

Unemployment is a distribution problem, not a production problem

Michael Berney

With the rapid increase in computing power there is much discussion of the problem of technological unemployment. There are projections that in the 20 years almost half of current jobs will be lost to new technology.

Conventional economic thought sees unemployment as a problem that can be solved by creating more jobs. But in the industrialised world we don't need more production. Rather, we suffer from overproduction: too much stuff with its associated environmental problems, and not enough time to enjoy it all. From this perspective, when we look at our economic system's need for more jobs, it is clear we don't want the more jobs because we need to produce more. We need the jobs to give people access (through wages earned) to things that would have been produced whether they were working in their new jobs or not.

Unemployment should not be treated as a production problem: it is a distribution problem. How do we distribute the fruits of production when machines do more and more of the work? Two solutions to this are: Universal Basic Income and sharing the less work by reducing work hours.

Conventional economics uses the Luddite Fallacy to refute this, claiming there is no evidence over the long term that technological advances cause unemployment. This ignores one of the great advances of our modern world. Since the late 1800s there has been a reduction of working hours of about 50%, due to advancing technology. If we still worked the same hours we did then, we would now have an unemployment rate of 50%. Either that or we would be producing twice as much as we do now.

Technology gives us the potential to create a global economic utopia of enough for everyone. Treating unemployment as a production problem not only ensures this does not happen, but also makes our environmental problems that much harder to solve.

Conference Themes: Work

Bio:

Michael Berney has had a passion for alternative economics since the 1970s. He is a member of Economic Reform Australia (ERA) and edited and wrote for its journal during the 1990's. He is involved in LETS/Community Exchange, and ran the Blue Mountains group for many years. He writes on economics - especially about the positive side of technological unemployment. (www.unemploymentisgood.wordpress.com) He is currently studying

economics at UNE, and is involved in organising and promoting research on carbon sequestration in organic agriculture as a solution to climate change.