

The robot economy (AKA how robots will steal your jobs)

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Imagine as a thought experiment that there exist robots that are identical to humans in every way except they turn over any income to their owners.

Now in addition to these robots there are humans and limited land. The humans are subdivided into land owners and non-landowners.

The humans break down into your classic equilibrium economy... The worker humans do what they do best in working the land, and the landowning humans do max out their comparative advantage of owning the land and collecting what the working humans make.

Say with 5 workers, the farmer is unhappy. He is fat, but he wishes to be fatter, so he hatches a plan... He reasons that if he can eat what the workers eat, then he can achieve his dream.

He faces a dilemma... If he eats the food intended for the workers, then the workers may go on strike (to increase their bargaining power) to which he the landowner would go hungry. To prevent this he devises a plan to create robots. He will pay 1 worker slightly more to make a batch of robots instead of making food.

This one worker then creates 5 new robots at the end of the harvesting season for the landowner. The landowner then has the robots go compete with the workers at the annual land auction to determine how much rent each worker will have to pay to use the land.

The robots and the humans thus compete for the lowest land rent. This year holds ill for the human workers, for where they had last worked X hours for yearly food, the robots will now accept that wage as well, thus displacing the human workers. The humans get desperate (for they need food to eat), so they outcompete the robots to offer to work 2X hours for the same amount of food.

The landowner has a touch of pity, so he offer a couple of lucky saps food for a mere 1.5X labor to make some more robots!

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The same happens next year, and the year after...

Each time increasing the misery of workers while increasingly fattening the productive means owners.

Here the workers are producing the rope to hang themselves. Another way of putting this is that the workers through their generation of non-worker owned capital are creating overpopulation of sorts. Given a finite amount of base means of production that is privately controlled, an increase in worker population will not hurt the means of production owner, but will hurt the property-less workers. More entities competing for the same limited production capabilities, will surely drive down the price of labor. Now it can be seen that these robots are merely an attempt by the landowner to induce artificial overpopulation (the owner's consumption is the source of overpopulated demand). The owners want to create overpopulation because it drives down the bargaining power of competing labor interest, to give the owner more wealth.

Hence capital throughout history has not been the tool increase the ratio of fruit of labor, but to do the opposite and steal from the laborers to give to the capitalists.