
A BILL FOR AN ACT

RELATING TO LABOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that while the United
2 States is the wealthiest nation in the world, and Hawaii is
3 among the wealthiest states, many families, individuals, and
4 businesses have been struggling to make ends meet and keep pace
5 with the increasing cost of living.

6 The legislature further finds that efforts to increase
7 wages, benefits, and working conditions are important steps to
8 assist local families in the short-term, but a paradigm shift in
9 policy will soon be necessary as automation, globalization,
10 downward pressure on wages, and upward pressure on living costs
11 begins to eliminate significant numbers of jobs in Hawaii's
12 service sector and other areas. It is likely that automation in
13 transportation, retail sales, fast food, hospitality, medical,
14 insurance, and other industries may displace a significant
15 portion of the current workforce.

16 Change is already rapidly accelerating displacement of many
17 existing industries and professions. Airbnb has become the



1 largest hotel company in the world, yet owns few properties.
2 Uber is now the largest taxi company in the world, yet owns few
3 cars. Self-driving autonomous vehicles are already driving on
4 streets around the United States and will soon displace millions
5 of taxi and delivery drivers. With current drivers, one
6 accident occurs every sixty thousand miles driven, but with
7 autonomous driving, the accident rate is expected to drop to one
8 accident every six million miles. This increase in safety is
9 expected to disrupt the insurance industry. Self-checkout lines
10 at retail stores are expanding and replacing retail workers.
11 And IBM's Watson computer can provide basic legal advice faster
12 and with more accuracy than attorneys and is helping to diagnose
13 cancer four times more accurately than human nurses.

14 Numerous companies are building applications that turn
15 smart phones into medical devices that can quickly scan and
16 analyze blood samples, breath, and retinas to identify medical
17 conditions. In the near future, millions of people will have
18 access to instant, low-cost tools for medical analysis.

19 Three-dimensional printers have dropped in price from more
20 than \$15,000 to less than \$500 in just ten years, while
21 simultaneously becoming much faster. People will increasingly



1 be able to purchase products online and instantly print them at
2 home.

3 Tens or even hundreds of thousands of Hawaii jobs may be
4 replaced in the near future by innovation, automation, and
5 globalization. Around the world, governments and private sector
6 partners are already examining options to ensure economic and
7 social sustainability in a post-automation economy. The
8 governments of Finland, Uganda, and the Canadian province of
9 Ontario, along with private sector partners in Oakland,
10 California, and non-profit partners in Kenya are beginning
11 trials of providing a form of basic income to allow people to
12 prosper and survive while allowing economic growth to continue
13 despite net job loss to automation.

14 The legislature finds that all families in Hawaii deserve
15 basic financial security and that it is in the public interest
16 to ensure the economic sustainability of our people and economy.
17 Hawaii's heavy reliance on a service-based economy makes it more
18 susceptible to economic disruption and job loss than other
19 places, and work must begin to prepare for the future.

20 The purpose of this Act is to establish a working group to
21 make recommendations for the best methods to:



H.B. NO. 1572

- 1 (1) Address the potential for significant economic change
- 2 and
- 3 (2) Ensure the economic sustainability of Hawaii's people
- 4 and economy into the future.

5 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
 6 amended by adding a new section to be appropriately designated
 7 and to read as follows:

8 "§201- Hawaii economic security working group. (a)
 9 There is established within the department of business, economic
 10 development, and tourism, the Hawaii economic security working
 11 group, whose mission shall be to ensure the economic
 12 sustainability of individuals and families and the overall
 13 health of the local economy in light of future automation
 14 technologies, globalization, and disruptive innovation.

- 15 (b) The working group shall be composed of:
 - 16 (1) The director of business, economic development, and
 - 17 tourism, who shall serve as the chairperson;
 - 18 (2) The chair of the senate standing committee with
 - 19 primary jurisdiction over labor;
 - 20 (3) The chair of the house of representatives standing
 - 21 committee with primary jurisdiction over labor;



- 1 (4) The director of labor and industrial relations;
- 2 (5) The director of human services;
- 3 (6) The executive director of the University of Hawaii
4 economic research organization; and
- 5 (7) Other individuals whom the director of business,
6 economic development, and tourism may invite to be
7 members of the working group, including union
8 representatives, members of the business community,
9 and experts with relevant knowledge.
- 10 (c) The working group shall:
- 11 (1) Assess Hawaii's job market exposure to automation
12 technologies, globalization, and disruptive
13 innovation;
- 14 (2) Assess Hawaii's existing spending on social safety net
15 programs and other relevant expenditures, as well as
16 expected spending on those programs in light of
17 anticipated automation technologies, globalization,
18 disruptive innovation, and job losses;
- 19 (3) Identify and analyze options to ensure economic
20 security, including a partial basic income, full basic
21 income, and other mechanisms;



H.B. NO. 1572

1 (4) Monitor studies, trials, and efforts in Hawaii and
 2 other places relevant to the Hawaii economic security
 3 working group; and


4 (5) Seek out partnerships to publish or fund relevant
 5 trials or studies.

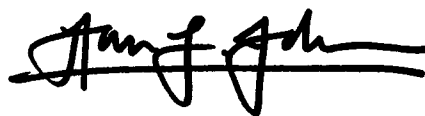
6 (d) No later than twenty days prior to the convening of
 7 each regular session, the working group shall submit a report to
 8 the legislature on its recommendations, findings, and proposed
 9 legislation, if any."

10 SECTION 3. New statutory material is underscored.

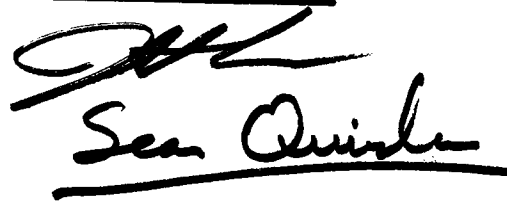
11 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: 







JAN 25 2017



H.B. NO. 1572

Report Title:

Hawaii Economic Security Working Group; Automation

Description:

Establishes the Hawaii Economic Security Working Group within DBEDT to analyze and make recommendations regarding economic health and stability in light of future automation, globalization, and disruptive innovation.

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