http://newiprogressive.com/images/stories/S5/foxconn-wisconsin-plant-2017-s5.jpg



Before we commit $1,200 per family over the next 25 years to Foxconn, we need to consider what constitutes a "job" for the purpose of providing economic development assistance and the impact these new technologies will have on our workforce.

GREEN BAY - Lawmakers will soon have an important decision to make that will have an outsize impact on our state for years to come: whether or not to approve a deal made by Governor Walker that could send up to $3 billion in direct cash payments to Taiwanese-based Foxconn to build a manufacturing plant in southeast Wisconsin.

In my initial response to the news I urged my colleagues to proceed with caution. Not only is this an incredibly expensive offer (it could cost the average family in Wisconsin $1200 and take 25 years or more before state taxpayers break even!) but it could set a precedent with how we approach future economic development at a time when more and more industries are moving to automation as a way to reduce labor costs.

Foxconn, is at the forefront of this effort with its publicly stated goal of fully automating its manufacturing process to the greatest extent possible. They've already begun by laying off 60,000 workers in China who were earning $3.25 an hour and replacing them with robots.

This begs the question: If they are laying off workers to save $3.25 an hour, why are they willing to pay their workforce here in Wisconsin what appears to be 5 - 7 times that amount?

Since Governor Walker's initial announcement Foxconn has already said their plan is to create 3,000 jobs rather than the 13,000 Governor Walker claimed. They also said that manufacturing jobs would pay $13.00 - $15.00 per hour which is far less than the $53,000 initially promised.

So what to make of this deal? How does Foxconn plan to make the economics of this deal work for them if they are already replacing thousands of lesser paid employees with robots? Is it realistic to think that any manufacturing jobs created at Foxconn will still be performed by humans 10, 15 or 25 years from now? It is likely that most of the promised jobs will be automated well before the 2043 break even date.

According to Governor Walker's plan state taxpayers will pay to help Foxconn build their plant and local taxpayers will help pay for infrastructure improvements related to the plant. There is even $250 million in borrowing proposed to reconstruct I-94 between Milwaukee and Illinois despite the fact that the Governor and Republicans cannot agree on a long-term fix for the billion dollar deficit in the Transportation Fund.

This all amounts to potentially billions of state and local tax dollars being spent to help a foreign corporation build a plant in which the majority of jobs will likely be done by robots.

If that is the case then it's time we have a larger discussion about what constitutes a "job" for the purpose of providing economic development assistance and the impact that these new technologies will have on our workforce.

Recent reports suggest that 47% of all jobs in the U.S. could be lost to automation in the next 20 years. Those jobs range from manufacturing to retail to the legal and medical fields and beyond. According to a CBS report, even Wall Street is expected to replace nearly 230,000 jobs in the next 8 years with machines.

Whether or not these new technologies lead to new jobs that provide better pay and benefits or to large-scale unemployment,one thing is certain: this change is coming rapidly and we're not prepared to deal with its impact.

Regardless of where you stand on the Foxconn deal, their stated goal of full automation is not unique to the world we are now living in. It is time for the Legislature to take the issue of automation seriously and do what needs to be done to protect the best interests of taxpayers, our families and our workforce.