

Robot tax sought to rein in AI

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New Delhi: A proposal to slap a robot tax as a safety net to workers who have lost their jobs because of AI has been thrown at finance minister Nirmala Sitharaman.

A study by staffing firm TeamLease Digital has predicted a staggering 16 million job losses in India by 2027 on account of AI.

The very vocal Swadeshi Jagran Manch, an RSS-affiliated organization, has put the proposal before FM.

“The government may impose tax on the use of labour displacing technologies (robot tax), not to discourage the new technology but to cross subsidise those who are losing jobs due to the use of la-

THE PLAN

- Swadeshi Jagran Manch has put forward proposal
- Tax on labour displacing tech
- Use the tax to support workers who have lost jobs

bour displacing technologies. The funds raised can be used to help those displaced to adopt new technologies,” the SJM said.

Government officials acknowledge the potential benefits and risks of AI.

They emphasise a cautious approach, avoiding panic while encouraging worker re-skilling and educational re-

forms to meet future industry needs. The upcoming budget is expected to address AI, deep learning and machine learning.

The concept of a robot tax has gained traction globally, with Microsoft co-founder Bill Gates advocating such a tax.

“Such a tax might place Indian businesses at a competitive disadvantage in the global market, where automation can lead to lower costs and higher efficiency, said Ankit Jain, partner, Ved Jain & Associates.

While it is crucial to address the challenges posed by AI, it is equally important to avoid policies that could stifle economic progress, he said.

“With Indian IT industry being at receiving end of glob-

al economic slowdown and reduced budget for IT spends, any new tax proposal will be negative to IT industry and is unlikely,” Aravind Srivatsan, tax leader and partner, Nangia Andersen LLP, said

“Balancing the twin concerns of job losses and productivity losses is complex, and it is unlikely that such a tax will be introduced in Budget 2024 or in the near future,” Mitesh Jain, partner, Economic Laws Practice, said.

The International Monetary Fund (IMF) in a recent paper has urged countries to address AI’s impact on income inequality.

The IMF suggests strengthening social safety nets and tax systems to ensure a fairer distribution of AI’s benefits.