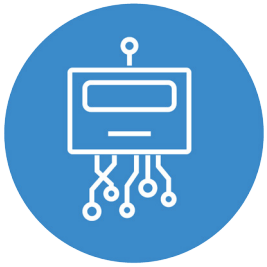

Assisting Workers Facing Technology-Related Job Loss

BY ANDREW STETTNER

Our country prides itself on striving to give everyone in America an equal opportunity at making a living for themselves and their families, in a way that matches their skills and interests to the needs of the economy and nation. But one of the nation's greatest strengths in fulfilling that promise—technological progress—is also proving to be one of the greatest challenges. Rapid advances in computing power and technologies like artificial intelligence are fundamentally changing the ways in which Americans work, and are threatening millions of Americans with job loss through no fault of their own. Just as the impact of deindustrialization in the wake of expanded free trade with China and Mexico has upended the U.S. economy and politics, failing to prepare for the impact of new technologies on workers could have historic social impacts.

While the number of jobs that could be lost is not precisely known, the impact of automation is anticipated to be quite severe. Economists from the McKinsey Institute estimate that twenty-six percent of jobs had more than 70 percent of tasks at risk of automation.[1] A recent OECD report found one in ten U.S. jobs were at high risk of being replaced by technology.[2] Add to the mix the difficulty of completely switching careers later in life, it's clear that, just as we must continue to nurture our country's role as a leader in technology, we must also provide adequate support to Americans whose lives and livelihoods are displaced by technological progress.[3]

A thoughtful policy response to assuage the effects of technology-related job loss should include providing retraining, extended income support, case management, health care protection, wage insurance, and relocation assistance. As luck would have it, an existing program, the trade adjustment assistance (TAA) program, is already well-positioned to step in and provide this response.[4] Its constellation of services, including most of the facets mentioned above, addresses the fact that a lack of income support is one of the main reasons unemployed workers cannot complete training: the basic twenty-six weeks of unemployment benefits simply isn't enough time for most workers to find, enroll in, and complete a meaningful training course. TAA allows for a wide variety of training options, spanning from classroom training to apprenticeship—and it is one of the only retraining programs that would provide long enough retraining for a dislocated worker to claim a post-secondary credential.[5] While some have criticized TAA, the fact is that employment placement and training completion rates come out higher than those of the WIOA displaced worker program.

We propose properly funding the TAA and improving some of its key benefits—including wage insurance and training waivers—as well as making the process for certifying one's occupation easier, improving notifications to workers whose roles may be at risk, and prioritizing on-the-job training and apprenticeships, among other improvements. Then, by adding an extra "T"—technology—to TAA, we recommend expanding certification to cover technology-related job loss as a type, tailoring services towards resiliency in those industries currently experiencing or prone to technology-related change.[6] One key measure in this extension of services would be to pre-certify at-risk occupations,

to ensure that responses are timely. In terms of funding, the TAA program is already being funded out of general revenue; a revamped TTAA could add a value-added tax as well as taxes on technology that impacts occupational stability, for instance a vehicle-miles tax for self-driving cars.[7] This reform should be done as part of a larger reform of the TAA program that would streamline access to trade impacted workers, improve the delivery of case management and employment services, and ensure that more workers enter into training programs that lead to jobs in those fields. The upcoming debate over the new U.S. Mexico Canada Trade Agreement (the proposed successor to NAFTA) provides a key opportunity to also revisit this critical program.

In our country's sky-high course as the world leader in nearly every field of technological development, we must guard against leaving behind the American workers who make that leadership possible. A properly funded and equipped TTAA program would go a long way towards ensuring that we all move forward as leaders together.

Notes

1 "A Future That Works: Automation, Employment, and Productivity," Mckinsey Global Institute, Mckinsey and Company, 2017, p. 70, https://www.mckinsey.com/~/media/McKinsey/Global%20Themes/Digital%20Disruption/Harnessing%20automation%20for%20a%20future%20that%20works/MGI-A-future-that-works_Full-report.ashx.
2 Melanie Arntz, Terry Gregory and Ulrich Zierahn, "The Risk of Automation for Jobs in OECD Countries: A Comparative Analysis," OECD Social, Employment And Migration Working Papers No. 189, 2016, http://www.ifuturo.org/sites/default/files/docs/automation.pdf.
3 Andrew Stettner, "Mounting a Response to Technological Unemployment," The Century Foundation, April 26, 2018, https://tcf.org/content/report/mounting-response-technological-unemployment/.
4 Ibid.
5 Ibid.
6 Ibid.
7 Ibid.