one of their last strongholds to the government after a bombardment lasting months.

Jacob Zuma, the scandal-plagued former president of **South Africa**, was summoned to appear in court on April 6th to face corruption charges related to an old arms deal.

The ruling coalition in **Ethiopia** named Abiy Ahmed as its new chairman, signalling that he will replace Hailemariam Desalegn as prime minister. Abiy is the chairman of the Oromo People's Democratic Organisation, which is part of the ruling coalition but has been sympathetic to protests against the government.

José Filomeno dos Santos, the son of **Angola's** former president, was accused of fraud and embezzlement. Mr dos Santos had been chairman of Angola's sovereign-wealth fund until João Lourenço, the current president, removed him in January.



Egyptians voted in a presidential election, which Abdel-Fattah al-Sisi, the incumbent, is sure to win. The authorities prevented any serious challengers from running.

Kim-Xi talks on nuclear pickle

Kim Jong Un, **North Korea's** dictator, visited China in what was his first trip abroad since taking power in 2011. He reiterated to Xi Jinping, China's president, his offer to give up nuclear weapons in exchange for security guarantees. He is supposed to meet South Korea's president in April and Donald Trump in May.

Lee Myung-bak, a former **South Korean** president, was charged with corruption in relation to bribes he allegedly took from companies, which he denies. Mr Lee's successor, Park Geun-hye, is in jail awaiting the verdict in her trial on charges of bribery.

Malaysia's government introduced a bill in parliament to outlaw **fake news**, with offenders facing possible prison sentences of up to ten years. A deputy minister said that any news not verified by the government about a huge corruption scandal involving the government would be deemed "fake". The opposition said this was a blatant attempt to silence criticism ahead of an election this year.

A prominent politician was sentenced to 14 years in prison in **India** for running a "fodder scam". Lalu Prasad Yadav, a former chief minister of the impoverished state of Bihar, was convicted of inventing imaginary herds of cows and goats in order to obtain public money for food and medicines for them.

Business

America and China made efforts to step back from a damaging **trade war**. Officials from both countries held talks after President Donald Trump announced plans to impose levies on \$60bn-worth of Chinese imports for alleged unfair trade practices. China is said to have offered to buy more American semiconductors to help reduce its trade surplus with the United States; it may also hasten a measure to allow foreign companies to take majority stakes in Chinese securities firms. But China announced proposed tariffs on 128 American products, including fruit, pork and wine, in response to earlier levies on steel and aluminium.

The EU, Argentina, Australia, Brazil and South Korea joined Canada and Mexico in gaining exemptions from America's punitive tariffs on **steel and aluminium** imports. **South Korea** won a permanent exemption by agreeing to revise its free-trade pact with America. The new deal imposes quotas on South Korea's steel exports and extends tariffs for its truckmakers.

A trade off

Markets see-sawed. **Stock-markets** plunged when America proposed tariffs on China, causing one measure of market volatility, the VIX, to soar by 30%. They bounced back on hopes of a negotiated outcome. The Dow Jones Industrial Average jumped 669 points in a day, the third-largest increase to date by that measure.

Facebook's share price took another hammering, after America's Federal Trade Commission opened an investigation into its privacy practices following the scandal in which data on 50m users were obtained by a political-analytics firm. Mark Zuckerberg has been asked to attend hearings in Congress, where he has few friends. Fears of regulation caused an index of ten American tech firms, the FANG+, to suffer its biggest one-day loss.

Tesla Motors' share price tanked by 8%. Moody's downgraded the company's credit rating because of the "significant shortfall" in production of its new Model 3 electric car. One of its Model X cars also crashed, killing the driver and raising fresh concerns about self-driving technologies following the first fatal accident involving a pedestrian and an Uber car.

Uber sold its business in South-East Asia to **Grab**, a rival based in Singapore with operations in almost 200 cities throughout the region. It is the latest instance of Uber exiting a market in which it is not the biggest ride-hailing firm, having reached similar agreements in China and Russia.

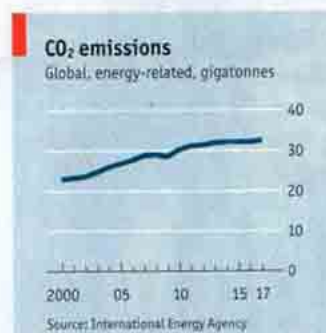
A federal appeals court found that **Google's** use of **Oracle's** Java technology in its Android operating system did not constitute "fair use" under copyright law, overturning a jury's decision that had favoured Google. The court ordered that the case be reheard to settle damages.

The board of **Deutsche Bank** was reported to be seeking a replacement for John Cryan as chief executive, two years before his contract ends. The

German bank's investors are unhappy about its run of annual losses and anaemic share price.

Get your coat

Under pressure from investors to increase shareholder value after a bruising battle last year to fend off a takeover bid, **AkzoNobel** struck a deal to sell its specialty-chemicals division to a consortium led by Carlyle, a private-equity firm. The Dutch paint-and-coatings group valued the acquisition at €10.1bn (\$12.6bn).



Global energy-related **carbon-dioxide** emissions grew by 1.4% last year, according to the International Energy Agency, to a record 32.5 gigatonnes. Some big economies, such as America and Japan, saw their emissions decrease; Britain's fell by 3.8%. Asian countries accounted for two-thirds of the global increase. Despite the

growth in renewables, the share of fossil fuels in the world's energy mix remains at 81%, the same level it has been for three decades.

