

Chapter 6

Job Collapse on the Way to New Athens

A significant number of analysts have shown that automation, especially the kind driven by Artificial Intelligence, is destroying many jobs and is expected to eliminate many more in the near future, including many middle class jobs. This development in turn is held to raise social and political tensions and to raise moral issues. A common response is the observation that such creative destruction always follows technical advances, but that these very advances lead to the formation of new and better jobs—jobs that entail less menial work and that pay better. However, there is some evidence that this may well not be the case this time. The chapter examines these assessments in part I.

Several treatments have been offered to deal with the net job loss, should it occur, which some refer to as job collapse or even job Armageddon. These include education reforms as well as training and retraining programs, which are reviewed and assessed in part II. Providing income security to all members of society, whether or not they work, to mitigate the social and political effects of job losses, is reviewed and assessed in part III. Various other suggestions have been made to cope with this challenge posed by automation (part IV). The chapter finds that none of the suggested treatments will suffice and hence calls for a fundamental change in culture and the economy, outlined in part V.

This chapter draws on “Job Collapse on the Road to New Athens” in *Challenge* 60 (4), (2017): 327–346. I am indebted to David Kroecker-Maus and Anne Jerome for research assistance on this chapter.

6.1 Job Collapse

6.1.1 *Jobs Already Lost Due to Automation*

Automation is reported to have already destroyed a great number of jobs. 88% of the jobs lost in manufacturing between 2000 and 2010 were attributable to productivity growth, which in turn is largely due to automation and advances in information technology (Hicks and Devaraj 2017). The net number of manufacturing jobs that disappeared in the US during this period was roughly 5.6 million.

Reports from specific industries illustrate the kind of jobs lost. An oft-cited example is that of Eastman Kodak which, at its peak, employed 145,300 people. In 2012, the company declared bankruptcy, not because photography had decreased in popularity, but because the advent of digital cameras eliminated the need for skilled technicians who made photography chemicals and paper.

In 2015, the 11 largest banks in the US and Europe announced 100,000 job cuts, amounting to more than 10% of their total workforces. John Markoff notes that, although the introduction of ATMs did not eliminate the need for bank tellers, it did eliminate thousands of back office jobs for less-visible clerical workers (Markoff 2016).

The legal profession is experiencing the effects of the introduction of automating technologies. In 1978, when the Justice Department brought an anti-trust lawsuit against CBS, the discovery process required a “platoon of lawyers,” to examine six million documents, at a cost of \$2.2 million. In 2011, an E-discovery company was able to analyze 1.5 million documents for less than \$100,000.

Data indicate that current law school graduates have a significantly harder time finding a job than in any previous generation: Kyle McEntee, Executive Director of Law School Transparency notes that, “Students who graduated in 2015 started in 2012, the second of five consecutive years of enrollment decline. In that time, the raw number of legal jobs has *also* fallen each year [emphasis added]” (McEntee 2016).

6.1.2 *Expected Future Job Losses*

There are varying predictions of the number of jobs automation will destroy in the near future. Labor economists Melanie Arntz, Terry Gregory and Ulrich Zierahn suggest that the risk of technological unemployment is relatively low. They argue that previous studies have taken an occupation-based approach to calculating the automatability of jobs, whereas actual automation is task-based. Thus, *specific functions can be automated*, but given the heterogeneity of tasks in many occupations, it is much *less likely that those entire occupations will be automated*. According to Arntz et al.’s calculations, only 9% of jobs across the 21 OECD countries are automatable (Arntz et al. 2016).

Others have noted the risk to professions previously thought to be beyond the reach of automation because they involve tasks thought to be the sole preserve of

humans (Kaplan 2015). An oft-cited study by Carl Benedikt Frey and Michael A. Osborne of Oxford calculated in 2013 that 47% of current US employment is at high risk of computerization in the next decade or two (although they stress that their estimate only shows which jobs *could* potentially be automated, not which ones actually *will*) (Frey and Osborne 2013). The professions at the highest risk of computerization, according to Frey and Osborne, include such disparate occupations as telemarketers, tax preparers, watch repairers and insurance underwriters.

Mike Mayo, a banking analyst, expects that “The additional electrification of the security markets should result in an ongoing swap of capital for labour...more machines over people” (Noonan and Arnold 2015). A 2016 study by Deloitte predicted that 114,000 jobs in the legal sector are likely to become automated in the next 20 years (Croft 2016). Legal scholars John O. McGinnis and Russell G. Pearce predict that “Just as computers have progressively replaced humans in complex calculations (people who made such calculations were in fact called computers a hundred years ago), so will machine intelligence replace the legal search function of lawyers” (McGinnis and Pearce 2014). Millions of truck and taxi drivers’ jobs are expected to be killed by driverless cars.

There are predictions that the rise of massive open online courses (MOOCs) will lead to a collapse in jobs for academics. Clayton Christensen, a Harvard Business School professor predicted in 2013 that, in 15 years, half of all universities will have gone out of business, as higher education is ripe for technological disruption (Suster 2013). In April 2013, the philosophy department at San Jose State University wrote an open letter to Harvard professor Michael Sandel (whose lectures on justice are one of the most popular online courses), saying “Professors who care about public education should not produce products that will replace professors, dismantle departments, and provide a diminished education for students in public universities” (Hechinger and McDonald 2013). It is odd to consider MOOCs as a way to treat the issue at hand. A handful of MOOCs, produced by a few leading professors and a small media team, can kill hundreds of thousands of teaching jobs, worldwide. The main constraint is that the MOOCs have not formed a suitable business model but that does not seem an insurmountable hurdle. One further notes that a professor who used 12 teaching assistants online found that the one students ranked highest was a robot... (Korn 2016).

