Technological Unemployment & Basic Income:
The Future of Work
Presentation by Adam Simpson
What’s all this fuss about, exactly?
Technological Unemployment.1

- Osborne & Frey: 47% of jobs to be automated by 2033
- Gartner: 33% of jobs to be automated by 2025
- OECD: 11% of jobs to be automated by 2030
- McKinsey: 49% of tasks within jobs could be automated by 2055 (±20 years). Only 5% of jobs completely automated.

How do you we feel about the likelihood of automation?
In the same time period, do you think your job will be automated?

Pew Research found…

Study from 2015. Note: Participants in second chart were employed full-time or part-time
Technological Unemployment.2: Is Automation ‘no big deal’?

This is what’s different today:

Replacement vs. Enhancement?

Source: Abhas Gupta. “AI’s Threat to Society is Scarier Than Trump.” Medium. August 9, 2016
Technological Unemployment.3: What *should* we be concerned about?

- **Growing Precariat:**
  - British Economist Guy Standing's work
  - Social class marked by
    - Often less than full-time employment
    - Often underemployed
    - Lack of access to benefits
  - In some countries, this group is about 45% of the population

- **Automation:**
  - Could render more skills obsolete
  - Could lead to large spikes of structural unemployment
  - Unionizing workers is very difficult under these new conditions
  - Increasing amount of workers that are competing for fewer jobs
  - Which worker will be enhanced, which worker will be replaced?
  - End of organized labor as a formal bargaining agent

Universal Basic Income. Where did this idea come from?

- **Famous proponents**
  - Thomas More’s *Utopia* (anti-crime)
  - Thomas Paine (fairness)
  - Martin Luther King, Jr. (anti-poverty)
  - Milton Friedman, Freidrich Hayek (distributing market demand)

- **Social Movements and Basic Income**
  - Feminists (autonomy, reproductive labor, & care work)
  - The Movement for Black Lives (disproportionately benefits marginalized and underserved groups)

- **Current Experiments**
  - India (anti-poverty, modernization, development)
  - Kenya (international development program via Give Directly)
  - Canada & Finland (improving benefits system)
**Universal Basic Income**

- All citizens/legal residents get a fixed income payment every month.
- This amount should be enough to cover bare necessities: food, housing, and basic utilities.
- There is no means testing, no work requirement

**Negative Income Tax**

- The government sets a minimum tax level. Everyone above it owes taxes (as usual), everyone beneath it gets money back.
- NIT recipients get a percentage (negative tax rate) of their deficit back.
- No new infrastructure, just the IRS
- Still incentivized to work.

**Guaranteed Minimum Income**

- A floor of minimum income is ensured for all citizens/legal residents
- For citizens that make less, they get the remaining amount in the payment from the government
- This option is much cheaper than the UBI or UBD options!
- Poverty trap?

**Universal Basic Dividend**

- All citizens/residents become the beneficiaries of the economy's broader economic activity.
- Economic achievements as collective achievements.
- “Technological Inheritance”
So, this sounds expensive...

- Cut welfare spending
- Borrowing
- Quantitative Easing

- Taxes on natural resources
- Taxes on land
- Carbon Taxes
- Taxes on automation
- Tax on the big data sales and purchases
- Taxes on capital gains

Taxes, Old & New
Silicon Valley seems to be buzzing about basic income.

Y-Combinator will be piloting an experiment for Oakland, California that will give 100 families $2000 a month for a year. This is a pilot for a larger experiment.

Why would Silicon Valley elite favor a program that would—at least in part—require new taxes, perhaps disproportionately on their work?
Erik Brynjolfsson and Andrew McAfee favor a negative income tax, because it insulates people from extreme poverty, while also not dramatically adding to government bureaucracies or disincentivizing work.

Martin Ford favors a UBI that has incentivizing bonuses (complete high school and participating in volunteer work for example).

Jerry Kaplan recommends distributing ownership of publicly-traded companies by using tax incentives, making everyone a direct beneficiary of economic activity.

Nick Srnicek and Alex Williams suggest using a UBI that scales overtime toward the end of work.
Automation & UBI.3: Alternatives & Compliments to UBI

- Shorter-Work Week
- Job Guarantee
- Distributed ownership
- Public investment in skills
- Regulations against automation