



**FOR IMMEDIATE RELEASE:**

January 31, 2019

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**NEW REPORT: Policy Response to Artificial Intelligence Offers Opportunity to Create an Economy that Works for All**

*Keystone Research Center suggests policymakers recognize changing economy as a chance to revitalize and recalibrate job market*

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**PITTSBURGH**—The Keystone Research Center today released the first report of a project funded by The Heinz Endowments on the Future of Work, with analysis of artificial intelligence (AI) and earlier far-reaching technological change, and with policy options for America’s fast-changing economy. The report concludes optimistically: AI need not increase economic inequality in the United States and provides an opportunity to revisit the orientation of US policy to ensure the opposite result.

The Heinz Endowments sponsored the KRC project because it knows that, in the words of Endowments President Grant Oliphant, “Pittsburgh is at the epicenter of the creation and application of these technologies, so let’s be sure we’re also at the epicenter of making them work for the many, not just the few. We have a unique opportunity to begin working now to ensure all in our region and country benefit from the imminent technology economy. Rather than focus on possible job displacement resulting from a digital economy, this study provides evidence-based policies and practices that can help us build a more equitable, rewarding future for everyone.”

“To date, the Future of Work debate has generated much speculation about job impacts,” said Dr. Stephen Herzenberg, economist and Executive Director of KRC. “Our report makes the case for shifting attention to ensuring broad distribution of the benefits, given that our economy and society have become hobbled by gaping inequalities.”

The new report, *Towards an AI Economy That Works for All*, analyzes AI’s likely impacts by examining past impacts of technology, including robotics and information technology, on the economy and jobs. It also considers how AI does—and does not—go beyond previous technologies and substitute for human capacities and intelligence. The report explores the roots of inequality in the economy within which AI technologies will spread, and the policies needed to promote equity. The report finds:

- Fears of massive job displacement as a result of AI and continuing advances in robotics are overblown in the short- to medium-term. Industry-disrupting innovations that draw on multiple technologies—which for AI means not just software but a great many hardware technologies (e.g., sensors for automated vehicles)—almost invariably perform poorly at first and evolve more slowly than anticipated.
- AI will penetrate more broadly than previous IT systems in part because of machine learning, processes through which computers gain mastery in specific, narrow domains by absorbing massive amounts of data. (Computers that “learn” from over 100,000 X-rays, for example, outperform most radiologists.) Even so, AI-enabled automation will remain well behind human capabilities for the foreseeable future in tasks requiring judgment, tacit skills, and common sense—tasks that infuse many parts of most jobs.
- While AI will ultimately have widespread impacts, predicting when and in what occupations is notoriously difficult. We can be sure only that AI will cause significant disruptions—and as a society we should prepare for that.
- The disruptions caused by AI will occur in an economy with levels of inequality as great as at any time in our nation’s history. Some economists attribute much of today’s inequality to previous generations of technology that favor more highly educated over less educated workers. The new report finds a far stronger case for public policy (e.g., deregulation, including of labor markets) as the primary cause of the increase. AI offers an opportunity to reimagine the nation’s policies and to tip the scales back toward the interests of the 99% rather than the 1%.

The last section of the new report aims to spur richer debate about policies to ensure that AI generates broad benefits. Such debates have so far been bracketed by the view that we shouldn’t or couldn’t do anything (a view favored by proponents of deregulation and “free markets”) and by recent enthusiasm for a guaranteed—or universal basic—income (UBI), premised on the idea that machines will do so much work that people must have means to support themselves divorced from paid employment.

The KRC report identifies eight broad policy categories which demonstrate that policymakers have a great many tools between doing nothing and implementing a guaranteed income. These policies include a reinvention of US education and training so that workers can learn—and learn again if necessary—the skills needed to acquire a job. But education alone, while a good in itself, does not pack the punch needed to generate more equitable growth. Other policies are needed, such as rebalancing the scales between employers and workers, and generating more jobs through shorter work time and public employment creation.

The Chair of the project’s Advisory Panel of national experts and stakeholders, Professor Ruth Milkman of the City University of New York, said: “Technological change can distract attention from the primary drivers of economic disparities. And because technology often seems beyond our ability to control, it can become an excuse for throwing up our hands. This report cuts through the fog surrounding AI and automation and pinpoints the real issue: the need for public policies that foster economic and social equity.”

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