A recent study by Daron Acemoglu and Pascual Restrepo found that robots have significant negative effects on wages and employment opportunities. “Even if overall employment and wages recover, there will be losers in the process, and it’s going to take a very long time for these communities to recover,” Acemoglu concluded (Cain Miller 2017).

6.1.3 *Luddite Fallacy?*

The fear of technological unemployment is not new; it is at least as old as the Luddites who destroyed mechanical looms in the early 1800s, for fear that increasing mechanization threatened the jobs and livelihoods of workers. Thus, some argue

that the fear of automation reducing the overall need for workers is just another example of the ‘Luddite fallacy.’ Harvard economist Lawrence Katz argues “We never have run out of jobs. There is no long-term trend of eliminating work for people. Over the long term, employment rates are fairly stable. People have always been able to create new jobs. People come up with new things to do” (Rotman 2013).

However, there is some evidence that this time the number of new jobs created will be significantly lower than the number of old jobs destroyed. While the unemployment rate fluctuates, the share of prime-age Americans (i.e. 25–54 years old) who are working or looking for work *has* been trending steadily downward since 2000. And among men in this prime age group, the share of those who are neither working nor looking for work (the latter group not being reflected in the unemployment rate) has doubled since the 1970s. Moreover, the inability to find a job is not limited to older workers whose skills have become obsolete; the share of recent college graduates who are “underemployed” was higher in 2015 than it was in 2000 (Thompson 2015).

Mark Nall, a program manager for NASA, points out:

Unlike previous disruptions such as when farming machinery displaced farm workers but created factory jobs making the machines, robotics and AI are different. Due to their versatility and growing capabilities, not just a few economic sectors will be affected, but whole swaths will be. This is already being seen now in areas from robocalls to lights-out manufacturing. (Smith and Anderson 2014)

Hod Lipson concluded that “for a long time the common understanding was that technology was destroying jobs but also creating new and better ones. Now the evidence is that technology is destroying jobs and indeed creating new and better ones but also fewer ones” (Rotman 2015).

6.1.4 Net Job Loss?

The main differences among various scholars seem to be about the size of the net job loss rather than whether some loss will occur. A January report from the World Economic Forum entitled “The Future of Jobs,” (World Economic Forum 2016) estimates that between 2015 and 2020, 7.1 million jobs will be lost across 15 of the major developed and emerging countries surveyed, but that only 2 million new jobs will be created, resulting in a net loss of 5.1 million jobs.

Martin Ford, in *Rise of the Robots* paints a grim picture of what the book’s subtitle labels a “jobless future.” He finds that, while previous technological revolutions replaced the jobs they created (for example, the automotive industry replacing the carriage industry), technology is now taking away more jobs than it creates, and that both blue- and white-collar jobs are at risk. Ford notes that, after the 2008 recession, many companies decided that “ever-advancing information technology” would allow them to return to their previous level of output without returning to previous

staffing levels. That is, even though the recession caused employees to be laid off, technology made it unnecessary to hire them back after the recovery.

Erik Brynjolfsson and Andrew McAfee observe that the new tech companies are creating more billionaires, but hiring far fewer workers. They offer an anecdotal comparison between Kodak and Instagram: Eastman Kodak, at its peak, employed 145,000 workers, most of them in middle-class jobs. Instagram, which is already valued at several times the value of Eastman Kodak at its peak, employs only 4600 workers (Brynjolfsson and McAfee 2014).

Thompson notes that, “In 1964, the nation’s most valuable company, AT&T, was worth \$267 billion in today’s dollars and employed 758,611 people. Today’s telecommunications giant, Google, is worth \$370 billion but has only about 55,000 employees—less than a tenth the size of AT&T’s workforce in its heyday.” And General Motors has only one third the number of employees it had in the 1970s, even though it now produces *more* cars and trucks (Wiseman 2016). This pattern of increasing output and a declining workforce can be seen in the economy more broadly: In 1980 it took, on average, 25 workers to generate \$1 million in manufacturing output, but in the US today it takes only five workers (Muro 2016).

Hod Lipson, an engineering professor at Cornell, and expert on AI and robotics, is working on creative robots that are capable of assembling themselves from basic building blocks. Thus, not only could these robots replace human workers, but they would not even create many new jobs in robot assembly.

Some optimists point to the fact that, despite advances in automation, the unemployment rate in the US is low—4.8% as of January 2017. A McKinsey Global Institute study found that, between 2001 and 2009, there were 4.8 million new jobs created in the US that related to interactions and complex problem solving, compared to only 3.4 million jobs related to transactions and production which were lost (Manyika et al. 2012). When one takes into account, however, the number of people who have stopped looking for work, there is less ground for optimism. The Bureau of Labor and Statistics’ U-6 measure, which includes both underemployed and those who have given up looking for work, was almost 10% at the end of 2016. Economist Samuel Rines notes that the labor force participation rate has been declining since 2000, and that, although the labor force is not shrinking in absolute terms, “as a portion of the employable population, it is shrinking and will continue to do so.” Since 2007, the labor force participation rate has fallen by 3.2% (Rines 2017).

Moreover, many of the new jobs pay less than the lost ones, have fewer or no benefits, provide less job security, and are less meaningful. This is reflected in the growing proportion of contingent labor—freelancers, independent contractors and consultants who are not on a company’s payroll. According to numbers from a 2016 study by the Metropolitan Policy Program at the Brookings Institution, the number of gig economy workers has increased the number of payroll employees by 27% more in the last two decades (Wells 2016). A 2015 Government Accountability Office study found that, between 2005 and 2015, the share of contingent workers grew from 30.6% to 40.4% (US Government Accountability Office 2015).¹

¹It should be noted that the GAO definition of contingent workers includes part-time workers.

