

PEOPLE GET READY

The Fight Against a Jobless Economy
and a Citizenless Democracy

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and
John Nichols



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HUMANITY IS
HOUR—

THE CONSEQUENCES

are about to hit home as new technologies replace old ones in the professional sector. The end of work as we know it is imaginable: as when the labor market collapses, wages, expanding unemployment, and dramatic democratic challenges. Success is so dominated by corporate interests, by corruption, and democracy but perhaps not. The great challenge is to serve the well-being of the wealthy few. Role of the United States in the age of technologies and social problems. Democratic institutions and social problems. Analysis, and social changes. Strategy for democracy for the late—and unlamented—humanity.

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INTRODUCTION

Welcome to the Future

In the foolishness of their hearts they imagined that the maintenance and well-doing of the industrious poor were of greater consequence than the enrichment of a few individuals.

LORD BYRON, 1812

THE FUTURE IS NOW. HERE'S HOW IT WORKS. A CHIP implanted in your finger (it's about the size of a grain of rice, you won't even remember that it's there) is going to open the door and start the ignition of the driverless car that will take you to the drive-thru window of a restaurant where you'll grab the breakfast you ordered, paid for, and scheduled for pick up with a phone app. Next stop: the community college job retraining center where you have been required to put in a few hours each week since automation wiped out your part-time job at the last plant still making anything in what's left of your hometown. The center is pretty much empty;

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has been ever since the last big free-trade deal was approved and people started to realize that the good-paying jobs weren't coming back. Besides, most training is done online now, with instructors working from the distant call centers of offshored multinational corporations. A pleasant if rather too-well-armed security guard informs you that the center will be closing next week. You ask her what she will do next. "I don't know," she answers. "I'm not in charge."

It is not "think different" or "be what's next" or "lean forward" that is the defining statement of the future that is now. It is that last line: "I'm not in charge." We are not in charge. In the midst of a technological revolution that is every bit as disruptive as the industrial revolution of two hundred years ago, the gadgets are all new, but the power relations are all old. We're back to the Gilded Age, back to the age before the Gilded Age, back to a future of plutocrats and peasants, of masters and servants. We are told that this is a time of income inequality, and it is. But it is also a time of power inequality, where the ability to determine what the future will look like and feel like and sound like and taste like is concentrated in fewer and fewer hands. Every decision that matters about our lives is being made by a corporate CEO or a campaign donor or a programmer or a hacker or someone else we have never met. We "choose" politicians by rote after elections so crude in their messaging and so vapid in their content that most of us do not bother to participate in them. The politicians themselves—with the exception of an occasional Bernie Sanders or Elizabeth Warren—have become rubberstamps for the trade deals, tax rates, and deregulations demanded by an enriched and empowered one-tenth of one percent. The rest of us are mere spectators. Many of us are not even aware that the game we are watching isn't entertainment, isn't virtual reality. It is our lives.¹

Americans, like peoples across the world, must understand what is at stake in this time of change. This book will speak about new technologies, about virtual reality, about digital destinies, about the automation of everything, and about the moment, not far from now, when all the trends of the future that is now give way to what comes next. Some things we know will occur. Tens of millions of Americans

who have the education, the training, and the ethic to do what we thought would be the work of a modern age will no longer be able to find that work. They will, as economist James Galbraith explains, be “not only unemployed but also obsolete.”² Some of the disrupted and the discarded have felt obsolete for years, as they have slipped down the economic ladder from the assembly line to the warehouse to the convenience-store counter to the fast-food prep station. But their experience is being generalized. We will begin to recognize that what comes after the acceleration of automation that is only now beginning will not be some new way of working, some new industry, some new sector of the economy. The “genius” of the digital revolution—with all of its apps and smart technologies and advances in automation, with all of its blurring of lines between humans and machines, with all of its progress—is its exceptional efficiency. The changes that define the future that is now have nothing to do with job creation. Why would they? They are being developed and implemented by behemoth corporations that seek to maximize profits, not employment.

