



How Will Employment Policymakers Respond to Autonomous Vehicles?

Insights

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There is tremendous discussion and debate these days about driverless cars and the future of the American economy. Some see the rise of autonomous vehicles as an opportunity that will fundamentally change entire industries and open up new opportunities and possibilities for job growth. Others are increasingly concerned about the potential job loss such automation may create – particularly in industries like transportation and delivery services.

Public policymakers – at the federal, state, and local level – have gotten into the game as well. It's no surprise that such a fundamental shift in technology leads to a plethora of public policy considerations. In particular, labor and worker advocates are likely to be key drivers of such policy proposals as they seek to mitigate against job loss or other potential adverse impacts of such technology. But other policymakers are beginning to weigh in as well.

It's a hot topic of discussion. California even recently proposed the creation of a formal "Commission on the Future of Work" to analyze and make recommendations regarding a host of public policy issues. While that proposal recently failed to advance (due to fiscal issues), the issues of technological advancement and impacts on employment will continue to be the topic *du jour* for pundits, academics, policymakers, employers and unions alike.

So as we inch closer to the day when autonomous vehicles are a common part of our day-to-day lives, where are the areas in which we are likely to see proposed legislative or regulatory activity? Let's take a look.

Ban the Bots?

The most aggressive response to autonomous vehicles (and one we might see particularly in blue states) would be an outright ban on such technology. This is not without precedent. In 2017, India's transportation minister vowed to ban self-driving cars in order to save human jobs. "We won't allow driverless cars in India," stated Nitin Gadkari, India's Minister for Road, Transport, Highways and Shipping. "I am very clear on this. We won't allow any technology that takes away jobs."

That might be a tough sell in the United States as most of the companies driving the technology of autonomous vehicles are based here. But it might not stop policymakers and labor advocates from trying. And the idea is gaining some traction in other automation contexts. Outgoing Arizona Republican Senator Jeff Flake recently proposed an amendment to a federal spending bill that

would prohibit government agencies from using funds to develop robot bartenders or “beerbots.” So this is an issue that is generating bipartisan attention.

Or, alternatively, policy makers could place certain conditions or labor standards upon the use of such technology in order to reduce any potential displacement of jobs.

Again, these proposals are most likely to be seen in blue states where labor is powerful and there is a concerted effort to aggressively counter the rapid technological advances in the economy. Yes, California, we’re looking at you.

The Rise of the “Robot Tax”

In recent years, public policy officials and others have floated proposals to deal with automation via taxation – either a tax directly on “robots” themselves or a tax on capital gains that companies achieve through the use of automated technology.

Bill Gates is credited with creating much of the “buzz” around a proposal to tax robots in order to temporarily slow the spread of automation and fund other types of employment. In a highly publicized [interview](#) with Quartz, Gates argued, “Right now, the human worker who does, say \$50,000 worth of work in a factory, that income is taxed and you get income tax, social security tax, all those things. If a robot comes in to do the same thing, you’d think that we’d tax the robot at a similar level.”

This concept has begun to move from the theoretical to reality as several jurisdictions have entertained specific proposals around this idea. For example, last year the European Union (EU) considered, but later rejected, a [proposed tax](#) on corporations for their use of automated equipment in an effort to protect workers. And although the effort was similarly unsuccessful, last year San Francisco Supervisor Jane Kim proposed creation of a [“Jobs for the Future Fund”](#) – essentially a tax on robots so that, “as workers are displaced, companies continue to pay a portion of the lost tax into a fund that can then be used for education, retraining, and targeted investment in new industries.”

These proposals are likely to stay at the forefront of this discussion as policymakers look to deal with the potential human and fiscal impact of automated technology on the economy and the job market.

Government to the Rescue – Universal Basic Income and Job Guarantees

Other public policy proposals feature efforts to allow the government directly to mitigate against the potential displacement of jobs through advances in technology. Two of these more ambitious proposals – universal basic income and job guarantee programs – have received significant attention in recent months. As Vivian Dong discussed in a [recent paper](#), these proposals focus on “ensuring that displaced workers have an acceptable standard of living, regardless of their employment status.”

Universal basic income (UBI) is a concept in which the government guarantees every person a minimum income (usually paid monthly) regardless of age, income level, or job status. Several countries and local jurisdictions within the United States are experimenting with UBI as pilot projects. Proponents of UBI claim that it provides everyone with a basic level of income security – essentially a redistribution of the fruits of technology – and helps eliminate poverty. Opponents, on the other hand, argue that it would disincentivize productivity and work, and would be too costly unless other social safety net programs were eliminated.

Many politicians have also voiced support for the concept of a federal jobs guarantee, which would provide all persons with a job (at \$15/hour) with benefits. Such a program would be administered at the local level but paid with federal money. This concept is increasingly popular on the left, as several rumored candidates for the 2020 presidential nomination have voiced their support for the idea. Vermont Senator Bernie Sanders announced that he would be releasing a federal job guarantee proposal this fall. New Jersey Senator Cory Booker introduced legislation to create a three-year pilot program in 15 regions. That legislation is co-authored by another potential presidential candidate, New York Senator Kirsten Gillibrand.

These concepts represent popular “buzz words,” that politicians like to talk about when they discuss technological advances and the future of work. Therefore, we’ll likely see an increased focus on these and similar concepts as we approach the 2020 presidential election.

Job Retraining

There is one issue on which business and labor largely agree – that the technological changes to the economy (including via autonomous vehicles) will require significant new skills and a retraining of thousands of workers. Even if the use of autonomous vehicles does not result in far-reaching job displacement, there seems to be general agreement that the changes in technology will create new jobs that require different skills. For example, the truck “driver” of the future may be someone sitting in a computer room controlling a fleet of driverless delivery vehicles (much like a drone pilot).

Policymakers will likely look to our federal and workforce development systems (including our higher education system) to adapt to new technologies and new industries in order to ensure that workers are equipped with the skills they need for the future (and so that businesses have an adequate and well-trained workforce).

Conclusion

While our nation has seen dramatic changes in the economy before, current technological advances (including autonomous vehicles) will potentially fundamentally transform the workplace like never before. As policymakers grapple with the widespread ramifications of this new technology, we are likely to see more policy proposals like those discussed above. Look to blue states to continue to lead the way as labor and worker advocates flex their muscle in an attempt to stave off massive job displacement.

Whether such public policies advance or restrict innovation and technological change remain to be seen.

If you have questions or concerns regarding how these public policy proposals may impact your business, contact [Benjamin Ebbink](#) or any member of our [Autonomous Vehicles Practice Group](#).

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