Finally, most of the discussions of net job loss treats the US as an island, and are concerned only with the effects of technological unemployment on American society. However, many European countries have double-digit unemployment rates, as high as 18.2% in Spain and 23.0% in Greece (Eurostat 2017). Moreover, in some developing countries where the majority of the population is under 18, the impact of insufficient jobs will be felt even stronger. There are 16 African countries where at least 50% of the population is under the age of 18, and in Afghanistan the percentage is 51.4%. Given that most of these countries already have a shortage of well-paying jobs, the effect of such a huge share of the population entering the workforce in coming years will only exacerbate social tensions.

6.1.5 What Is to Be Done?

A 2016 report released by the Obama White House entitled “Artificial Intelligence, Automation, and the Economy” suggested three policy responses to technological change. The report acknowledges that “Most of these strategies would be important regardless of AI-driven automation, but all take on even greater importance to the degree that AI is making major changes to the economy.” Thus, some of the proposals in the White House report merely reflect pre-existing Democratic policy priorities, which are not directly relevant to automation-driven job loss, and thus are not discussed here.

The following three sections analyze the broad policy responses suggested by the White House report and others for addressing large-scale job loss. Each group of solutions will be presented and then evaluated.

6.2 Education and Training for the Jobs of the Future

The White House report favors “expanding the availability of job-driven training and opportunities for lifelong learning.” The report points out that early education is an important component, as people with low levels of basic skills are likely to be displaced in an era of AI-driven technological change. The report touts President Obama’s Computer Science for All initiative, which “seeks to give all students at the K-12 level access to coursework in computing and computational thinking.” And the report calls for increasing access to post-secondary education, and expanding access to training and re-training as well as the availability of job-driven training. Many others write about the importance of education in averting mass technological unemployment. Brynjolfsson and McAfee suggest several steps to restore the US’ advantage in primary education, which has declined in the past 50 years. For example, in 1955, high school enrollment levels in the US were twice as high as any European country. But by 2009, American high school students ranked 14th out of 34 countries surveyed in reading, 17th in science and 25th in

math. They suggest longer school hours, a longer school year, and higher teacher salaries in exchange for more teacher accountability.

The Frey and Osborne report argues that humans' ability to acquire new skills is what has prevented previous worries about technological unemployment from materializing. Thus, education could help, but the increasing cost of education makes it difficult for many to acquire necessary skills. Hence, the authors suggest that the increasing availability of online education courses could offer a solution.

Jerry Kaplan proposes an approach that would increase access to skills training, albeit one that would require new financial instruments which he calls "job mortgages." Under this scheme, employers would issue non-binding letters of intent to hire people if they acquire specific skills that the employer thinks will be valuable. (Kaplan suggests payroll tax breaks for employers who follow through on their offer.) Training institutions will offer courses to teach the skills that employers seek, and potential employees holding non-binding letters of intent would be able to get a "job mortgage" loan to finance their training. The loans would be repaid from income once the sponsorship recipients started new jobs; if no job materializes, the individual would be held responsible for only 20% of the loan (Kaplan 2015).

6.2.1 An Assessment

6.2.1.1 Education

Reforming education systems is likely to have long-term effects; however, as several observers note, the pace of technological change is rapid and hence skills that school-children learn are likely to be obsolete by the time they enter the workforce. The World Economic Forum report cites an estimate that "65% of children entering primary school today will ultimately end up working in completely new job types that don't yet exist" (World Economic Forum 2016, p. 3). The report also holds that the pace of technological change and the accelerating rate of "creative destruction" casts doubt on the wisdom of transforming universities into glorified vocational schools.

One also notes that a large number and variety of efforts and considerable investments have been made over the last decades in the US to improve the US education system. Public expenditures on education increased from \$258 to \$534 billion between 1979–1980 and 2012–2013 (US Department of Education 2016). However, National Assessment of Educational Progress (NAEP) test scores remained virtually the same for 17 year-olds between 1971 and 2012, and although the test scores of nine and 13 year-olds showed statistically significant improvement during this time frame, it was only among those ranking in the lower percentiles (Barshay 2013). Thus, while the achievement gap may be closing, the achievement level of top students has been stagnant for 40 years (Barshay 2013).

Furthermore, students in the US are still less qualified than students in many other developed countries, with whom they have to compete. According to the 2015 PISA (Program for International Student Assessment) test results, the US ranks

24th in reading and science, and 38th in math (Desilver 2017). The ranking in 2012 was 17th in reading, 21st in science, and 29th in math.²

In short educational reforms, of value in themselves, are hard to come by and may well continue to lag behind the rapidly changing job market.

6.2.1.2 Retraining

Retraining of workers who have lost ‘old’ jobs to enable them to take on new jobs seems an obvious solution. This idea is supported by the fact that even when unemployment was high, when there was a very ample supply of labor, a considerable amount of high tech jobs could not find American workers able to fulfill these jobs (See Graham 2017)—the workforce is facing a skills mismatch (McKinsey Global Institute 2017). However, there are strong reasons to hold that older workers, who spent a good part of their lifetime in jobs such as coal mining, cannot be retrained to do high tech jobs. And the destruction of jobs is much higher than the high tech openings. Hence even if retraining will work perfectly, it will reduce unemployment but not get at the heart of the matter—a great net loss in jobs. To say it with figures: Assume an economy had 100 jobs, lost 20, and in addition has 3 unfilled because of skill mismatch; so the unemployment rate is 23%. Training can reduce unemployment to 20% but not lower. Training beyond this point will merely lead employers not to hire someone else or to fire someone.

