

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

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"smithaa02" <asdf@asdf.net> wrote in message news:4105aff4_3@newspeer2.tds.net...

- > *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*
- > *bolds 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*

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- > *for a mere 1.5X labor to make some more robots!*
- >
- > *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.*

Your conclusion does not follow from your premises. You correctly grasp that the landowner has superior bargaining power over workers, but then you lump land in with capital at the end. Land ownership is the primary monopoly. Workers who enjoy equal access to land can produce capital (tools) of their own.

Incidentally, Mark Twain wrote a piece similar to yours that shows how land monopoly enslaves labor:

THE SLAVER

Suppose I am the owner of an estate and 100 slaves, all the land about being held in the same way by people of the same class as myself. It is a profitable business, but there are many expenses and annoyances attached to it. I must keep up my supply of slaves either by buying or breeding them. I must pay an overseer to keep them continually to their work with a lash. I must keep them in a state of brutish ignorance (to the detriment of their efficiency), for fear they should learn their rights and their power, and become dangerous. I must tend them in sickness and when past work. And the slaves have all the vices and defects that slavery engenders; they have no self-respect or moral sense; they lie, they steal, they are lazy, shirking work whenever they dare; they do not care what mischief their carelessness occasions me so long as it is not found out; their labor is obtained by force, and given grudgingly; they have no heart in it. All these things worry me.

FLASH!

Suddenly a brilliant idea strikes me. I reflect that there is no unoccupied land in the neighbourhood, so that if my laborers were free they would still have to look

to me for work somehow. So one day I announce to them that they are all free, intimating at the same time I will be ready to employ as many as I may require on such terms as we may mutually and independently agree. What could be fairer? They are overjoyed, and falling on their knees, bless me as their benefactor. Then they go away and have a jollification, and next day come back to me to arrange the new terms.

THEY BELIEVE ...

Most of them think they would like to have a piece of land and work it for themselves, and be their own masters. All they want is a few tools they have been accustomed to use, and some seed, and these they are ready to buy from me, undertaking to pay me with reasonable interest when the first crop comes in, offering the crop as security. As for their keep, they can easily earn that by working a few weeks on and off on any of the plantations, or by taking a job clearing or fencing, or such like. This will keep them going for the first year, and after that they will be better able to take care of themselves.

HOLD ON, NOW!

"But," softly I observe, "you are going too fast. Your proposals about the tools and seed and your maintenance are all right enough, but the land, you remember, belongs to me. You cannot expect me to give you your liberty and my own land for nothing. That would not be reasonable, would it?" They agree it would not, and begin to propose terms. A fancies this bit of land, and B that. But it soon appears that I want this bit of land for my next year's clearing, and that for my cows, and another is too close to my house and would interfere with my privacy, and another is thick forest or swamps, and would require too long and costly preparation for me who must have quick returns in order to live, and in short that there is no land suitable that I care to part with.

THE BENEFACTOR

Still I am ready to do what I promised – "to employ as many as I may require, on such terms as we may mutually and independently agree." But as I have now got to pay them wages instead of getting their work for nothing. I cannot of course employ all of them. I can find work for ninety of them, however, and with these I am prepared to discuss terms.

At once a number volunteered their services at such wages as their imagination had been picturing to them. I tell the ninety whose demands are most reasonable to stand on one side. The remaining ten look blank, and seeing that since I won't let them have any of the land, it is a question of hired employment or starvation, they offer to come for a little less than the others. I tell these now to stand aside, and ten others to stand out instead. These look blank now, and offer to work for less still, and so the "mutual and voluntary" settlement of terms proceeds.

But, meanwhile, I have been making a little calculation in my head, and have reckoned up what the cost of keeping a slave, with his food and clothes, and a trifle over to keep him contented, would come to, and I offer that. They won't hear of it, but as I know they can't help themselves, I say nothing, and presently first

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one and then another gives in, till I have got my ninety, and still there are ten left out, and very blank indeed they look. Whereupon, the terms being settled, I graciously announce that though I don't really want any more men, still I am willing, in my benevolence, to take the ten, too, on the same terms, which they promptly accept, and again hail me as their benefactor, only not quite so rapturously as before.

WAGE SLAVES? ...

So they all set to at the old work at the old place, and on the old terms, only a little differently administered; that is, that whereas I formerly supplied them with food, clothes, etc., direct from my stores, I now give them a weekly wage representing the value of those articles, which they will henceforth have to buy for themselves.

There is a difference, too, in some other respects, indicating a moral improvement in our relations. I can no longer curse and flog them. But then I don't want to; it's no longer necessary; the threat of dismissal is quite as effective, even more so; and much pleasanter for me.

I can no longer separate husband from wife, parent from child. But then again, I don't want to. There would be no profit in it; leaving them their wives and children has the double advantage of making them more contented with their lot, and giving me greater power over them, for they have now got to keep these wives and children out of their own earnings.

