

WORKERS AND THE 'WORKERLESS' ECONOMY

By Robert Bills



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Ladies and Gentlemen, Comrades and Friends—

The industrial system on which capitalism has been based since the Industrial Revolution of the 18th and 19th centuries is going through a revolutionary transformation. Some call it the Second Industrial Revolution, others call it a Third Industrial Revolution, and still others call it the Third Wave of technological progress since the invention of hand-held tools thousands of years ago.

Whatever it’s called, this new industrial revolution is based on the enormous strides made in computer technology over the last 10 to 20 years. The implications of this new technological revolution are not only technological, however. They are sociological as well.

TECHNOLOGY AND SOCIOLOGY

The scientific and technical implications of the high-tech revolution are understood much better than the sociological ones. Much more study is made, much more money spent, much more knowledge gathered, tested and proven concerning scientific and industrial progress than is devoted to the effect computers and high-tech production will have on humanity. The proof is the absence of any serious conflict of opinion on what modern technology means for science and industry when compared to the debate raging on what the human or social implications are. Yet, the social consequences ultimately will be far more significant.

Rapid developments in technology have already brought sweeping changes into the economy and transformed the industrial system of production forever. With those changes, millions of working-class men and women have become useless to the capitalist owners of the country’s industries and services. These workers are no longer exploited and robbed of what they produce; they have been robbed even of the opportunity to be robbed. They have been tossed out, rendered “obsolete” for capitalist purposes, and they have been condemned to futures promising nothing but poverty and despair. Furthermore, their ranks are being swollen by the addition of thousands of newly unemployed every month.

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What the working class faces today is not just another episode in the successive string of capitalist crises in which markets are glutted with commodities that cannot be sold. There will be no turnaround to open new jobs and new opportunities for them. What workers face today is a new stage in capitalist development from which there can be no recovery.

The implications are earth shaking, not only because of the potential for worsening human misery, but because the permanent displacement of human labor on such a scale goes to the root of the capitalist system itself and may well be taking us to the threshold of what Daniel De Leon anticipated and described as “feudo-capitalism” or “plutocratic feudalism.” It was just this that De Leon had in mind when he wrote:

“Capitalism is not to be saved. If socialism does not triumph now, then imperialism [meaning economic imperialism] will seize our society and establish a sort of feudo-capitalism that will set back the wheels of progress, and force freedom to start all over again along some fresh path.”

Does the permanent displacement of vast numbers of workers from the industrial process also render the SLP and its Socialist Industrial Union program obsolete? Has the working class allowed itself to be duped and misled for too long until it is too late for them to organize their political and economic might to dislodge capitalism and replace it with socialism before the chains of this “feudo-capitalism” are clamped tight?

The answer is no, at least not yet, but sooner than we would like to think unless the working class wakes up to its plight, to the source and the reasons for it, and to the power still latent within it to strike an intelligent blow for its own freedom.

A 'WORKERLESS' ECONOMY

Jeremy Rifkin is one writer whose opinions on where the high-tech revolution is taking us have received considerable notice. He wrote a book—*The End of Work*—predicting automation will lead to a workerless economy, with a Foreword by Robert Heilbroner. Heilbroner offers a brief summary of how past advances in technology affected the American working class.

Heilbroner says three-fourths of all Americans worked in agriculture during the first half of the 19th century and fewer than 100,000 in factories. That was cut to

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one-third by 1900, to 20 percent by 1940, and today the figure is around 3 percent. He says those farmers and farmworkers lost their farms and farm jobs to machines, that they were forced into factories, and that there was a corresponding growth in factory employment. Factory employment grew to 8 million by 1910, and to 16 million by 1960. "In terms of percentages," he added, "the industrial labor force grew by leaps and bounds until it offered work to some 35 percent of the total labor force."

From 1960 to 1990 industrial production continued to increase, but the number of production workers was cut by half. In the meantime, more workers were being channeled into "service" jobs of various kinds. "It is impossible to estimate with any degree of accuracy the number of 'service' employees in the early 19th century," Heilbroner says, "but by 1870 there were perhaps 3 million in the diverse branches of this sector, and by the 1990s nearly 90 million."

Heilbroner was only setting the stage for Rifkin. The numbers Rifkin offers are even more startling. He says nearly 2 million U.S. manufacturing jobs were eliminated in the 1980s. One-third of all workers were production workers in 1950, but today less than 17 percent are. Rifkin says 3 million "white-collar" jobs were lost after 1985, most because of "advances in computer technology." In addition, nearly 9 million workers were unemployed in 1993, 6 million who wanted full-time work only had part-time jobs, and over a million had given up looking for jobs. "In total," Rifkin says, "nearly 16 million American workers, or 13 percent of the labor force, were unemployed or underemployed in 1993." He believes that, "More than 90 million jobs in a labor force of 124 million are potentially vulnerable to replacement by machines."