One may argue that the US, in 2017, was nearing full employment and hence the problem posed by automation has been solved or never existed. However, after peaking in 2000 at 67.3% (US Department of Labor 2016) the US labor force participation rate has experienced a general trend of decline; as of 2016 it was at 62.8% (US Department of Labor 2016).

Most importantly, the new jobs are paying much less than the old ones, have fewer or no benefits, and offer much less job security (as one learns from the rapid growth of the gig economy). There is reason to believe that this trend will continue. This kind of employment is almost as alienating as unemployment and is a major source of nationalist populism that endangers political stability of democratic regimes and freer trade.

6.3 Basic Income and Social Safety Nets

To deal with the personal, social, and political effects of persistent unemployment and poor jobs, suggestions have been made to provide people who cannot find work with the means they need to survive.

According to the White House report, “This includes steps to modernize the social safety net, including exploring strengthening critical supports such as unem-

²Determined from data available at <https://data.oecd.org/>

ployment insurance, Medicaid, Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF), and putting in place new programs such as wage insurance and emergency aid for families in crisis.” The White House report also proposes strengthening unemployment insurance, noting that “fewer than one in three unemployed Americans now receive unemployment insurance benefits, and benefits replace a smaller percentage of wages than before for those who do qualify.”

Frey and Osborne predict that there will be a rise in “job polarization” as the share of low-wage jobs grows. They thus suggest policies to decrease the “tax wedge” (i.e. the difference between gross pay and take-home pay) for low-wage workers. They outline a number of potential options for accomplishing this, including raising marginal income tax rates on top earners in order to decrease tax rates for low income earners, increasing corporate taxes, or instituting a wealth tax, as proposed by Thomas Piketty (Frey and Osborne 2015).

Brynjolfsson and McAfee endorse Milton Friedman’s idea of a negative income tax, which is quite similar to basic income: workers earning below a certain threshold would receive a payment from the government on unused deductions, thus encouraging work, while also ensuring that no one falls below a certain income level (Brynjolfsson and McAfee 2014).

Martin Ford advocates for a “basic income guarantee”—also frequently referred to as universal basic income (UBI) (See Van Parijs and Vanderborght 2017)—which, he notes, has historically had support from conservatives and libertarians, most prominently Friedrich Hayek. The conservative argument is that a basic income guarantee would still allow individual freedom, and would replace less efficient safety net mechanisms such as food stamps, housing assistance, etc. (Ford 2015).

The concept of UBI has attracted the attention and support of a number of Silicon Valley philanthropists. GiveDirectly, a charity that is beta-testing UBI as a solution for extreme poverty by giving all villagers in a designated village in Kenya the equivalent of \$22 per month for 12 years, has attracted \$24 million in donations from the founders of Facebook, Instagram and eBay (Lowrey 2017). Several countries are experimenting with UBI or running pilot projects; in both Finland (which is testing the UBI with 2000 unemployed citizens [Goodman 2016] and India (where the Finance Ministry is considering it [Zhong 2017], the UBI is seen as a replacement for some or all existing social welfare programs.

6.3.1 An Assessment

There are two differing visions for UBI. The first, and more common, sees the UBI as a replacement for other social welfare programs. Michael Tanner, a Senior Fellow at Cato Institute, notes that prominent libertarians have endorsed a UBI, and that it would provide an “intriguing alternative to our current dysfunctional welfare state” (Tanner 2014). That is, instead of receiving food stamps, housing allowance, Medicaid, and unemployment insurance payments—those unemployed would

receive a monthly check, roughly of the same value. This may or may not make them feel less controlled, and able to freely spend their money as they wish. They may use it wisely or for controlled substances, opioids, and liquor. However, it will do little to overcome the income losses due to loss of jobs.

Robert Greenstein of the Center on Budget and Policy Priorities suggests that a UBI that replaced existing social welfare programs would actually increase poverty, if it was not means-tested: “If you take the dollars targeted on people in the bottom fifth or two-fifths of the population and convert them to universal payments to people all the way up the income scale, you’re redistributing income upward” (Greenstein 2016). Moreover, the difference in cost-of-living highlights another problem with UBI as a replacement for current safety net programs: it would almost certainly have to be accompanied by some sort of public housing guarantee, as even a UBI that put recipients above the poverty level might still be insufficient to afford housing in many cities.

The second vision of UBI sees it as a complement to other programs. For example, if each American citizen received \$10,000 (which would *still* put them below the poverty line), the program would cost nearly \$3 trillion dollars, more than *three times the current expenditure on all welfare programs* (Tanner 2014). In 2015, Switzerland held a referendum on a proposal to give a UBI of roughly \$2700 per month. The measure was defeated, but *The Economist* calculated that the cost of UBI would have equaled 30% of Switzerland’s GDP.

The costs will have to be covered by significantly higher taxes elsewhere (most likely on top earners) or a wealth tax, and both of these seem politically very difficult.

A negative income tax would be a way of means-testing the UBI. This may well be more affordable but could give rise to other issues:

If the benefit is phased out fairly quickly for those with incomes above the poverty level, the program may well be affordable, even cheaper than the current welfare system. But too rapid a phase-out would create a “poverty cliff,” where the marginal tax rate for earning additional income would significantly discourage work or other efforts to escape poverty. A more gradual phase-out minimizes this problem, but adds considerably to the expense of the program. (Tanner 2014)

Beyond concerns about the cost of a UBI, others argue that work provides more than just a paycheck. Lawrence Katz has argued that work is a source of status and that it helps to organize people’s lives. Brynjolfsson and McAfee write that work is psychologically important and cite Voltaire’s aphorism, “Work saves a man from three great evils: boredom, vice and need.” A UBI would perhaps ward off the third of those “great evils” but not the other two.

