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Do technological advances destroy jobs without creating new ones? [1]

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In a very readable article in the New York Times [3] Paul Krugman expresses sympathy for the Luddites, suggesting that the benefits of future technological developments may not accrue very equally across society. This being the case, he suggests that policies such as a universal basic income may be one way of compensating the unlucky who have spent lots of resources on, say, a university education which has now devalued, something they couldn't possibly have predicted. Since I share Krugman's basic luck egalitarian [4] intuitions, I am very sympathetic to his case.

The beef I have is with a response written by Gavin Mueller [5] in Jacobin magazine. Up until now almost everything I've seen from Jacobin has been well researched, even handed and thoughtful, if coming from a very different set of basic premises to those I hold, but this is an exception. He makes much stronger claims than Krugman, calling technology "a weapon used against us" and arguing that a long-term goal of "abundance and leisure for all" (one I share!) may require "smashing the relations of production" in the short-term. Perhaps the line which most annoys me is "the belief that technology doesn't destroy jobs, but merely creates new and better ones, is, like so much else about bourgeois economics, a baseless assumption."

Does Mueller really believe that claim? Unemployment is 7.8%. Employment is touching 30m, its highest level ever. Since the 1750s there has been a tide of vastly transformative technological improvement and yet somehow a much larger population is employed. At the same time, this larger workforce is working much fewer hours and enjoys much greater abundance. Surely these widely available facts are enough to suggest that the assumption technology creates?as well as destroys?jobs is more than just a "baseless assumption"?

By no means is it certain that the trends of the past, which have seen mobile phones, more hygienic toilets and tasty soft drinks spread to even the poorest areas of the world, will continue. But certainly some evidence (e.g. the graph above) seems to suggest that technologies are spreading throughout society?and benefiting the general populace, not just the wealthy?faster than ever before. This is great, and implies that we can hope for greater abundance and leisure without smashing new technologies. If it turns out that not all benefit, then what we need is something like Krugman's universal basic income, not drastic societal upheaval.

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