

**Statement of
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Roundtable on Retail Automation and its Impact on Women and Workers of
Color
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Today, over 16 million Americans work in retail, including nearly a million members of the United Food and Commercial Workers (UFCW) International Union.

In most states, more men and women work in food and non-food retail than any other sector. Salespersons and cashiers rank among the most common jobs in nearly every community.

For years, these jobs offered a true career – not some temporary position. Fortunately, for many union members, these jobs do still allow a person to build a better life, but retail work itself has become increasingly unstable and insecure.

Up until now, the biggest threat to retail workers was large corporate retailers and their competitors – which have continually raced each other to the bottom to drive down wages and benefits.

While this threat persists, there is now an even greater one: The threat of rapid joblessness due to the coming wave of automation.

The danger of automation is best captured by the growing desire of certain companies and industries to use robots, driverless vehicles, and Artificial Intelligence to replace the jobs done by millions of Americans today.

How significant and real is this risk?

According to a new report from consultancy firm PwC, automated robots could replace four in 10 (or roughly 38%) of jobs in the U.S in the coming decades.

The jobs that are more likely to be taken over by robots include those in the transportation and storage sector (56%), as well as manufacturing (46%) and retail (44%).

The McKinsey Global Institute predicts that by 2030 between 39 and 73 million jobs across multiple sectors stand to be automated — making up around a third of the total U.S. workforce.

A recent report by Cornerstone Capital Group concluded that over the coming decade, nearly 50% of the 16 million jobs in retail could be replaced by automation.

This estimated loss of nearly 8 million jobs is roughly equal to the populations of Chicago, Houston, San Francisco, Seattle, Charlotte, and Milwaukee, combined.

If that doesn't highlight the scope of this threat, consider this:

During the Great Depression, unemployment peaked at 24.8%, and the peak job loss was approximately 15 million workers.

The total number of job losses during the most recent recession – a recession that shook our economy to its very foundations – was “only” 8.8 million.

If the predictions come even close to true, the potential losses due to automation could be double or more of the total job losses we have experienced in all recent recessions and the Great Depression – combined.

Every city and town in America would be negatively impacted.

The nature of such job losses, especially those in the service sector, would disproportionately affect women and people of color.

And, the class of Americans most at economic risk to automation is working and lower-middle-class Americans.

The UFCW union family wants to shape progress and technology so that it makes our lives, jobs, and America better.

Because too often so-called “technological improvements” are bad for both workers and customers.

We must all realize that this desire to automate more jobs is not being driven by a desire to make the grocery, retail, or service experience better. Or our economy stronger and fairer. Or our productivity improved.

To most companies, increased automation is a way for them to maximize profit by eliminating labor costs.

On a balance sheet, this may sound great. But if this reality comes to pass, and the predicted scope of job losses becomes true, it will pose the greatest economic, social, and political threat to the future stability of this nation.

Never in our time as a nation, through civil wars, world wars, great depressions and recessions, has America experienced the scope of potential job losses predicted by automation.

We understand that addressing the threats of automation will prove to be an immense policy and political challenge. But as a society, we must begin asking and answering tough questions.

Do we tax automation that harms jobs, much like we did with cigarettes that harmed our health?

Do we create a special tax for billion-dollar tech corporations, like Amazon and Tesla, given that they have made their mission to help speed up automation at all cost?

Do we establish a minimum number of jobs that employers must have, much like we established a minimum wage?

Do we set a rule that for every job lost to automation and robots, that employer must continue to pay a payroll tax?

Do we break up some of the largest and most powerful tech companies in America – like Amazon, Tesla, Google, and others – to ensure more competition?

Do we place regulations and workplace limits on automation, like the limits we placed on companies being able to hire children during the early part of the 20th century?

As difficult as these questions are, we must answer them before it's too late.

In the past, too many of our elected leaders ignored the ultimate cost of millions of American jobs that were lost to unfair trade deals.

They ignored the inequality in the rural towns and urban cities.

They ignored the lack of good jobs that could truly support a family.

We were told – again and again - that progress and wealth would trickle down. And when it didn't, we were told to be patient and wait.

The days of waiting must be done.

We have yet to fully realize the impact of automation on our jobs and economy, but we can't face a hurricane with an umbrella: we've got to prepare meaningfully and effectively. Our union is calling for three key things right now:

- 1. Convene a commission of labor leaders, community advocates, elected officials, and employers who are willing to come to the table and come up with an action plan that leaves no workers behind.**
- 2. Modernize the FTC to more effectively deal with anti-trust concerns.**
 - a. Right now, if the deal results in lower prices for consumers, the deal is a good one; if it results in higher prices, the deal should be rejected.
 - b. It's beyond clear that our regulatory tools are outdated, and blunted in their ability to keep Amazon and the like in check.
 - c. Some even argue, like economist Paul Krugman and Lina Khan of Open Markets, that Amazon has more influence on the markets than Standard Oil did in its heyday. And we just don't have an effective mechanism in place to ensure the great power they wield isn't one day abused.
 - d. If given a new vision, focused on American jobs and American workers, the FTC could quickly become one of the greatest engines for innovative job and wage growth that this country has ever seen.
- 3. Hearings on Capitol Hill to address the negative impacts of automation.**

We all have a shared responsibility to make this country better.

To create good jobs that can support a family.

To provide more opportunity for those who have less.

To reward hard work with dignity and respect.

To foster an economy that enriches us all, rather than a chosen few.

Let's harness technology so that it creates better jobs and shared prosperity, not more inequality.