6.4 Others

One proposed solution to net job loss is a job guarantee, similar to the Works Progress Administration that was part of FDR’s New Deal. The basic principle is that the government would create make-work jobs to fill the gap left by the private

sector, or act as an “employer of last resort.” In their book *Only Humans Need Apply*, Thomas H. Davenport and Julia Kirby argue for a job guarantee instead of UBI, citing studies that find that unemployed people are less happy, and that compensating them does not make them as happy as putting them back to work (Davenport and Kirby 2016). Pavlina Tcherneva suggests a grassroots job guarantee program that would be run by the non-profit sector but funded by the government. She writes “The federal government will allocate grants to nonprofits that are already on the ground and doing many of the jobs that the public and private sectors have failed to do” (Tcherneva 2012).

Several authors focus on other proposals, like the notion of encouraging entrepreneurship and alternatives to traditional employment (such as freelancing and self-employment). Brynjolfsson and McAfee write that entrepreneurship is the best way to create new jobs and opportunity, and that innovation is more likely to take place in startups rather than in incumbent companies. They suggest making the regulatory requirements and business environment more favorable for entrepreneurs. Frey and Osborne suggest that because digital technologies make it cheaper for entrepreneurs to start their own businesses and because self-employed workers report higher levels of satisfaction in their work, self-employment may become the new normal in the future. Thus, they suggest reducing red tape that discourages self-employment. They also propose changing policies that they suggest disincentivize hiring, such as payroll taxes or mandating employer-covered health care insurance. The WEF report writes that policymakers will need to put in place safeguards and regulations that allow employees to transfer their benefits between jobs.

Bill Gates has suggested a robot tax to help slow the pace of automation as well as to finance jobs that require human empathy such as taking care of the elderly or working with kids in schools (Delaney 2017).

6.4.1 An Assessment

A job guarantee scheme could be viewed as preferable to a UBI, as there is some guaranteed direct output, however small, from make-work jobs, whereas the output from UBI is indirect and uncertain. It is important to ensure that make-work programs do not replace jobs that otherwise would be done, lest they simply substitute a private sector job for a government-sponsored one. Also, previous successful job guarantee or “employer of last resort” programs were meant to be counter-cyclical; indeed, the Works Progress Administration was closed after 8 years. Given that the loss of jobs to automation is likely to continue, and perhaps even accelerate rather than abate, short-term job guarantee programs may not prove a viable model for a response to long-term technological unemployment.

Above all, there are considerable costs involved in make-work schemes. A 2000 Government Accountability Office report on Americorps found that the average cost per volunteer was roughly \$23,000 (GAO 2000), a cost which most likely has increased in the intervening 17 years. There seems to be no reason to expect such a

program on a large scale to be much more politically feasible than a UBI that does not simply replace other public support.

6.5 The New Athens

The recent and expected job loss and the change in the nature of many of the jobs available, as well as the economic slowdown (and rising inequality), are all major factors in the rise of both political alienation and a variety of right-wing attitudes including xenophobia, racism, anti-Semitism, and support for radical right-wing parties and politicians. The same development is often referred to as a populist wave. The question hence arises if one can identify other sources of contentment than that gained from work for people who have achieved a level of income that ensures that they can attend to their “basic” needs, but little more. What other sources of legitimacy can be developed that are not based on a continually rising standard of living?

One step toward developing a rather different perspective on one’s economic conditions is to point to data which strongly suggest that once a certain level of income is attained, additional income (and hence the capacity to spend and consume) creates little additional contentment. Social science findings (which do not all run in the same direction and have other well-known limitations) on the whole seem to lend support to the notion that higher income does not significantly raise people’s contentment, with the important exception of the poor (See Etzioni 2016).

6.5.1 Historical “Precedents”

In seeking alternatives to job and economic growth-driven happiness, one notes that there were, throughout human history, many cultures and modes of legitimacy that eschewed consumerism and viewed the good life as based on other core values. As Jeffrey Sachs notes, “The essence of traditional virtue ethics—whether in Buddhism, Aristotelianism, or Roman Catholicism—is that happiness is achieved by harnessing the will and the passions to live the right kind of life. Individuals become virtuous through rational thought, instruction, mind training, and habits of virtuous behavior” (Sachs 2013, p. 83). Thus, consider the way happiness is understood within the Buddhist tradition. According to this view, happiness is not mainly a phenomenological state but rather, is “a way of interpreting the world,” and, thus, is more akin to a skill or ability than a sensation (Matthie 2000, p. 19).

For centuries, the literati of imperial China came to prominence not through acquisition of wealth, but through pursuit of knowledge and cultivation of the arts. This group of scholar-bureaucrats dedicated their early lives to rigorous study, in preparation for the exams required for government service. They spent years memorizing the Confucian classics. The literati, having passed the imperial exams, were

qualified for government service, but instead elected to dedicate their lives to the arts, or retired early in order to follow artistic pursuits. They played music and composed poetry, learned calligraphy, and gathered with like-minded friends to share ideas and discuss great works of the past.

