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# Is technology accelerating the great divide in income?

by FRANK STRONACH

Back in the 1980s, when Artificial Intelligence (AI) was still the stuff of science fiction and computers and automation were changing the way we worked, a number of futurists and economists predicted ?the end of work? and rising living standards.

Not only would we not need to work, according to these experts, but incomes and living standards would rise due to the wealth these new technologies generated.

Clearly, it hasn't quite turned out the way ? at least not for the majority of Canadians.

When I was CEO of Magna International back in the late 1980s ? the time when robotics first began appearing on automotive production and assembly lines ? I publicly raised the issue of who would be the chief beneficiaries of these new technologies and what would happen to the assembly line jobs being replaced by robots.

It's hardly mentioned anymore nowadays, in part because most of our manufacturing has either been shuttered or offshored to countries where workers are still cheaper than robots.

But without a doubt, many jobs will disappear in the years ahead because of technological advances.

In the decade ahead, everything from self-driving transport trucks and taxi cabs to elder care robots will cause the loss of millions of jobs around the world. And that's not counting the job losses that will happen once AI becomes deeply rooted in the offices and workplaces of our country.

A report published last week by the International Monetary Fund (IMF) said that AI ? the most transformational new technology to emerge in our lifetimes ? has the potential to increase incomes for high-income earners while also accelerating income inequality.

On the other hand, the IMF report also warned that AI could displace a large number of high-income workers performing white-collar jobs in finance, communications, and law.

But even if AI ends up wiping out a large number of jobs, we can't blame a technology for our society's growing income inequality. That's the fault of our system.

The fact remains, Canada's economic fundamentals are unsound and are not conducive to fostering economic growth.

If we want to insulate ourselves from the coming wave of job losses that AI will inevitably unleash, then we need to once again start making things. We need to stop exporting our abundant raw materials and importing finished goods made elsewhere.

We need to start turning our natural resources into value-added goods that the rest of the world wants to buy. And we need to unchain our entrepreneurs and small business owners so they can create the innovative new products that will generate added wealth and increase the size of our economy.

If we created the right conditions for start-ups and small businesses to thrive ? by removing business income tax, for example ? then we could spark an economic boom that would add hundreds of thousands of new jobs.

But small businesses across Canada have to unite and make their voice heard, because right now no one is listening to their needs, and unless they band together and become a force to be reckoned with, nothing will change.

Small businesses can revive our manufacturing sector ? if we dismantle the red tape and create the right environment for them to grow and prosper.

That would be a guaranteed solution to raising the incomes and living standards of millions of Canadians, regardless of what AI or any other disruptive technology has in store in the years to come.

To learn more about how we can ?Regenerate Canada?, email me at info@economiccharter.ca.