Despite what five justices on the United States Supreme Court might imagine, corporations are not people.³ Corporations do not fret about the fact that millions of American workers have already been displaced, and that millions more will be displaced. They celebrate that fact. If a multinational corporation makes its product or delivers its service without having to pay as many human beings, all the better. That’s why the value of the corporation’s stock rises when it shuts factories and lays off workers. And if a big corporation can become huge by eliminating an industry, even wiping out a whole sector of the economy, then it is heralded as visionary and truly modern. And if that’s a problem for the great mass of Americans who need work to sustain themselves and their families, it’s a problem that will work itself out, eventually, thanks to the magic of the profit system. But the evidence is now in: technology writer and Silicon Valley entrepreneur Martin Ford is right when he notes that “there isn’t another big sector of the economy to absorb all these workers.”⁴

Yes, of course, that’s a dystopian notion. But, remember, we live in the future that is now. Every day a virtual reality becomes just plain

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reality. There are miracles and there are marvels, but there are also reminders of what made those old science-fiction films so scary. What could be imagined, what can be imagined, is happening. Young men really are inserting grain-of-rice-sized microchips in their fingers in order to unlock doors and start cars—hoping that they will increase their employment prospects.⁵ Fast-food restaurants really are taking orders with apps (“centralized ordering systems” that could “make cashiers redundant”) and preparing them with robots (“automated kitchen equipment”).⁶ Multinational corporations really are investing in global knowledge-sharing schemes that openly propose to replace universities and community colleges—liberal arts and poetry, history and political science—with distance-learning “certificate” programs that train workers for a task, not a career.⁷

This is the story of now. And much of it is very fine, indeed. There is nothing wrong with disrupting drudgery, nothing wrong with making it easier to communicate, nothing wrong with trying new approaches that might work better than what came before.

But there is something wrong, something that is destructive rather than disruptive, something that is simply absurd about engaging in the wishful thinking that says a capitalistic system that by its nature prioritizes profit will somehow evolve for the better. It does not work like that. It never has and it never will.

So you have come to the wrong place if you are looking for another anti-technology rant. This is a book about the digital age and automation, about technology and technological change. But the real focus is on capitalism and politics, and on the fundamental question of how to bring the rest of us into the process of shaping a future that cannot be well or wisely shaped by the CEOs and bankers and bottom-line speculators who are now calling the shots. Seemingly endless stagnation, unemployment, underemployment, inequality, and growing poverty are the result of contemporary capitalism and the narrow range of policies countenanced by the political system, independent of the technological revolution we describe herein. The digital revolution is in the beginning stages of dramatically aggravating trends already

firmly in place. We are concerned with the storm that results when these elements are put together.

We have participated in and written about the digital revolution from its early stages, and we remain highly engaged with it, but we do not come to this discussion as tech utopians. We have written about American and international political affairs for decades, but we do not come to this discussion as political utopians. We are realists, who have heard too many promises to imagine any technology—old or new—will change the political and economic realities that must be dealt with in order to assure that the changes now taking place will yield a just and equitable circumstance for the great mass of humanity. This explains our response to writer Paul Mason's powerful argument that "The End of Capitalism Has Begun," in a much-discussed 2015 article for the *Guardian*. Mason's rumination was introduced with a reassuring premise: "Without us noticing, we are entering the post-capitalist era. At the heart of further change to come is information technology, new ways of working and the sharing economy. The old ways will take a long while to disappear, but it's time to be utopian."⁸ Mason explained that

new forms of ownership, new forms of lending, new legal contracts: a whole business subculture has emerged over the past ten years, which the media has dubbed the "sharing economy." Buzzwords such as the "commons" and "peer-production" are thrown around, but few have bothered to ask what this development means for capitalism itself.