The Ancient Greeks—aside from the Epicureans³ (Nussbaum 2005)—generally took “happiness” to be not just a feeling but a way of living (Senior 2010). For example, in Aristotle’s philosophy, the sort of “happiness” discussed is not hedonistic but, rather, can also be translated as “flourishing” and is based in the manifestation of virtue—a way of being that can be cultivated and involves finding a balance between “excess and deficiency” and experiencing “emotions at the right times and on the right occasions and towards the right persons and for the right causes and in the right manner” (Sachs 2013, p. 84). Indeed, Aristotle believed that happiness is comprised of acting in accordance with excellence, in particular the greatest and richest variety of excellence available (Nussbaum 2005, p. 175). Further, in addition to viewing happiness as including the “activity of soul in accordance with virtue,” Aristotle also believes in the concept of having friends and children (Engstrom 1996, p. 104). Thus, Aristotle’s conception of happiness is much broader than that of many contemporary thinkers, amounting to “flourishing human living, a kind of living that is active, inclusive of all that has intrinsic value, and complete, meaning lacking in nothing that would make it richer or better” (Nussbaum 2005, p. 171).

For St. Thomas Aquinas, happiness is not a pleasurable psychological state but, rather, the attainment of one’s final good (Wang 2007, p. 322). This final good “consists in the vision of God”—meaning that true happiness cannot be attained on Earth but can be only approximated (Wang, p. 323). And though people might get moments of temporary satisfaction after achieving short-term goals, true happiness comes only with the attainment of union with God (Wang, p. 326).

In the 1960s, a counterculture (hippie) movement rose on both sides of the Atlantic Ocean. Its core values were anti-consumerism, communal living, equality, environmentalism, free love, and pacifism. The British iteration of the hippie movement manifested itself in London’s underground culture, a “community of like-minded anti-establishment, anti-war, pro-rock’n’roll individuals, most of whom had a common interest in recreational drugs,” and many who opted out of mainstream consumerist culture (Miles 2011).

Many of these movements and communities sought to opt out of both the consumption and work system and to form an alternative universe committed to ascetic life, while dedicating themselves to transcendental activities, including spiritual, religious, political, or social elements. They sought to replace capitalism rather than to cap it and graft onto it a different society.

Most important: practically all of these movements and communities failed to lay a foundation for a new contemporary society, let alone civilization, and practically all of them either disintegrated, shriveled, or lost their main alternative features. It seems that most people cannot abide an ascetic, severe, austere life for the

³Nussbaum notes that throughout almost the entire canon of Western philosophy, almost all schools of thought refuse to identify “happiness” with psychological “pleasure.”

longer run. *It hence seems that if the current environment calls for a new attempt to form a society less centered on consumption, the endeavor will have to graft the new conception of a good life onto the old one. That is, not seek to replace consumption but to cap it and channel the resources and energy thus freed to other pursuits.* To proceed, that is, to ask when we know that income can be capped without frustrating basic human needs, a review of Maslow suggests a way.

6.5.2 *The Maslowian Exit*

Maslow's hierarchy of needs, from basic human necessities to what he calls "self-actualization," might lead one to intuit that as long as the acquisition and consumption of goods satisfies basic creature comforts—safety, shelter, food, clothing, health care, and education—then rising wealth is contributing to genuine human contentment. However, once consumption is used to satisfy the higher needs, it turns into consumerism—and consumerism becomes a social disease.⁴

In historical terms, the turning point came—for Americans with income well above the poverty line—in the decades that followed WWII. Around the time of WWII, economists held that people have fixed needs and that once these were satisfied, people wouldn't consume more; they would save whatever additional income they earned. During the war, however, economists noted that the American productive capacity had greatly expanded. They feared that with the end of the war, the idling of the assembly lines that produced thousands of tanks, planes, and many other war-related materials would lead to massive unemployment (in effect, a return to the kind of depression that the US faced just before WWII)—because there was nothing that the assembly lines could produce that people needed, given that their fixed, peacetime needs were sated. Social scientists thus held that they had to go to creative extremes to protect society from its 'excess' capacity. This conventional wisdom, however, was soon to change when Vance Packard's *The Status Seekers* called attention to the purveyors of large scale advertising, the producers of artificial, unbounded wants (Packard and Abbott 1963).

In the decades that followed WWII, industrial corporations discovered that they could "manufacture" artificial needs for whatever products they were marketing. For instance, first women and then men were taught that they smelled bad and needed to purchase deodorants. Men, who used to wear white shirts and grey flannel suits, learned that they 'had to' purchase a variety of shirts and suits, and that last year's wear was not proper in the year that followed. Soon, it was not just suits but also cars, ties, handbags, sunglasses, watches, and numerous other products that had to be constantly replaced to keep up with the latest trends. Most recently people have been convinced that they have various illnesses (such as restless leg syndrome) that require the purchase of medications.

⁴For a lengthy discussion of Maslow's hierarchy, see Chap. 1.

One cannot stress enough that the quest for a new characterization of the good life is a project for those whose creature comforts have been well and securely sated. Urging such a project on individuals, classes, or societies that have not reached that stage of development is to promote what sociologists call ‘status acceptance,’ to urge the ‘have-nots’ to love their misery. It is to provide a rationale for those who ‘have’ all they need and then some—and who deny such basics to others. Such a position hardly comports with any definition of a good life.

To reiterate: Consumption *per se* is not the issue. Maslow does not suggest an austere life, of sacks and ashes or of making virtue out of poverty. Rather, his theory holds that gaining the material resources needed to provide for basic creature comforts is fully legitimate. However, consumption turns into an obsession when—after necessities are provided—people use the means suitable for attending to creature comforts to try to buy affection, esteem, and even self-actualization. It does not take a great deal of work to earn enough to buy what it takes to satisfy basic needs if these are viewed as what a person requires to be well nourished, clothed, housed, and safe—but not to purchase status (or Veblen) goods. Then one can find other sources of contentment and meaning than material goods.

