

Getting Beyond Scarcity: Strategy and Vision in the Information Age

By Carl Davidson / cy.Rev Managing Editor

The organizers of this conference have challenged us to present a strategic vision of how we might engage the crisis around jobs and technology and to put it before you in about 15 minutes! I'll give it my best shot. To me, thinking strategically is looking at the situation as a whole and examining all sides of the question. So I'd like to start off by just reviewing a few facts and projections about the situation as a whole regarding our topic today. We all know that the new technology in this country is doing away with jobs faster than that same technology is able to create new jobs. We are faced with a growing deficit of jobs. In addition, the third wave, the third industrial revolution, or whatever term you want to use for it, is also something that is happening globally. Of course there is a lot of second wave industrialization of the old type going on in the third world. But even a portion of that industrialization is experiencing advanced technology and downsizing. It's often being s factories that are smaller but far more efficient and productive than the factories typical of our industrialization.

So how many jobs are going to be needed? In 1992 the size of the world labor force was something like 1.76 billion people; by 2025, if current trends stay more or less what they are, the world labor force is going to be 3.1 billion people. That means every year for the next thirty years the world economy needs to create 38 to 40 million new jobs. And it's got to do that at a time when the main technological trend is going in the opposite direction of net job liquidation.

This means we have a very explosive situation in the global economy. We've already seen what it means in terms of the tremendous dislocation and disruption in many third world urban centers. There you find huge concentrations of population places like Mexico City with its thirty million inhabitants, expanded by massive numbers of uprooted peasants, a "surplus population" that's had their jobs and their work eliminated by the global market, especially by American agribusiness. Most of you have probably been in New York City, and you probably think it's somewhat crowded. Actually, New York City's population density is 11,400 per square mile. If you go to Lagos in Nigeria or Djakarta in Indonesia, the population density is 143,000 or 130,000 per square mile more than 10 times as much.

Within the next twenty-five years, we are going to have twenty megacities with populations over twenty million caused by this massive change and its accompanying disruption and dislocation. It's not just a question of urban size, growth and a lack of jobs. There are also drastic inequalities in terms of the possession, distribution and use of the earth's resources. One way to look at this inequality was recently put forth by some environmentalists. They projected the figures of what an average American baby will consume from the time it's born to the time it dies, and compared the result with what the average new baby in other societies would consume. The average American baby over its life span will consume 3 times as much as the average Italian baby, 13 times as much as the average Brazilian, 35 times as much as an Indian, and 280 times as much as a child from Chad or Haiti.

Most of us here probably believe in the idea that all nations should be equal. It's a basic principal of our political creed. The problem is that if every nation became equal in consumption to where we are right now, we would probably cause the biosphere to collapse. That's because the kinds of wasteful consumption and wasteful use of energy resources in the advanced countries of the North individual automobiles, traffic jams, unnecessary packaging, bloated military budgets, all those sorts of things would make it impossible for the biosphere to sustain a world where everybody was equal by today's standards.

If we're going to have equality, it also means people in this country in particular are going to have to change their ways. I'm not saying that everybody has to deteriorate their living conditions, but we will have to change our ways. I think we can do things better and be less wasteful, but it will require tremendous changes if we're going to be able to build a future that's sustainable and equitable.

So these are the questions that arise when we're talking about thinking strategically. The main conflict becomes one between the power and growth of technology on the one hand, and the power and growth of the population on the other. In his book *The End of Work* and in his speech last night, Jeremy Rifkin laid out a revolutionary analysis of the kind of hard and explosive contradictions that this country faces. What kind of future will we have when we do away with the traditional means by which people have been able to survive? Rifkin clearly describes how the economic trends are going one way, while the people in power in this country are telling us the opposite.

What message are we getting from the people in charge today? They are telling us that we have a persistent and growing underclass because the poor are too comfortable to seek work. That's why we have to have all of these changes in "welfare as we know it." Now, I'm no big fan of "welfare as we know it," but the underlying assumption that the poor are too comfortable is morally degenerate. I read a similar thesis in a recent issue of *Business Week*. A well-known, Nobel Prize-winning economist from the University of Chicago wrote a column against raising the minimum wage. He made a number of good points against the minimum wage, some of which I agree with, some of which I don't. But his main point was that we don't have enough jobs, we don't have enough of all sorts of necessary resources, because the workers in this country have it too good. We need lower wages for workers. We need fewer unions. We need poorer working conditions. That's what these elites are saying is wrong country today.

Unfortunately these are the people with power and influence today. How do they come to these kinds of conclusions? They get tangled up in absurdities because their economic reasoning is based on scarcity. Up until now, all economic theories classical liberal, Keynesian or whatever have been based on the underlying assumption of scarcity. That means there are always "haves" and "have-nots," and that it's normal to die early, and it's abnormal to be successful. That's the underlying assumption of the economic theories we've had until now.

How do we deal with these theories? What I think is truly revolutionary about the information revolution is that it is undermining the material basis of the economics of scarcity for the first time in human history. The information revolution is setting the conditions for an economy based on abundance. To get right to the core issue, I think it's because of the unique nature of the

commodity we call information. Not only is the information component of almost all commodities increased, information itself has become a crucial commodity. In many ways information behaves like a traditional commodity, but there is one important difference. Information is the only commodity I know of that you can sell and keep at the same time. You can sell a copy of WordPerfect and keep it at the same time. This makes for an explosion of value, an explosion in the value that we call knowledge.

