

21st Century: Less Work – More Wealth?

Progress could not be rejected: just like the future was with machine production, not with handicrafts, at the start of the Industrial Revolution, when weavers in the Midlands and the North of England started smashing machinery and burning factories. They showed their dissatisfaction with the fact that machines were robbing them of their wages and jobs. However, trying to regulate trade, as Adam Smith taught, was like trying to “regulate the wind.” as the new knitting frames and power looms could do the work much faster than the most skilled artisan working in his own cottage, thus thousands of families were drawn to poverty.

It seems that history evolves in circles: over the last 30 years, the share of wages in national income has been falling, owing to the so-call “second machine age.” Computerized technology has entered into the service sector, taking over jobs for which the human factor and “cognitive functions” seemed to be irreplaceable.

In retail, Walmart and Amazon workers’ wages are driven down because of new technology. As Gartner experts say, by 2020 “today's technical innovations will have the most widespread in the private sector” – with quite predictable consequences for the jobs. British scientists believe that almost a half of jobs may be taken by machines over the next 20 years - which include: accountants, lawyers (sic!), a technical writer, as well as many other well-paid jobs.

This tendency also causes great unemployment in developed countries today, where the employers would opt for programs and machines (they do not need the weekend or social guarantees, etc.).

In 2012 Instagram, bought for \$ 1 billion, had a user base size of 30 million people and claimed to have only 13 people staff - when, a few months after that Kodak was sued for bankruptcy, at that time employing more than 145,000 people. On the other hand, being absolutely unnecessary in 2000, but having become indispensable today, Google is controlled by the personnel of 46,000 employees. All this would not be so noticeable if a "non-virtual" field of employment did not decline so rapidly. In the 1930s, John Maynard Keynes proved the fact that the new technologies are emerging faster than it can be used constructively, but he believes that in the future people will live much better and will not work more than 15 hours per week. He proved partly right: French unemployed today lives better than the French working in the days of Keynes.

By all means, there will still be activities that require human skills, and these skills can be improved. But it is broadly true that the more computers can do, the less humans need to do. The prospect of the “abridgment of labor” should fill us with hope rather than grief. However, in our kind of society, there are no mechanisms for converting redundancy into leisure.