6.5.3 *Income and Happiness*

Data suggest that once a certain threshold of income is reached, additional accumulation income creates little additional contentment. On the whole, social science findings, despite well-known limitations and variations in approach, seem to support this notion of diminishing returns of happiness relative to income growth—with the important exception of the poor. Findings by Frank M. Andrews and Stephen B. Withey support the notion that one’s socio-economic status has a meager effect on one’s “sense of well-being” and no significant effect on one’s life satisfaction (Andrews and Withey 1976). A survey of over 1000 participants, who rated their sense of satisfaction and happiness on a 7-point scale and a 3-point scale, concluded that there was no correlation between socioeconomic status and happiness; in fact, the second-highest socioeconomic group was consistently among the least happy of all seven brackets measured. In addition, Jonathan Freedman discovered that levels of reported happiness do not vary greatly among the members of different economic classes, with the exception of the very poor, who tend to be less happy than others (Freedman 1978).

Additional evidence suggests that economic growth does not significantly affect happiness (though at any given time the people of poor countries are generally less happy than those of wealthy ones). David G. Myers and Ed Diener reported that while per-capita disposable (after-tax) income in inflation-adjusted dollars almost exactly doubled between 1960 and 1990, almost the same proportion of Americans reported that they were “very happy” in 1993 (32%) as they did in 1957 (35%) (Myers and Diener 1995). Although economic growth has slowed since the mid-1970s, Americans’ reported happiness has been remarkably stable (nearly always

between 30% and 35%) across both high-growth and low-growth periods (Myers and Diener 1995). Moreover, in the same period (1960–1990), rates of depression, violent crime, divorce, and teen suicide all rose dramatically (Myers and Diener 1995). For much more data and discussion, see Chap. 1.

6.6 The Sisyphean Nature of Affluence

A reason high wage-earners seem to derive less happiness from additional income is that the goods which high incomes allow one to buy are reported not to have *absolute* value in terms of the happiness they provide. Recall the discussion in Chap. 1 of “keeping up with the Joneses”—an expression that captures the use of goods in a status competition among members of the community. Goods are used as visible markers of one’s standing relative to others.

The claim also explains why an increase in a nation’s collective wealth often fails to increase reported happiness. If what makes people happy is having *more* wealth relative to others, then it follows that happiness is more dependent on whom one compares himself to rather than his absolute income—and one can typically find someone who earns more than he does.

Other social scientists have posited that it is not explicit social competition that is the problem. Rather, people judge the value of a given consumer good based upon a contextual assessment that factors in the goods possessed by their neighbors (Frank 2007). In thinking about the competitive consumption that characterizes “keeping up with the Joneses,” one notes that the motives underlying the behavior make explicit reference to one’s peers. One doesn’t just want a “big” house, but rather, one that is “bigger than that of the Joneses.” By contrast, the contextual valuation of goods prevents collective improvements in wealth from generating collective improvements in happiness even absent any feelings of jealousy, envy, or any explicit reference being made to the conditions of others. Instead, the suggestion is that the value one derives from a given consumer good—i.e. the extent to which one considers it to be of “good” or “high quality”—depends upon the goods possessed by one’s peers. Thus, one does not need to want a “better” house than one’s neighbors to be affected; rather, one might just want a “good” house, but such a judgment is inevitably influenced by similar goods possessed by one’s neighbors. To illustrate this point, Robert Frank uses the example of how one would feel about owning a 1979 Chevrolet Nova (Frank 2007, p. 32). The answer to this question, he argues, depends upon *context*: to those living in Cuba, such a car would seem a luxury while those living in the California would likely find such a car embarrassing or unwieldy (Frank 2007, pp. 32–33). Similarly, whether one judges a living space to be “large enough,” one’s teeth to be in good shape from an orthodontic standpoint, or one’s clothes to be “nice,” Frank argues that the determination is made by comparing what one has with similar goods possessed by one’s peers (Frank 2007, pp. 29–42).

Studies have shown how contextual judgments affect reported subjective well-being: people taking happiness surveys in the presence of someone in a wheelchair

rate themselves as 20% happier on average than those in a control group (Strack et al. 1990, pp. 303–314; see Schwarz and Strack 1999). Given this, increasing the total wealth of a given society would not necessarily increase the happiness of its members, as more or “better” consumer goods merely raises the bar for what people judged to be “good”—a rising standard that would leave people perpetually dissatisfied with their material objects, even as the quality and quantity of those goods increased. At the same time, it would also explain why providing money to the poor *would* have a positive effect upon their reported well-being, as such a transfer would improve their material well-being *relative* to the societal standard.

Some might object that relative inequality is not to blame for wealth’s limited ability to promote additional happiness but, rather, bolsters happiness by providing high-status individuals with a feeling of achievement and low-status individuals with a sense of possibility whereby they might improve their circumstances. There are many other variants of this argument, with the common theme that relative inequality is, in fact, desirable from the standpoint of psychological well-being (See Ingram and Katic 2012; Hopkins 2008). Addressing these arguments is a task requiring major treatment of what is meant by inequality, well beyond the scope of the current chapter. Here, one should note first that much scholarship has been done to rebut this argument (See Dorling 2010; Wilkinson and Pickett 2011). Second, note that this argument does little to contest the central thesis that increased wealth does not promote significant increases in happiness. Rather, such claims at best serve as an alternative explanation of why the thesis is true, e.g. because the positive effects of inequality matter rather than absolute wealth or because those effects swamp any effect of wealth.

To further explain the disjointed relationship of income and happiness, consider again the idea that human beings as consumers are doomed to run on a “hedonic treadmill” (Stevenson and Wolfers 2008, p. 69), a concept with various interpretations (Kahneman 1999, pp. 3–25). One account suggests that people psychologically acclimate to changes in well-being, gravitating to a set level of happiness regardless of external stimulus. It is this usage that characterizes the results of the study that led to the coining of the term. Conducted by Philip Brickman, Dan Coates, and Ronnie Janoff-Bulman, this study found that people who had won the lottery were no happier than a control group of non-winners (Brickman et al. 1978, pp. 917–927; Senior 2006).

