

Can basic income help workers adapt to new world of AI?

By Leah Eichler

May 1, 2017 – *The Globe and Mail*

As a self-confessed health-food eater, I rarely enter fast-food joints, but nostalgia and the feeling that it's an obligatory childhood experience saw me bring my daughter to a McDonalds. While the novelty of receiving a toy with your food quickly won her over, what struck me most was the automation.

McDonald's has always been known for its efficiency, but for many teenagers and young adults, it also functioned as a place to get your first job. They would train you, as you gained not only a paycheck, but experience.

But looking at the company's new self-serve kiosks, I couldn't help but think that the era of an eager teenager asking "would you like fries with that" will soon be a relic of the past.

Of course, this is nothing new and, for even the mildly observant, automation has crept into our lives in many ways. I order my Starbucks coffee on my phone, rarely speaking to an individual. Ditto for my Beck taxi. When the roles of cashiers and retail sales people become fully automated, rendering them obsolete, it's been estimated that will add 7.5 million people in the United States to the ranks of the unemployed.

While experts and pundits argue about what new roles and opportunities will spring up to replace the increasingly complex jobs being assumed by machines, in darker moments, I fret about what a jobless future will look like for our children. Naturally, many will still work, but some may find themselves existing on an income guaranteed by the government. That is, if the pilot project Ontario launches this summer goes well.

In this three-year, basic-income experiment, selected low-income individuals will receive almost \$17,000 annually. Many observers will be glued to the exercise to see if, as expected, it

improves the health, security and job prospects for those in precarious work environments.

Among those will be Rob Rainer, a Perth, Ont.-based basic-income advocate and former board member of Ontario Basic Income Network, a group of advocates across the province.

"There has been an explosion of interest in basic income in the past 18 months. Even in the tech sector, many are seeing and perceiving how large-scale AI and automation will impact jobs," Mr. Rainer said.

Yet, it's not only cashiers and those in tech. Mr. Rainer was quick to point out that even my job has a best-before date as new companies enter the market with machines that can write articles and replace journalists.

Large-scale automation means we need to reimagine what productivity looks like and few of us will be immune, he observed.

As a former executive director for the not-for-profit group, Canada Without Poverty, Mr. Rainer was exposed to many different ideas on how to manage poverty and all the evidence suggested to him that a guaranteed-income scenario made the most sense. For the past four years, he's rallied behind the cause, calling it "a buffer against the forces of technology and uncertain employment in the future."

While the concept may be startling to some, Mr. Rainer says that it's a natural progression from services already offered in the province. For example, residents of Ontario already receive childcare benefits based on income and seniors receive a form of guaranteed income. The missing link, he says, is the working-class population.

The pilot comes at a time when there is a global discourse on how to manage what's been called the "great decoupling," where economic

growth does not correspond with the expected job creation.

For many, basic income sounds distasteful, since it suggests that able-minded people are getting a “free ride.” However, as the World Economic Forum suggests, our mindset needs to change to accept that, in this new economy, “humans are free-riding on the efforts of machines” and not other humans. In other words, we aren’t piggybacking off our neighbour’s hard work, but benefiting from the equivalent of our car or toaster, so that we can pursue other lucrative options. Will that make this concept more palatable?

A change in mindset remains critical if we are going to adapt to a world where it’s estimated

technology could replace 45 per cent of the activities people are currently paid to perform.

“There is no fear that masses of people will sit at home and not make a contribution. There are many that continue to work, today, even if they are financially secure,” Mr. Rainer insists.

Rather, basic-income programs allow recipients to explore options not available to them if they are struggling to survive, such as retraining or new job options.

“The Ontario pilot is the most advanced political development [to combat poverty] and, if it’s done right, and bears the results we hope it will, will go a long way,” Mr. Rainer said.