The robot that takes your job should pay taxes, says Bill Gates

Robots are taking human jobs. But Bill Gates believes that governments should tax companies’ use of them, as a way to at least temporarily slow the spread of automation and to fund other types of employment.

It’s a striking position from the world’s richest man and a self-described techno-optimist who co-founded Microsoft, one of the leading players in artificial-intelligence technology.

In a recent interview with Quartz, Gates said that a robot tax could finance jobs taking care of elderly people or working with kids in schools, for which needs are unmet and to which humans are particularly well suited. He argues that governments must oversee such programs rather than relying on businesses, in order to redirect the jobs to help people with lower incomes. The idea is not totally theoretical: EU lawmakers [considered a proposal](http://www.reuters.com/article/us-europe-robots-lawmaking-idUSKBN15V2KM) to tax robot owners to pay for training for workers who lose their jobs, though on Feb. 16 the legislators ultimately rejected it.

“You ought to be willing to raise the tax level and even slow down the speed” of automation, Gates argues. That’s because the technology and business cases for replacing humans in a wide range of jobs are arriving simultaneously, and it’s important to be able to manage that displacement. “You cross the threshold of job replacement of certain activities all sort of at once,” Gates says, citing warehouse work and driving as some of the job categories that in the next 20 years will have robots doing them.

You can watch Gates’ remarks in the video above. Below is a transcript, lightly edited for style and clarity.

**Quartz: What do you think of a robot tax? This is the idea that in order to generate funds for training of workers, in areas such as manufacturing, who are displaced by automation, one concrete thing that governments could do is tax the installation of a robot in a factory, for example.**

Bill Gates: Certainly there will be taxes that relate to automation. Right now, the human worker who does, say, $50,000 worth of work in a factory, that income is taxed and you get income tax, social security tax, all those things. If a robot comes in to do the same thing, you’d think that we’d tax the robot at a similar level.

And what the world wants is to take this opportunity to make all the goods and services we have today, and free up labor, let us do a better job of reaching out to the elderly, having smaller class sizes, helping kids with special needs. You know, all of those are things where human empathy and understanding are still very, very unique. And we still deal with an immense shortage of people to help out there.

So if you can take the labor that used to do the thing automation replaces, and financially and training-wise and fulfillment-wise have that person go off and do these other things, then you’re net ahead. But you can’t just give up that income tax, because that’s part of how you’ve been funding that level of human workers.

**And so you could introduce a tax on robots…**

There are many ways to take that extra productivity and generate more taxes. Exactly how you’d do it, measure it, you know, it’s interesting for people to start talking about now. Some of it can come on the profits that are generated by the labor-saving efficiency there. Some of it can come directly in some type of robot tax. I don’t think the robot companies are going to be outraged that there might be a tax. It’s OK.

**Could you** **figure out a way to do it that didn’t dis-incentivize innovation**?

Well, at a time when people are saying that the arrival of that robot is a net loss because of displacement, you ought to be willing to raise the tax level and even slow down the speed of that adoption somewhat to figure out, “OK, what about the communities where this has a particularly big impact? Which transition programs have worked and what type of funding do those require?”

You cross the threshold of job-replacement of certain activities all sort of at once. So, you know, warehouse work, driving, room cleanup, there’s quite a few things that are meaningful job categories that, certainly in the next 20 years, being thoughtful about that extra supply is a net benefit. It’s important to have the policies to go with that.

People should be figuring it out. It is really bad if people overall have more fear about what innovation is going to do than they have enthusiasm. That means they won’t shape it for the positive things it can do. And, you know, taxation is certainly a better way to handle it than just banning some elements of it. But [innovation] appears in many forms, like self-order at a restaurant—what do you call that? There’s a Silicon Valley machine that can make hamburgers without human hands—seriously! No human hands touch the thing. [*Laughs*]

**And you’re more on the side that government should play an active role rather than rely on businesses to figure this out?**

Well, business can’t. If you want to do [something about] inequity, a lot of the excess labor is going to need to go help the people who have lower incomes. And so it means that you can amp up social services for old people and handicapped people and you can take the education sector and put more labor in there. Yes, some of it will go to, “Hey, we’ll be richer and people will buy more things.” But the inequity-solving part, absolutely government’s got a big role to play there. The nice thing about taxation though, is that it really separates the issue: “OK, so that gives you the resources, now how do you want to deploy it?”