SLP SOUNDED THE ALARM

There is nothing new about any of this. The technological breakthroughs of the last 10 or 15 years certainly are unprecedented, but they also are part of a process that has been continuous for decades. For as long as that the SLP has warned workers that unless they heeded the call to organize their industrial and political strength a social disaster would surely result. In 1953, for example, the *Weekly People* said:

"Make no mistake about it. To allow capitalism to carry out the Second Industrial Revolution would be dangerous for the workers. Only the capitalists, and perhaps a favored few of the workers, would benefit, while

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the great mass of toilers would quickly be reduced to beggary. This is one more reason...for speed in consummating the social revolution. Automation...will continue, for it is the next logical step in the evolution of the tool. But it may continue safely, and bring great blessings to the mass of mankind, only when the means of social production are owned collectively and managed democratically by the workers themselves. Socialism alone can insure that society, and not a minority of parasitic capitalists, will enjoy the fruits of this technological revolution.”

Today, millions are being thrown into permanent unemployment, and “a favored few of the workers” are benefiting from the latest advances in technology. Rifkin and others insist that today’s “information technology” has created a new class—a “knowledge class”—with which the ruling class must share its power.

THE ‘KNOWLEDGE CLASS’

“In the early industrial era,” says Rifkin, “those who controlled finance capital and the means of production exercised near—total control over the workings of the economy.” According to Rifkin, things have changed. “Now,” he says, “the knowledge workers become the more important group in the economic equation. They are the catalysts of the Third Industrial Revolution and the ones responsible for keeping the high-tech economy running. For that reason, top management and investors have had increasingly to share at least some of their power with the creators of intellectual property, the men and women whose knowledge and ideas fuel the high-tech information society.”

No doubt capitalists and those who manage their corporations and financial affairs need these knowledge workers more than ever before. No doubt the skills and training possessed by these workers are essential to the survival of many corporations. How long that dependency will last is anybody’s guess. There are those who foresee a time not so far ahead when computers will be so sophisticated that they will do more than just run themselves. They foresee a time within 25 to 50 years when computers will repair themselves, improve themselves, even duplicate themselves.

All this may be difficult to conceive, but one thing we can count on is that those who own and control the industries and the wealth do not intend to give them up. They will see to it that this “knowledge class” is not indefinitely the exclusive thing it is today.

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For all the power the so-called knowledge elite is supposed to have, *The People* has yet to hear of any capitalist being laid off by them. The knowledge worker does not hire and does not fire. Capitalist shareholders may need them for now; they may feel compelled to pay them salaries that are way above what the average worker receives; they may even feel obliged to pamper them with stock options and other benefits. One thing they have not, cannot and will not relinquish, however, is their ownership and ultimate control over the means of production.

CAPITALISTS ARE USELESS PARASITES

Furthermore, the suggestion seems to be that capitalists never before depended on anyone other than themselves to run their industries, when they have always depended on others. If that was not wholly true in the earliest stages of capitalism—during the preindustrial stages of its development—it certainly has been true since someone came up with the bright idea of selling and buying stock. From that time on, capitalists—as a class—have become further and further removed from the actual conduct of the industries and businesses they own. The more stocks they own, the more scattered and diversified their holdings, the more isolated they become from the actual management of what they own. Indeed, it is common knowledge that capitalists often have no idea what they own, much less how it runs or how to run it. As we put it recently: “Capitalists do not earn, or create, or build anything. They live by profiting from the work done by others. They live off the labor of the working class. The names these two classes bear tell the story. Workers work and capitalists capitalize on the work that workers do. Capitalism exists and can only exist as a system of exploitation. Capitalists are the exploiters and workers are the exploited.”

Karl Marx put it a bit differently, but he meant essentially the same thing, when he said: “It is not because he is a leader of industry that a man is a capitalist, he is a leader of industry because he is a capitalist. The leadership of industry is an attribute of capital, just as in feudal times the functions of general and judge were attributes of landed property.”

Knowledge workers do not form a distinct social class any more than other hired workers do. Social classes are not based on trade or skill. They are based on a relationship that encompasses all trades and skills. They are based on a relationship to the prevailing means of production. The principal line of division is

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that drawn between those who own and those who do not; those who, on the one hand, must hire out their ability to perform some kind of labor useful to those who own the means of producing the goods and providing the services; and those who, on the other hand, own those means of production and need hired labor to operate them.

