Preparing US Workers and Employers for an Autonomous Vehicle Future

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Member Roundtable: How Autonomous Vehicles Will Impact Workers of Color

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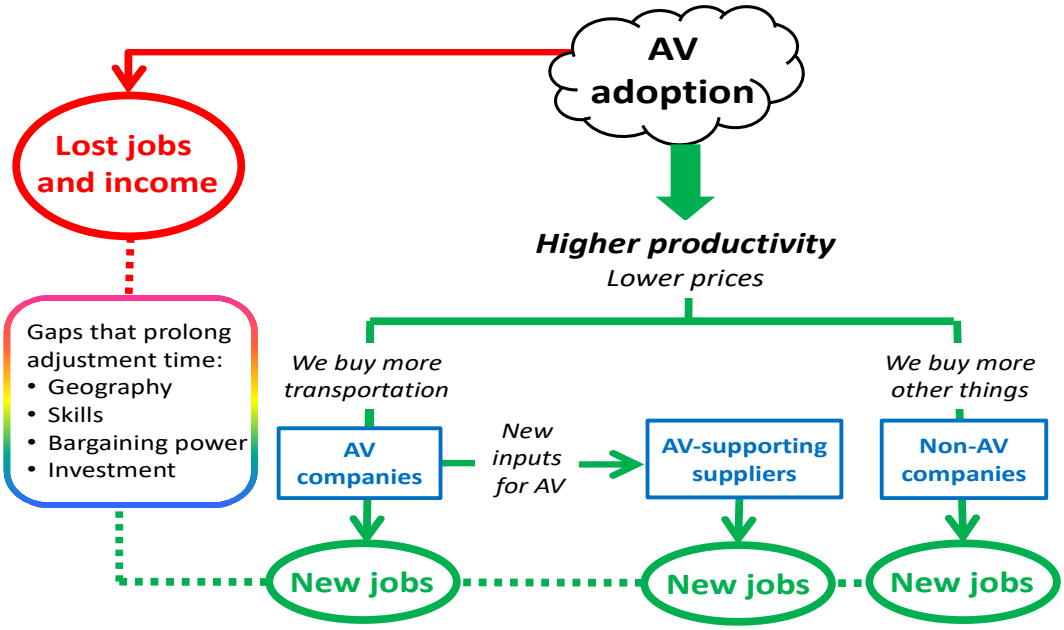
A transition to self-driving vehicles will change many lives and livelihoods, likely for the better for the vast majority. But it will be costly for some. My comments today are based on a study in progress that aims to advance the national conversation about how to cope with the impact of these change on labor markets[1].

The transition from today's human-driven vehicles to the autonomous vehicle (AV) future will be long and will likely be marked by bursts of startling change in how people and goods are moved around, interspersed with times when diffusion slows due to technological complications, public resistance, regulatory caution, and efforts to clarify legal responsibility/liability.

History illustrates compellingly that while technological change leads to large social benefits in the long run, benefits can be long-delayed and the change can result in significant uncompensated costs to those displaced and their communities. Most of the gains are not likely to accrue to those who suffered the losses.



[1] Preparing US Workers and Employers for an Autonomous Vehicle Future, by Erica L. Groshen, Susan Helper,John Paul MacDuffie. And Charles Carson; prepared for: Amitai Bin-Nun, Vice President Autonomous Vehicles and Mobility Innovation, Securing America's Future Energy (SAFE).

As a country, we need to plan now so that the promise of AVs either does not impose huge costs on those directly affected or compensates them for their losses. The economic benefits of AVs, which some have estimated at over $1 trillion per year, should provide adequate resources for such compensation. With advance planning, the task is manageable.

Some gaps that make workers' adjustments slower and more costly include: displaced workers may not have the skills needed for the new jobs; they may not live in the same areas where new jobs are being created; firms may not have the financing or incentives to invest because of poor economic conditions or other impediments; and lack of worker bargaining power and supportive institutions could mean that gains are distributed away from the workers. Many outcomes, including the quality of the new jobs, are not uniquely determined by technology, social policy and employer choices make a big difference.

Many workers in the occupations most likely to be displaced by AVs are nonwhite. This is worrisome because if a nonwhite worker is displaced, he or she will usually experience more unemployment and is more likely to exit the labor force than a displaced white worker.

The U.S. has a workforce development system composed of the Unemployment Insurance system, One-Stop centers to aid unemployed workers, training grants, community colleges, and other components. Despite its good work, there are many signs that this system by itself will not be adequate to mitigate the large costs of the adoption of AV.

There are a variety of broad policy proposals that could help ease transitions and mitigate costs of AV adoption, including works councils, worker training accounts, wage insurance, public sector employment, universal basic income, flexicurity, and place-based policies.

Going forward, we believe that adoption of a sound mitigation strategy must be recognized as an essential component of promoting adoption of disruptive innovations like AV in the U.S.