SoftBank's technology fund signed a memorandum of understanding with **Saudi Arabia** to expand solar power in the kingdom. If completed, the \$200bn project would add 200 gigawatts of solar capacity; the world currently has around 400GW of capacity.

Remington filed for bankruptcy protection. The gunmaker, founded in 1816, piled on debt when investors pulled out following the Sandy Hook school massacre in 2012, in which the gunman used a Bushmaster rifle, a brand owned by Remington.

It's a small(er) world

Qantas began operating the first direct flights from **Australia** to **Britain**. The Australian airline now flies passengers 14,498km non-stop from Perth to London in Boeing Dreamliner planes. The 28,996km round trip can be completed in just over 40 hours, including a generous few hours in between for sightseeing.

For other economic data and news see Indicators section



AI-spy

As it pushes beyond the tech industry, artificial intelligence could make workplaces fairer—or more oppressive



ARTIFICIAL intelligence (AI) is barging its way into business. As our special report this week explains, firms of all types are harnessing AI to forecast demand, hire workers and deal with customers. In 2017 companies spent around \$22bn on AI-

related mergers and acquisitions, about 26 times more than in 2015. The McKinsey Global Institute, a think-tank within a consultancy, reckons that just applying AI to marketing, sales and supply chains could create economic value, including profits and efficiencies, of \$2.7trn over the next 20 years. Google's boss has gone so far as to declare that AI will do more for humanity than fire or electricity.

Such grandiose forecasts kindle anxiety as well as hope. Many fret that AI could destroy jobs faster than it creates them. Barriers to entry from owning and generating data could lead to a handful of dominant firms in every industry.

Less familiar, but just as important, is how AI will transform the workplace. Using AI, managers can gain extraordinary control over their employees. Amazon has patented a wristband that tracks the hand movements of warehouse workers and uses vibrations to nudge them into being more efficient. Workday, a software firm, crunches around 60 factors to predict which employees will leave. Humanyze, a startup, sells smart ID badges that can track employees around the office and reveal how well they interact with colleagues.

Surveillance at work is nothing new. Factory workers have long clocked in and out; bosses can already see what idle workers do on their computers. But AI makes ubiquitous surveillance worthwhile, because every bit of data is potentially valuable. Few laws govern how data are collected at work, and many employees unguardedly consent to surveillance when they sign their employment contract. Where does all this lead?

Trust and telescreens

Start with the benefits. AI ought to improve productivity. Humanyze merges data from its badges with employees' calendars and e-mails to work out, say, whether office layouts favour teamwork. Slack, a workplace messaging app, helps managers assess how quickly employees accomplish tasks. Companies will see when workers are not just dozing off but also misbehaving. They are starting to use AI to screen for anomalies in expense claims, flagging receipts from odd hours of the night more efficiently than a carbon-based beancounter can.

Employees will gain, too. Thanks to strides in computer vision, AI can check that workers are wearing safety gear and that no one has been harmed on the factory floor. Some will appreciate more feedback on their work and welcome a sense of how to do better. Cogito, a startup, has designed AI-enhanced software that listens to customer-service calls and assigns an "empathy score" based on how compassionate agents are and how fast and how capably they settle complaints.

Machines can help ensure that pay rises and promotions go to those who deserve them. That starts with hiring. People of-

ten have biases but algorithms, if designed correctly, can be more impartial. Software can flag patterns that people might miss. Textio, a startup that uses AI to improve job descriptions, has found that women are likelier to respond to a job that mentions "developing" a team rather than "managing" one. Algorithms will pick up differences in pay between genders and races, as well as sexual harassment and racism that human managers consciously or unconsciously overlook.

Yet AI's benefits will come with many potential drawbacks. Algorithms may not be free of the biases of their programmers. They can also have unintended consequences. The length of a commute may predict whether an employee will quit a job, but this focus may inadvertently harm poorer applicants. Older staff might work more slowly than younger ones and could risk losing their positions if all AI looks for is productivity.

And surveillance may feel Orwellian—a sensitive matter now that people have begun to question how much Facebook and other tech giants know about their private lives. Companies are starting to monitor how much time employees spend on breaks. Veriato, a software firm, goes so far as to track and log every keystroke employees make on their computers in order to gauge how committed they are to their company. Firms can use AI to sift through not just employees' professional communications but their social-media profiles, too. The clue is in Slack's name, which stands for "searchable log of all conversation and knowledge".

Tracking the trackers

Some people are better placed than others to stop employers going too far. If your skills are in demand, you are more likely to be able to resist than if you are easy to replace. Paid-by-the-hour workers in low-wage industries such as retailing will be especially vulnerable. That could fuel a resurgence of labour unions seeking to represent employees' interests and to set norms. Even then, the choice in some jobs will be between being replaced by a robot or being treated like one.

As regulators and employers weigh the pros and cons of AI in the workplace, three principles ought to guide its spread. First, data should be anonymised where possible. Microsoft, for example, has a product that shows individuals how they manage their time in the office, but gives managers information only in aggregated form. Second, the use of AI ought to be transparent. Employees should be told what technologies are being used in their workplaces and which data are being gathered. As a matter of routine, algorithms used by firms to hire, fire and promote should be tested for bias and unintended consequences. Last, countries should let individuals request their own data, whether they are ex-workers wishing to contest a dismissal or jobseekers hoping to demonstrate their ability to prospective employers.

The march of AI into the workplace calls for trade-offs between privacy and performance. A fairer, more productive workforce is a prize worth having, but not if it shackles and dehumanises employees. Striking a balance will require thought, a willingness for both employers and employees to adapt, and a strong dose of humanity. ■