One of my favorite thinkers on this topic is Buckminster Fuller the man who invented the geodesic dome and a host of other futuristic devices. He took a non-traditional look at wealth. He said that wealth has two aspects. On the one hand, it contains energy. By that he meant energy broadly, including both matter and radiation. On the other hand, it contains human know-how. Wealth is a combination of energy and know-how. By the law of the conservation of energy, the energy component of wealth doesn't go away. It can be transformed, but it doesn't disappear. As for the know-how component, it only increases. Knowledge is interesting in that the more you use it, the more it grows.

In Fuller's eyes, the world's energy wealth isn't just a matter of how many proven oil reserves there are out there, since wealth is a combination of energy plus know-how, in the broadest sense. In our time frame, the sun's radiant energy and the moon's tidal energy are inexhaustible sources. When combined with know-how, namely the know-how to put that energy to work to satisfy human needs, that wealth is constantly growing. The more it's used, the more knowledge grows. For particular resources such as petroleum, we will want to observe limits, but in the basic sense of wealth as energy from the solar system and human knowledge, there are no limits.

So there's not a scarcity of wealth, but a tremendous explosion of wealth in the world today. If we wanted to divide up the existing resources of wealth in this sense of both energy and know-how, every person in the world would be a millionaire several times over. I'm not just talking about Americans; I mean everybody.

Don't let them tell you that there are not enough resources to solve our problems. They can say we have a government deficit or the resources are scarce. But these conceptions, we must realize, are based on the outdated notions of an economics of scarcity. The problem is not a lack of resources. We don't lack day care centers because of a lack of resources, when at the same time we can build Trident nuclear submarines. The problem is a failure of imagination and a failure of moral values, especially on the part of those politicians and economists who could think that the problem in this country is that the poor are too comfortable or that the workers are too well off. Finally, and this applies to us as well, it's also a failure of political will. Primarily this is the result of the collapse of the traditional liberalism that has brought us to this point. But it's also due partly to the global crisis in socialism and the loss of vision in our own ranks.

So, the information revolution means that we need a new way of looking at value, a new way of looking at generating wealth, and also a new way of beginning to divide it up so as to enable us to generate new wealth. What would this mean in terms of actual policies and programs? Let me give as an example one of the most important things this country ever did in terms of getting itself out of a bind. Right after World War II, we had a large number of G.I.'s who had been demobilized, and even with the postwar boom there weren't enough jobs to go around. What the

country did was to offer every one of these returning soldiers a university fellowship under the G.I. Bill and said to them, go off and learn something. The veterans didn't even have to enter a certain field, take a certain job, or pay it back directly.

Now, some people would say that's just government throwing money at the problem. Actually it was one of the smartest things this country ever did. It simply created the conditions for the soldiers to make themselves more valuable. By creating that whole new generation of educated workers, they created the basis for a whole new explosion in creativity and productivity in science and industry. It was a social investment in human capital that was later recouped many times over.

What does this suggest for us today? It means it's not enough just to increase welfare benefits within a system that's dehumanizing and degrading. It is even not enough to raise the minimum wage, because the problem with the minimum wage is that you have to have a job to get it. We need to think of creating means of income, means for us to educate ourselves, means of training people to create value. We need to think of these things as fundamental, things that the society provides simply as your right as a human being. It's in that direction that we can find some sustainable solutions to the current crisis.

Strategy also has to do with the questions of new alliances. There has been talk at this conference so far about the importance of the "new class" of the unemployed. I don't know if I agree with that definition, but we all know who we are talking about: the people who have been mainly victimized by the information revolution, who have been pushed out and excluded from production. I agree that they are the starting points for a building a base for progressive change. We have to begin to organize in those communities, but I don't think we can leave it there.

Thinking in terms of the whole means we also have to keep in mind those millions of workers and displaced peasants in other countries who are also victims of this global economy. We have a lot to learn from them and alliances to form with them. Since the battles over NAFTA and the GATT, we've also learned that there are both creative and backward ways to go about this.

I think there's another new sector that's been created by the information revolution that I also think has an important role to play. I'm talking about people like myself and many of the people in this room. You are the people who are university-trained, who have been educated and know the value of the new technology from within so to speak. This sector of the population is like every other class or strata in society. It has a left wing, a right wing and a center, various subdivisions and trends. I'm not suggesting that this whole sector is going to be an ally of the poor, but I think it does have a left wing that has a conscience, that understands the value and the problems of the new technology, and the importance of forming alliances to bring about progressive change. I can see it in the different organizations that I belong to like the New Party. I look at the class composition and where these different people are coming from and that's how it breaks down.

By stressing these two sectors the "underclass" and the "high tech" I don't mean to exclude any other sector, like the traditional trade unions, people from industries like steel and auto. But I do think these two sectors are where some of the most creative thinking and interesting kinds of

activism are going on, and where there's some enthusiasm for challenging the existing system in new ways. There's lots more to be said, but these are the ideas I would put at the center our discussion on strategy. I don't expect us to find all the answers this weekend, but I hope we make a good beginning. Thanks for your attention.