WHAT THE FUTURE HOLDS

Rifkin's critics claim that the picture he draws of a workerless future is overdrawn and contradicted by facts. A review of Rifkin's book in *The Nation* last April, said "that the immediate evidence seems to go against him." According to this critic, more people are working today than ever before and "factory workers have been complaining—and in some cases going out on strike—about having too much work, in the form of the highest levels of overtime since the Second World War."

These objections obviously have nothing to do with the underlying question. More people have jobs today than ever before, but more of those jobs are paying less, are part-time or even temporary. It would also be wrong to equate the number of jobs held to the number of workers who hold them, since the number of workers holding two or three jobs has also increased dramatically in recent years. The overtime mentioned by *The Nation* is easiest of all to explain. Those workers are being pressed to work harder to produce more to make up for those who were eliminated.

Modern technology obviously affects how the industries and services are operated, but it has another effect that goes beyond its impact on science and industry. In the end, the new technology is nothing more than improved means to carry on the production and distribution of commodities. It is improved means to exploit and profit from human labor. It facilitates enormous increases in the capacity of labor to produce goods for sale while reducing the amount of labor needed in the process. This does not necessarily mean that fewer workers are employed, only that fewer are needed to manufacture finished goods.

IT'S STILL CAPITALISM

Rifkin says we are heading toward a world without workers. A world without workers means an economy without commodities. But capitalism is based on the production of goods and services as commodities, i.e., as items to be sold for profit. A world in which products and services lose their character as commodities is a world

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in which the possibility to profit no longer exists. Accordingly, a world in which the working class ceases to exist is a world in which capitalism ceases to be possible. If the high-tech revolution is taking us toward a workerless world it is also taking us to a world without commodities; therefore a world without capital, capitalist production or capitalists. That is not what's happening, at least not yet. The preoccupation with "market share" shows that products are still being produced as commodities. This is a significant fact because it tells us that a correct understanding of what capitalist commodity production is remains pivotal to understanding what this so-called new economy is all about.

Rifkin and those he cites may be right or wrong in some particulars; but there can be no doubt about the trend, or about why capitalists are scrambling to introduce the new technology. The purpose is to improve the efficiency of labor exploitation—to get more out of fewer workers. That is the only way to make profit, and that is what capitalism is all about, regardless of the state of technology.

Hence the drive to accumulate larger and larger piles of capital needed to develop, buy and install this equipment; hence the wave of mergers, buyouts and takeovers, hostile and otherwise; hence the growing number of bankruptcies; hence the effort to dismantle the so-called welfare state, and to channel capital back into capitalist hands by reducing the capitalist tax burden; hence the speedups, forced overtime and layoffs, which seem contradictory, but in fact are logical and consistent with capitalist goals; hence the certainty that modern computer technology, despite the promise it holds to lighten toil and abolish poverty, will do the very opposite while it remains in private hands to serve private purposes.

But it need not be that way.

CAPITALISM OR SOCIALISM

Rifkin and those he cites may be wrong about a "workerless" economy. They may be wrong about the pace at which workers will be eliminated. However, they are not wrong about the direction, or about the ultimate result. Ultimately, technology will displace the majority—and probably the vast majority—of workers. As this process of eliminating human labor continues to unfold, the working class' opportunity to take, hold and democratically operate the industries and services for the benefit of all will diminish. For now, however, labor, the working class—the production

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workers, the service workers and the “knowledge” workers still run the production lines, still deliver the services, still provide the knowledge that makes the economy run. As long as that holds true, the Socialist Industrial Union program remains, not only relevant, but the only route open to prevent society from falling into a new Dark Age, a high-tech version of industrial feudalism.

The SIU program calls upon the working class of the nation—those who have jobs and those who do not—to unite politically and economically for the twofold purpose of abolishing capitalism and its system of labor exploitation, and of establishing socialism. Socialism will put an end to the exploitation of wage labor and all that that implies. It will convert all means of producing and distributing the goods and services needed to feed, house and clothe the nation from private into social property to provide for the physical and intellectual needs of all.

Somewhere Marx says: “The working class is revolutionary or it is nothing.” I’m here to tell you that the working class is not “nothing.” The working class is a sleeping giant. Instinctively, workers know their worth and their power, but they have blinders on. Those blinders are a thin veil and can be ripped away—but only by those armed with the most important piece of sociological knowledge available in this Age of Information: the Socialist Industrial Union program.

That’s why it’s so important that every reader of *The People* get involved by helping us build up our circulation.

That’s why it’s so important that every member, supporter and friend of the SLP redouble their efforts to teach the Socialist Industrial Union program to help us build up the SLP and make its message known to every worker in the country.

I urge all of you to do your part; for, truly, the fate of humanity rests in your hands.

Thank you.