I believe it offers an escape route—but only if these micro-level projects are nurtured, promoted and protected by a fundamental change in what governments do. And this must be driven by a change in our thinking—about technology, ownership and work. So that, when we create the elements of the new system, we can say to ourselves, and to others: "This is no longer simply my survival mechanism, my bolt hole from the neoliberal world; this is a new way of living in the process of formation."⁹

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We are optimists and we appreciate Mason's optimism. Yet, our realism tells us that, as much as we can and do respect Mason's perspective, we also must acknowledge and embrace the observation of the writer Nigel Pollitt, who responded to Mason in a *Guardian* piece by explaining that

much, not all, technological innovation depends on the desire to make profit. Is the proposition, seriously, that the myriad corporations and companies and individuals who build the robots that will make work vanish and abundance continuous, will give up their robots, and their robots' products—be these phones or fishmeal—for free?

In the meantime, for every robot that comes online, that's several humans who lose their wages, unable to buy what the robot is making or vending. It doesn't add up, does it?¹⁰

Words like *sharing*, terms like *peer-production*, can be reassuring—until we are confronted with the stark reality of our progression. Ask a Kodak worker, if you can find one. Founded in 1888, Kodak was an iconic American company that put affordable cameras in our hands and gave us all kinds of ways to share the pictures we produced in the predigital age. Committed to innovation, Kodak employed the engineers who developed the digital camera and many of the photo-sharing innovations we now utilize. And this firm created and sustained lots of family-supporting jobs in the United States—especially in its headquarters city of Rochester, New York—and around the world.

In 1988, one hundred years after its founding, Kodak employed 145,000 people. But history, innovation, and a record of treating workers like human beings was no match for the new age of cell-phone communication and instantaneous photo-sharing using tools such as Instagram. In 2012, after the company filed for Chapter 11 bankruptcy protection, it was delisted from the New York Stock Exchange on a day when its value fell to \$0.36 a share.¹¹ Employment tumbled as the company reorganized and by 2015 the total number of Kodak workers was less than 5 percent of what it was just a quarter century earlier.¹² At around the same time that Kodak was going bankrupt,

Instagram had thirteen million customers, who did almost all the work of snapping, editing, and sharing photos. How many actual human beings did Instagram employ when it was elbowing Kodak toward the dustbin of history? Thirteen. So it was that, while Kodak was crumbling, Facebook purchased Instagram for \$1 billion, bringing what might have developed into a rival social network within its burgeoning monopoly. Kodak, the historically innovative company that employed those pioneering engineers and 145,000 other workers, was the past. Instagram, the company that let consumers do the work of sharing while employing just thirteen people, was the future. Yes, Instagram would grow as part of Facebook, but it would add employees at a microscopic rate: total Facebook employment as of March 2015 was 10,082, or only about 7 percent of the old Kodak figure. "This, in a nutshell, is why digital technology is changing our societies in such a profound way," explains Australian journalist Ian Leslie. "In a wired world, it costs virtually nothing to reproduce a photo or an e-book or a piece of software or to send it across the world. Small teams of designers or engineers can make products consumed and paid for by billions, creating vast wealth for their originators like Mark Zuckerberg. But the wealth doesn't 'trickle down' because digital goods require so few people to make them, and digitally organized workplaces require fewer people to run them."¹³

Or consider this: In 1964 AT&T was the nation's most valuable company, and was worth \$267 billion in 2015 dollars. It employed 758,611 people. In late 2015 Google was the nation's second-most valuable company doing much of what AT&T did fifty years earlier, and a lot, lot more. It had a market value of \$430 billion and employed around 55,000 people, which is 7 percent of AT&T's paid workforce in 1964. For every Google employee today, AT&T had fourteen workers five decades ago.¹⁴

This is reality. But it is not a reality that discredits utopian dreams or confirms dystopian cynicism. Rather, it is a reality that demands that Americans adjust their thinking about democracy such that the evolution of how we express our popular will keeps pace with the evolution of how we communicate, shop, and work. We cannot prevent

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that advance of digital technology and automation today any more than the Luddites could halt the advance of power looms and spinning frames. It is pointless to be against progress. The point is to shape progress, not as customers or consumers, not as clicks to be counted or employees struggling to synch ourselves into automated workplaces, but as citizens engaged in a democratic process of organizing a new economy that reflects our values and our needs.

