

[23 Things We're Telling You About Capitalism IV](#) [1]

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In our fourth chapter we get told that the washing machine has changed the world more than the internet. Something which we can all actually agree upon as long as we accept the conceit that the washing machine is standing in for domestic labour saving technology in general. We might quibble with the example of email not being much of an advance upon the telegraph: email allows you to broadcast to 5,000 or more which the telegraph certainly didn't. And I've run a software business that simply couldn't have happened without being able to send files and graphics. But Chang is correct that the development of domestic labour saving technology has, so far at least, had more effect.

It has, for example, liberated half the rich world human race and allowed them to join the paid, market, economy. It really wasn't all that long ago that women simply could not do this, given the pressures of domestic labour: and it's still true that many women in many poorer countries cannot do so yet.

However, yes, again, we find Chang being extremely partial in his discussion of how all this happened. As someone who once owned a Soviet washing machine (no, really) I'm sure that this capitalism and free markets thing had a hand in it all. Firstly, in the invention, production and distribution of those devices: the route from carpet beaters through Spangler to Hoover was indeed the usual market style chaos of no one at all understanding what they were doing (certain early models blew dust around rather than sucked for example). Similarly the route from washing stone through washtub to mangle and finally washing machine was not a planned excursion. It was driven by incremental steps the users of which could see the advantages on offer. Capitalism meeting the market and then further innovation taking place.

What annoys to some extent is that Chang actually mentions a point about servants:

The main reason why there are so much fewer (of course, in proportional terms) domestic servants in the rich countries- (...) - is the higher price of labour. With economic development, people (or rather the labour services they offer) become more expensive in relative terms than "things".

Which is entirely true and this is known as Baumol's Cost Disease. The annoyance is that the other half of William Baumol's work is about how invention and innovation happens. What socio-economic system leads to all these wondrous things like a machine that washes clothes without effort or much time expenditure? And the answer to that is that innovation works vastly better in a free market socio-economic system. As Baumol points out, the planned Soviet system invented some pretty cool stuff: but I as the past owner (user would not be the correct word) of a Soviet washing machine that planned economy most certainly did not come up with successful labour saving domestic devices.

Which leaves the final line of his "what they tell you part" looking a little strange:

We- as individuals, firms or nations- will have to become ever more flexible, which requires greater liberalisation of the markets.

Err, yes, yes this is true, despite Chang using the rest of the chapter to argue against the idea. The reason why we do want that greater liberalisation of markets is precisely because it is this, this very thing as

Baumol tells us, that produces those innovations like domestic labour saving technology. This is the very point: we want to encourage, continue, the replacement of grunt human labour with machines. Which does indeed require those free markets - or at the very least benefits hugely from them.

I do agree that so far the washing machine has changed the world more than the internet. Which is really rather why we want to be promoting that socio-economic system that came up with that very washing machine, no?

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