My men are now as eager as ever to come to me to work as they formerly were to run away from work. I have neither to buy or breed them; and if any suddenly leave me, instead of letting loose the bloodhounds, I have merely to hold up a finger or advertise, and I have plenty of others offering to take their place. I am saved the expense and worry of incessant watching and driving. I have no sick to attend, or worn-out pensioners to maintain. If a man falls ill there is nothing but my good nature to prevent my turning him off at once; the whole affair is a purely commercial transaction – so much wages for so much work. The patriarchal relation of slave-owner and slave is gone, and no other has taken its place. When the man is worn out with long service I can turn him out with a clear business conscience, knowing that the State will see that he does not starve.

Instead of being forced to keep my men in brutish ignorance, I find public schools established at other people's expense to stimulate their intelligence and improve their minds, to my great advantage, and their children compelled to attend these schools. The service I get, too, being now voluntarily rendered (or apparently so) is much improved in quality. In short, the arrangement pays me better in many ways.

REJOICE! I AM CAPITAL AND I EMPLOY PEOPLE!

But I gain in other ways besides pecuniary benefit. I have lost the stigma of being a slave driver, and have, acquired instead the character of a man of energy and enterprise, of justice and benevolence. I am a "large employer of labour," to whom the whole country, and the labourer especially, is greatly indebted, and people say, "See the power of capital! These poor labourers, having no capital, could not

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use the land if they had it, so this great and far-seeing man wisely refuses to let them have it, and keeps it all for himself, but by providing them with employment his capital saves them from pauperism, and enables him to build up the wealth of the country, and his own fortune together."

Whereas it is not my capital that does any of these things. It is not my capital but the labourer's toil that builds up my fortune and the wealth of the country. It is not my employment that keeps him from pauperism, but my monopoly of the land forcing him into my employment that keeps him on the brink of it. It is not want of capital that keeps the labourer from using the land, but my refusing him the use of the land that prevents him from acquiring capital. All the capital he wants to begin with is an axe and a spade, which a week's earnings would buy him, and for his maintenance during the first year, and at any subsequent time, he could work for me or for others, turnabout, with his work on his own land. Henceforth with every year his capital would grow of itself, and his independence with it, and that this is no fancy sketch, anyone can see for himself by taking a trip into the country, where he will find well-to-do-farmers who began with nothing but a spade and an axe (so to speak) and worked their way up in the manner described.

ENTER THE LANDLORD

But now another thought strikes me. Instead of paying an overseer to work these men for me, I will make him pay me for the privilege of doing it. I will let the land as it stands to him or to another – to whomsoever will give the most for the billet. He shall be called my tenant instead of my overseer, but the things he shall do for me are essentially the same, only done by contract instead of for yearly pay. He, not I, shall find all the capital, take all the risk, and engage and supervise the men, paying me a lump sum, called rent, out of the proceeds of their toil, and make what he can for himself out of the surplus. The competition is as keen in its way for the land, among people of his class, as it is among the labourers for employment, only that as they are all possessed of some little means (else they could not compete) they are in no danger of immediate want, and can stand out for rather better terms than the labourers, who are forced by necessity to take what terms they can get. The minimum in each case amounts practically to a "mere living", but the mere living they insist on is one of a rather higher standard than the labourers'; it means a rather more abundant supply and better quality of those little comforts which are next door to necessities. It means, in short, a living of a kind to which people of that class are accustomed.

For a moderate reduction in my profits, then – a reduction equal to the tenant's narrow margin of profit – I have all the toil and worry of management taken off my hands, and the risk too, for be the season good or bad, the rent is bound to be forthcoming, and I can sell him up to the last rag if he fails of the full amount, no matter for what reason; and my rent takes precedence of all other debts. All my capital is set free for investment elsewhere, and I am freed from the odium of a slave owner, notwithstanding that the men still toil for my enrichment as when they were slaves, and that I get more out of them than ever. If I wax rich while they toil from hand to mouth, and in depressed seasons find it hard to get work at all; it is not, to all appearances, my doing, but merely the force of circumstances, the law of nature, the state of the labour market – fine sounding names that hide the ugly reality.

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If wages are forced down it is not I that do it; it is that greedy and merciless man the employer (my tenant) who does it. I am a lofty and superior being, dwelling apart and above such sordid considerations. I would never dream of grinding these poor labourers, not I! I have nothing to do with them at all; I only want my rent—and get it. Like the lilies of the field, I toil not, neither do I spin, and yet (so kind is Providence!) my daily bread (well buttered) comes to me of itself. Nay, people bid against each other for the privilege of finding it for me; and no one seems to realise that the comfortable income that falls to me like the refreshing dew is dew indeed; but it is the dew of sweat wrung from the labourers' toil. It is the fruit of their labour which they ought to have; which they would have if I did not take it from them.