This book seeks to foster that progress by identifying a place of reconciliation between the two poles outlined in the exchange between Paul Mason (whose optimism we relish) and Nigel Pollitt (whose realism we value) within a society that has already changed radically. We hope this reconciliation of optimism and realism will shape a multitude of incipient debates as that society begins to assess the scope and meaning of the changes we have already experienced, and the changes we are about to experience. The point of this reconciliation is not to calm the debate or to ease the tension. Quite the opposite. The point is to stir up the debate. We want to get the facts on the table, recognize where we are today, and then frame the arguments for how we might get to tomorrow.

That sounds easy. But what sounds easy is made difficult by the fact that the United States rarely if ever entertains serious discussions about economics. America is a country that is so big and so divergent that it rarely gets focused on a task until it is forced by a new reality (or perhaps an old reality presented in suddenly stark terms): a depression, a fascist threat, the violent suppression of a peaceful movement for racial justice, the destruction of our physical environment, the corruption of our governance. Remarkably, wonderfully, as the historian Harvey Kaye notes, America has throughout its history and especially across the past century met the most jarring of challenges with inspired and inspiring responses: a New Deal, a March on Washington followed by Civil Rights and Voting Rights Acts, Earth Day and the rapid enactment of Clean Air and Clean Water Acts, Watergate and the brief reforming of our politics.¹⁵ But our experience of history and social movements tells us that the transformational moment in which we now find ourselves creates challenges

that will not be well met by delaying action until after we are kicked in the head by an increasingly jobless economy. The condition in which some of us find ourselves already, and in which many of us will soon find ourselves, extends far beyond shuttered workplaces and boarded up Main Streets. It goes to the very marrow of our lives and our society, to questions of hope and hopelessness too profound to ignore. We have to get serious about addressing it before it metastasizes.

The great challenge of historical moments such as these, historical moments when we are experiencing economic and social change in something akin to real time, is that our attention is so easily drawn away from broad trends and focused on the evidence of those trends. It is the technological equivalent of noting the weird weather but missing the fact of climate change. Most of us recognize the changes that are taking place not as part of something bigger but as a “new normal” that may be vaguely frustrating at times (how many “devices” does it require to change the channel on a “Smart TV”?) but that keeps upgrading us so quickly that we barely bother to think about what it all means. This limits necessary questioning about whether we have the wherewithal and the authority to accept good change, reject bad change, and forge our own change. We get rid of our landlines and upgrade our iPhones, we kick the cassettes and CDs to the curb and download in a digital format the music we have always loved, we deposit our checks and pay our bills and schedule our travels without ever talking to human beings, we gather our information about politics from websites that reinforce our beliefs—or worse yet from negative ads and cable spin—and then we make decisions from a range of options dictated by the elites who manage the websites, pay for the ads, and produce the spin.¹⁶

The one thing Americans are in overwhelming agreement on, in poll after poll and election result after election result, is that neither major party has a plan for the future.¹⁷ They’re right. Neither party has a plan. Nor do most prominent politicians. The dissident campaigns that gained traction in the run-up to the 2016 presidential election, especially that of Bernie Sanders, connected with Americans who are deeply frustrated with an empty partisan discourse and a

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limited range of options. Yet, even as outsider campaigns gave voice to the frustration, they did little to foster necessary debates about the technological, economic, and social changes that feed that frustration. While Pope Francis may counsel that “contemporary man has not been trained to use power well,” few political figures have thought deeply enough about the issues to recognize, as the pope did in his 2015 encyclical, that “our immense technological development has not been accompanied by a development in human responsibility, values and conscience.”¹⁸

