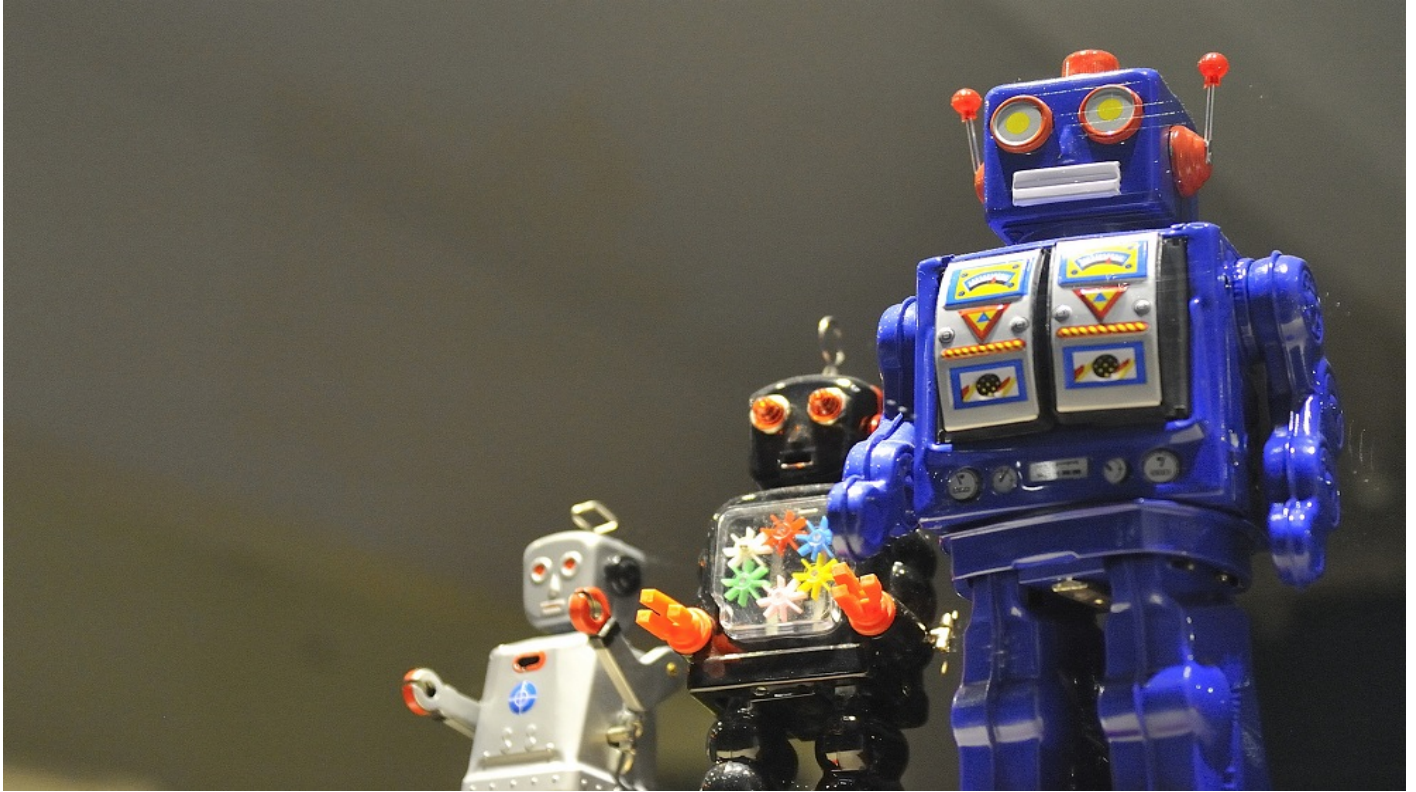




The Utopian Apocalypse: Silicon Valley Freaks Out over Automation

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Are they coming for our jobs?

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By: Andrew B. Wilson

With Labor Day just around the corner, now is a good time to discuss (and, more than that, to take up the cudgels against) a bad idea popularized by leading figures in Silicon Valley.

It's a two-part idea - beginning with the proposition that the robots are coming and they are about to change all of our lives - mostly for the better. Think of having a machine that can respond to the command, "Hey, Robot, build me a house." The upside will be greater ease and prosperity; the only downside will be massive unemployment. Says Tesla CEO Elon Musk, "There will be fewer and fewer jobs that robots can't do better."

The 19th-century Luddites had the same fear of automation. During the Industrial Revolution, with mechanization replacing manual labor on an unprecedented scale, their proposed solution was to smash the new machines that were taking jobs away from some people (even as they were creating new jobs for many more people).

The 21st-century Luddites - Musk, Facebook founder Mark Zuckerberg, and other big names in Silicon Valley - have a different solution. Rather than smash their own machines, they are promoting a "universal basic income" (UBI, for short) to take care of people unable to find work because of the job-destroying robots.

A UBI of, say, a couple thousand dollars a month for unemployed yet able-bodied adults would create a whole new “safe space” – freeing millions of people from the nasty necessity of having to go out and find work in order to enjoy life unencumbered by financial difficulty.

“We should have a society that measures progress not just by economic metrics like GDP, but how many of us have a role that we find meaningful,” said Zuckerberg in a recent speech at Harvard. “We should explore ideas like universal basic income to give everyone a cushion to try new things.”

Musk argues that unemployment and economic output will *both* rise as a result of greater automation, leaving society with “no choice but to distribute a portion of the money to everyone equally.”

Let’s try to talk a little sense here. Who is to pay the vast sum of money needed to create a new leisure class of non-workers if not the people who continue to work? And in the long history of automation, has there ever been a time when a rapid expansion in unemployment (as happened in the Great Depression) was accompanied by a still more rapid expansion in GDP. The answer is **never**.

More importantly, automation creates more employment than it destroys. During the Industrial Revolution, for instance, automation made weavers who worked on ancient looms obsolete. But the number of people working in textiles exploded. That is because capital investment in labor-saving devices raised productivity, lowered prices, improved quality, and left more money in people’s pockets to spend on things besides the bare necessities.

The Silicon Valley superstars promoting a UBI display an incomplete understanding of how free-market capitalism works. It depends upon human motivation no less than technological innovation. Under free-market capitalism, people compete with one another to satisfy the needs of others. Rather than living off the sweat from the brows of other people, they have the satisfaction that comes from earning their own way and living useful, purposeful lives.

On this Labor Day, let us celebrate the enduring value of work. There may be other motivations for a basic income, but a fear of robots destroying all the jobs absolutely shouldn’t be one of them.

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A former foreign correspondent who spent four years in the Middle East and served as Business Week’s London bureau chief during Margaret Thatcher’s first two terms as Britain’s prime minister, Andrew is a regular contributor to leading national publications, including the American Spectator, the Weekly Standard, and the Wall Street Journal.

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