

As America's labor market faces fundamental change, it's time to consider a universal basic income

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COVID-19, in a matter of weeks, has stripped us bare of any illusion that we have it all figured out. Societal inequity has been thrust center stage, from the number of people one crisis away from poverty to the clear racial inequity in the disease's disparate impact on communities of color.

In a strange paradox we were shown just how wide the gap is between haves and have-nots, while at the same time revealing that the line between "just fine" and "desperate" is more tenuous than most realized.

In April, the U.S. reached the highest unemployment rate in the post-World War II era, 14.4%. The economic devastation wrought by an act of nature brought world commerce to a screeching halt, prompting over 44 million Americans to file for unemployment. The pandemic's effect on work lives is unlike anything in history. But today's employment snapshot could be a more apt picture of our future than we realize.

The COVID-19 crisis frames a greater question that, if not met with bold new thinking, could threaten the vitality of thousands here in Dallas and millions across the world: How do we contend with an increasingly jobless future?

In the last decade there's been an increasingly louder chorus of economists, futurists and technologists warning of a wave that, if we aren't careful, will catch society flat-footed. This trend's consequences could have an even more long-lasting and debilitating effect on jobs across the country than the emergent moment we're in now. Automation in the workplace is eliminating jobs at a rapidly increasing clip.

McKinsey predicts that between 2016 and 2030 the world stands to lose between 400 million and 800 million jobs to automation. As artificial intelligence becomes more sophisticated, machine learning takes on even higher-skilled functions, and robotics become more commonly deployed across a range of industries, companies are deciding human workers pose a risk that isn't worth the cost.

Take truck drivers for an example. Waymo, the autonomous vehicle tech company owned by Google's parent, Alphabet, made over 100,000 fully autonomous taxi trips in robotic Chrysler Pacificas last year. In March, it announced its driverless car fleet has begun mapping Texas interstates for a soon-to-follow launch of driverless semi-trucks.

“Autonomous trucks don’t text. They don’t drive drowsy. They don’t drive distracted,” said Jordan Coleman, vice president of policy for Kodiak Robotics, another driverless trucking firm.

In 2019, the number of truck drivers in the U.S. reached an all-time high of 3.5 million. What happens when those first robotic semis hit the road? Suddenly and irreversibly the value of a commercial driver’s license drops and an entire industry of professionals faces elimination.

All of this is predicted to happen within just the next five years.

Similar trends toward automation are underway in the finance, manufacturing, retail, agriculture and food service sectors. Lower costs, less risk and increased productivity incentivize business leadership to adopt new ways of doing more with less, driving shareholder returns, and remaining competitive in the global market.

Good for business, bad for workers. Now the coronavirus is accelerating the already fervent automation push.

Just as economic studies attributed the slower jobs growth in the recovery after the 2008 economic crisis in part to automation, we are again seeing a pronounced lean toward robotics and automation. Today, accommodating workers who are at risk of disease has become an expensive proposition. Socially distant workspaces, paid time off for illness, and production stoppages for confirmed COVID-19 cases have industry leaders scrambling for alternative business models that involve fewer people meeting the same or higher productivity level. Consulting firms like **Forrester** are advising clients to invest more in automation research and development now than in rehiring, a trend that is not likely to reverse even after the pandemic abates or a vaccine becomes widely available.

And the people most at risk of both COVID-related job loss and long-term displacement from automation are always the same — those living at the margins of society. Blacks and Latinos, already at lower levels of educational attainment than other groups, are represented in larger percentages at low-wage and entry-level positions. These roles are often the first to be eliminated in both job force reductions and from the adoption of novel automation technology.

A typical white family already has 10 times the wealth of a Black household and about eight times that of Latino households. And now automation, accelerated by COVID-19, could widen that gap over the next several decades.

A 2019 McKinsey report, “The Future of Work in Black America,” showed Blacks will suffer the most from automation. The population is concentrated in regions expected to be hardest hit by the change, and Blacks are overrepresented in the most at-risk positions.

There is no silver bullet to solve the conundrum that our march toward automation presents. It will take a whole host of bold new solutions, and one of the most important is almost certainly some form of universal basic income, a government-guaranteed payment to each citizen.

Once a notion associated with fringe economists and social scientists, universal basic income has become more popular because of growing income inequality and automation. For the first time, a U.S. presidential candidate with national support, Andrew Yang, included it as a key pillar of his platform. Even the conservative-leaning **Cato Institute suggested** that the idea merits serious attention. Whether from a lens of economic viability during and after the coronavirus pandemic,

a buffer against job displacement, or a key feature of economic justice, universal basic income could be a foundation for a new way of thinking about the American ideal.

Many **studies and pilot programs globally and in the U.S.** have yielded promising results. One of the earliest was a **Canadian experiment** dubbed “Mincome” in the 1970s that saw similar outcomes to more recent initiatives: reduced rates of hospitalizations, improvements in mental health, increased graduation rates and stable employment rates.

The problem is automation, artificial intelligence and machine learning are advancing at a faster rate than the public or private sector’s job-preparation systems can keep pace. Over 80% of the jobs available in 2030 likely don’t even exist today. In order for technology-displaced workers to have opportunities, we will need a massive investment in youth development and adult job-transition programs to balance out the expected job losses. While our human-capital systems work to catch up, establishing a universal basic income will ensure that people can continue with their lives, income will continue to circulate, and commerce can continue.

Critics suggest that a basic income disincentivizes work, is too expensive or increases inflation. However, there are **studies** and **theorized answers** for each of those retorts. What is clear is that inaction is not an option.

Given the looming threat that the technology revolution presents to our current COVID and future economic vitality, we have to shed the illusion that business as usual will create the kind of just, equitable society that we envision for ourselves and the generations to come.

Uncommon times call for uncommon solutions. And now more than ever, hearts and minds are primed to consider not just the well-being of those in power, but also the parts of our whole that have been marginalized — Black and brown communities that have been saddled with inequity through structural racism and inviable segregation. If we are to step into this future living up to the ideals of this country, then a universal basic income deserves its time in the public square.

It deserves our attention.