This lack of focus on the future creates a dangerous disconnect: sincere activism can be expended toward achievable goals but might then be upended by entirely predictable technological change. What do we mean by this? We are enthusiastic supporters of the movement to achieve a fifteen-dollar-an-hour minimum wage in the United States. Like a lot of Americans, we think the minimum wage should always be sufficient to ensure that a full-time worker and her family will live above the poverty line.¹⁹ Yet, we know that, as wages rise for fast-food workers, multinational corporations will respond by replacing workers with robots. We know that even if the wages do not rise to a just and equitable level, the wave of automation that is coming will lead to mass dislocation in an industry that has become one of the few refuges for workers displaced by corporate downsizing and trade-related plant closings. We know this because the debate about where technological change is headed is already settled in the circles of those who intend to profit from that change.

A 2015 report from an influential strategic consulting and investment management firm, the Cornerstone Capital Group, warned that “it’s not clear that cost inflation can be consistently offset by raising menu prices, so companies are considering new strategies to protect margins.”²⁰ The report explains that “automation is currently complementing labor, particularly in the ordering process. Should wage pressure intensify, however, the focus will likely shift and companies will look to replace labor.”²¹

That puts a whole new twist on discussions about wages and the future of work. The CEOs are well aware of the twist, but for the most

part workers and activists are not. For the workers and their allies to negotiate effectively, they need to know what CEOs know, and they need to evolve their demands so that corporations cannot cynically raise wages for a handful of employees—with the ensuing favorable headlines that firms such as McDonald's and WalMart have already garnered for minute upticks in what they pay their workers—while eliminating jobs for the great mass of workers.²² This evolution of demands must never go to the downward default position of accepting poverty wages as inevitable in a so-called new economy. Rather, demands must evolve upward to combine the requirement of a living wage with scheduling protections that renew the historic promise of “eight hours for work, eight hours for rest and eight hours for what you will” (such as those contained in the innovative “Retail Workers Bill of Rights” that we discuss in Chapter 5), with a broader societal recognition of the immediate need to provide support for workers who are displaced by automation, and with the longer-term recognition of the need for establishing economic structures that ensure that the benefits of the new economy are shared by all.

Instead of the narrowly defined elite discussion about “faster, cheaper, and more dynamic applications in foodservice,” there needs to be a wide-open national discourse about what matters to Americans of every race, every ethnicity, every region, and every class. That is the discourse this book seeks to open because in this discussion can be found the seed of both political and economic democracy.

If we the people are going to make the future that is now our own, then we must begin a knowing, conscious fight for shared prosperity, genuine opportunity, and the full realization of the promise of new technologies. That full promise is being denied us at this point in our history. Through that denial, the promise of technology is being turned against us. The oppressive prospects of technology—to spy on us, to profit off our desperation and misery, to make us work harder for less, to control rather than to free us—are only beginning to be fully realized. Americans are unsettled by the realization. Polling shows that they see their circumstance as bad—and they fear that it is destined to get worse.²³

We respect these sentiments. They are honest expressions of the fear and frustration fostered by economic uncertainty and empty politics.

But we do not accept them.

The future that is now is frightening and frustrating. It really is bad, and it really is getting worse. That's quantifiable. But from such moments have sprung great movements and what the author Grace Paley referred to as "enormous changes at the last minute."²⁴ The future that is next can be good, and it can get better. Dramatically better for Americans and for people around the world. Technology can help us to be happier, healthier, freer, and more connected to ourselves, to our families, and to communities. We can work less and enjoy our lives more. The tech utopian promise is real.

But there is no gadget that can get society from here to there. There is no app that will achieve the better and more humane life that is possible. There is no master plan from a CEO or Silicon Valley visionary. There is only us. We the people are the only force that can make a future worthy of our hopes and our humanity. And our only tool is the only tool that has ever taken the power to define the future away from the elites and given it to the whole of humanity: democracy.

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