

Assignment 4 - Common
Must be done by all majors
Due: Oct. 11

You are to read the provided article “You will Lose Your Job to a Robot – and Sooner Than You Think” by Kevin Drum of Mother Jones magazine. In this article, the author lists seven possible ways that he thinks society can deal with the coming wave of mass unemployment: “the welfare state writ large”, “universal basic income #1”, “universal basic income #2”, “a tax on robots”, “socialization of the robot workforce”, “progressive taxation on a grand scale”, and “wealth tax”.

You are to briefly summarize each proposal and comment on what you think of each of the author’s proposed solutions - i.e. a paragraph on each explaining the proposal and what you think the pluses and minuses are. Once you have reviewed all of the proposals, you are then to state which you think is the best solution and why you think this way.

Upload your written assignment to the provided Moodle link.

Assignment Follows on Next Page

The Welfare State Writ Large

The solution of *The Welfare State Writ Large* details a more generous employment insurance system, as well as free healthcare. It also suggests putting higher taxes on the working class to pay for a basic food and housing program for everyone. On paper this sounds good, however the same was said for communism. In this proposed solution those which choose not to work would essentially have a free ride on the working class's dollar. As the text mentions it would greatly benefit the rich, but hinder the middle and lower class who would end up paying so much tax they couldn't climb.

Universal Basic Income #1

In proposing a *Universal Basic Income (#1)* every individual would receive a basic income. The intention of this income would be to cover the cost of the most basic necessities in life or slightly less. This would be done to encourage and more so still require individuals to work, in order to make up the difference to purchase all basic necessities to live. The text also states that unemployment wouldn't be as stigmatized as it is to us now. It's likely unlikely for this to occur as over time groups would form in society once again and the stigma would begin to come back.

Universal Basic Income #2

The *Universal Basic Income (#2)* is similar to the first version of universal basic income, but differs in many regards. In this system everyone receives a basic income that is great enough to provide a comfortable lifestyle. In this system it's also suggested that we are aware that every single job and worker will eventually become automated. Therefore there would be no possibility of stigma around being unemployed. The article also goes on to say that this system is gaining interest by large tech giants in California, and is being piloted in some countries, notably Canada.

A Tax on Robots

Another solution put forth in this article is *A Tax on Robots*. It suggests taxing robots like human workers through income tax and other taxes to keep humans competitive. However the most likely outcome of this solution is that it would raise the cost of using robots and the goods they produce. It's also noted that the tax generated from these robots could be used to fund things like wage insurance, or in other words a Universal Basic Income.

Socialization of the Robot Workforce

The *Socialization of the Robot Workforce* solution suggests that robots would not be allowed to be owned privately. In order to use robotic workforce the government would auction robots for their services to private companies. The amount paid for the robots would be divided among everybody within society. This would likely lead to the same downside as the previous solution, driving the cost of goods and services upward.

Progressive Taxation on a Grand Scale

A *Progressive Taxation on a Grand Scale* is another solution the article considers. In this system all income would be taxed at 90 percent. The rich would still have a reason to perform business to make more money, and labor and work would be considered a “societal good”. In the grand scheme this solution could prove useful as the large amount of taxes collected could be used to fund useful things to society.

Wealth Tax

The final solution of *Wealth Tax* proposes the idea that the wealthiest will begin to drive up the price of high end items. The wealthiest would then be taxed at a high rate. In the end these taxes would allow the lower classes of society to gain the things they need and want, with the exception the luxury items the wealthy have made scarce and expensive.

Conclusion

To conclude, I believe the best solution is *Universal Basic Income (#2)*, because it would allow an individual to live a comfortable life and would allow people to take on more creative endeavors within society. This could include art, writing, or entrepreneurial endeavors. However, it begs the question: Where do we get the money to give everyone a UBI? Does it come from a tax on the rich? Would this lead to hyperinflation? These are important questions that need to be considered, but at a first glance *Universal Basic Income (#2)* to me seems the best fit.