

Capitalism, Not Technological Unemployment, is the Problem

Kevin Carson

13 August 2014

At Slate, Will Oremus raises the question “What if technological innovation is a job-killer after all?” (“The New Luddites,” August 6). Rather than being “the cure for economic doldrums,” he writes, automation “may destroy more jobs than it creates”:

Tomorrow’s software will diagnose your diseases, write your news stories, and even drive your car. When even high-skill “knowledge workers” are at risk of being replaced by machines, what human jobs will be left? Politics, perhaps – and, of course, entrepreneurship and management. The rich will get richer, in other words, and the rest of us will be left behind.

It’s a common scenario, and one that’s utterly wrong headed. Although Oremus appeals to Keynes’ prediction of technological unemployment, the irony is that Keynes thought that was a good thing. Keynes predicted an economy of increasing abundance and leisure in his grandchildren’s time, in which the average work week was fifteen hours.

Instead, as Nathan Schneider points out (“Who Stole the Four-Hour Workday?” Vice, Aug. 5), US government policy since FDR’s time has been to promote “full employment” at a standard 40-hr week. Both major parties, in their public rhetoric, are all about “jobs, jobs, jobs!”

This fixation on creating more work is what Bastiat, in the 19th century, called “Sisyphism” (after the lucky man in Hell who was fully employed rolling a giant rock up a hill for all eternity). We see the same ideological assumptions, as Mike Masnick argues in the same article where I got the Bastiat reference (“New Report Challenges The Whole ‘IP Intensive Industries Are Doing Well Because Of Strong IP’ Myth,” Techdirt, Aug. 8), displayed in arguments that strong “intellectual property” law is necessary for creating “jobs” and guaranteeing income for creators.

The idea is that we either impose artificial inefficiencies on technologies of abundance in order to increase the amount of labor (“jobs!”) required to produce a given standard of living, or we enclose those technologies to make their output artificially expensive so that everyone has to work longer hours to pay for them, so the increased price can go to paying wages for all those people running on conveyor belts and rat wheels. Make sense?

Either way, it amounts to hobbling the efficiency of new technology so that everyone has to work longer and harder than necessary in order to meet their needs. This approach is both

Schumpeterian and Hamiltonian. Schumpeter saw the large corporation as “progressive” even when large size wasn’t technically necessary for efficient production because, with its monopoly power, it could afford to fund expensive R&D and pass the cost on to consumers via cost-plus markup and administered pricing (basically like a regulated monopoly or Pentagon contractor). Mid-20th century liberalism, essentially a managerialist ideology that lionized large, hierarchical, bureaucratic organizations, extended this approach: the giant corporation could afford to pay high wages and maintain an employer-based welfare state, and still collect a guaranteed profit, because of its monopoly power.

Modern Hamiltonianism seeks to prevent price implosion from radical technological improvements in efficiency, and instead to guarantee inflated demands for both capital and labor — by imposing artificial inefficiency when necessary — so that returns on venture capital and full-time employment both remain stable.

The most egregious example is Jaron Lanier’s argument that every bit of content anyone produces on the Web should be under strong copyright, so everyone can get paid for everything. But why stop there? Why not monetize the entire economy and force it into the cash nexus? Turn every single thing anybody does into a “job,” so that members of a household get paid wages for mowing the lawn, washing the dishes, or vacuuming the living room. We could increase the nominal work week to 100 hours and per capita income to \$100,000. That way, nobody would be able to obtain anything outside the cash nexus. They’d have to have a source of paid income to get the money to pay for anything they consumed — even a beer out of the fridge.

Ironically, that’s the strategy European colonial powers used in Africa and the rest of the Third World to force native populations into the wage labor market and make it impossible to subsist comfortably without wage employment. They imposed a head tax that could only be paid in money, which meant that people who had been previously feeding, clothing and sheltering themselves in the customary economy were forced to go to work for wages (working for European colonial overseers who had appropriated their land, of course) in order to pay the tax.

It’s utterly stupid. The whole point of the economy is not “jobs,” but consumption. The point of human effort itself is consumption. The less effort required to produce a unit of consumption, the better. When a self-employed subsistence farmer figures out a way to produce the food she consumes with half as many hours of labor as before, she doesn’t lament having “less work.” That’s because she internalizes all the benefits of her increased productivity. And when people are free to internalize both all the costs and all the benefits of increased productivity, so that improvements in efficiency are translated directly into lower prices or shorter working hours, they have an incentive to be more productive and work less.

The problem arises, not from the increased efficiency, but from the larger structure of power relations in which the increase in efficiency takes place. When artificial land titles, monopolies, cartels and “intellectual property” are used by corporations to enclose increased productivity as a source of rents, instead of letting them be socialized by free competition and diffusion of technique, we no longer internalize the fruits of technological advance in the form of lower prices and leisure. We get technological unemployment.

But technological unemployment and the rich getting richer are symptoms, not of the progress itself, but of the capitalistic framework of state-enforced artificial property rights and privilege within which it takes place. The economic ruling classes act through their state to intervene in the economy, to erect toll-gates and impede free market competition, so we have to work harder and longer than necessary in order to feed them in addition to ourselves. So let’s

not get rid of the technology. Let's get rid of the capitalists and their state that rob us of its full fruits.

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