Alternatively, the “hedonic treadmill” is understood as rises in both well-being and aspirations for well-being that offset each other in hedonic terms. A study in rural China found that while rising incomes improved subjective well-being, they also raised income aspirations, which lowered well-being (Knight and Gunatilaka 2012, pp. 67–81). The authors propose that this “partial hedonic treadmill” explains why China’s rapid economic growth has not translated into gains in subjective well-being (Knight and Gunatilaka). It would also explain Amartya Sen’s findings that subjective well-being in poor countries often surpasses what is found in rich countries, as those living in poor nations will have often adjusted their expectations to match their circumstances, while the citizens of wealthy nations continue to aim for a higher quality of life than they can realistically attain (Sen 1999).

Either way, there is no way to find contentment in the high-growth, high-consumption, high-affluence way of life if one's well-being is determined not by the satisfaction of one's needs, but by what others have gained—or if the more one buys, the more one feels the need to buy.

6.7 True Flourishing: A Communitarian, Postmodern Culture

The cultures that value highly the following activities and purposes are referred to here as “communitarian” because each activity involves forming and nurturing bonds of affinity with others and service to the common good (Etzioni 1996). The term “postmodern” is used because reference is not to earlier communities that often were overwhelming and oppressive (what Erving Goffman called total institutions [Goffman and Helmreich 1961]), but to new, more liberal ones.

There are three major sources of non-materialistic contentment that also provide for a life that reaches beyond the self.

6.7.1 The Contentment of Mutuality

Spending time with others with whom one shares bonds of affinity—children, spouses, friends, members of one's community—has often been shown to make people happier (Sugden 2005, pp. 97–8; Lane 1993; Putnam 1995). Approval by others to whom a person is bonded is the main source of affection and esteem, which is Maslow's second layer of human needs. However, an important point that should not be overlooked is that more is involved in engaging in social relations than making the ego happy. These relationships are based on mutuality, in which two people “give” to each other and “receive” in one and the same act. People in lasting, meaningful, affective relationships find them to be a major source of mutual enrichment, which can be achieved with very little expenditure or material costs.

Derek Bok (2011, p. 19) writes that “several researchers have concluded that human relationships and connections of all kinds contribute more to happiness than anything else.” Research demonstrates that those who are socially isolated are “characterized by higher levels of anxiety, negative mood, dejection, hostility, fear of negative evaluation, and perceived stress, and by lower levels of optimism, happiness, and life satisfaction” (Cacioppo and Hawkley 2003). Further studies show that married people are happier than people who are single, divorced, widowed, separated, or cohabiting (Bok 2011, p. 17), and that close friendships can have nearly as strong an impact on happiness as a successful marriage (Bok 2011, p. 19).

6.7.2 *Happiness from Community Involvement*

Researchers who examined the effect of community involvement (as opposed to merely socializing with friends or family) also found a strong correlation with happiness. One study, which evaluated survey data from 49 countries, found that membership in (non-church) organizations has a significant positive correlation with happiness (Helliwell 2003, pp. 331–360). Bok notes, “Some researchers have found that merely attending monthly club meetings or volunteering once a month is associated with a change in well-being equivalent to a doubling of income” (Bok 2011, p. 20). Other studies have found that individuals who devote substantial amounts of time to volunteer work have greater life satisfaction (Bok 2011, p. 22).

Political participation, too, yields the fruits of bonding and meaningful activities. As one scholar notes, using the terms of an economist: “Citizens do not only gain utility from the outcome of the political process and its material consequences but also from the democratic process itself” (Frey and Stutzer 2000, p. 82). This is particularly true when the political climate is perceived as fair and, thus, even those whose preferred candidates are defeated feel as though they had an opportunity to have their political preferences considered (Frey and Stutzer). Also, researchers have found that adolescents who have a greater commitment to contributing to society or pursuing some meaningful end have positive experiences that are greater in depth and intensity than their less-politically-engaged peers (Magen 1996 p. 237–267).

6.7.3 *Contentment from Transcendental Pursuits (Religious, Spiritual and Intellectual)*

Extensive evidence indicates that people who consider themselves religious, express a belief in God, or regularly attend religious services are more content than those who do not. Subjects in one study who agreed with the statement “God is important in my life” saw a gain of 3.5 points on a 100-point scale of happiness (Layard, p. 64). (For comparison, unemployment is associated with a 6-point drop on the same scale.) Other studies show that Americans with a deep religious faith are healthier, live longer, and have lower rates of divorce, crime, and suicide (Bok 2011, pp. 21–22).

There is little research on transcendental activities other than religious pursuits. However, the evidence that exists indicates that participation in activities that have profound meaning to the individual is associated with happiness. For example, “Two studies that examined groups that chose to change their lifestyle to achieve personal values such as ‘environmental friendliness’ and ‘voluntary simplicity’ found that both experienced higher levels of well-being. Volunteering, and political action—which are inherently communitarian activities—also provide non-consumerist sources of contentment.

Thus, imagine a world in which the whole population—and not just a sliver—live like the Athens free men while robots comprise the working class. Karl Marx,

writing at a time when the average working hours were much longer than today, dreamed that “society will produce in 6 hours the necessary surplus, even more than now in 12 hours; at the same time everybody will have 6 hours of ‘time at his disposition,’ the true richness” (Ollman 1977). With all the developments in technology since Marx’s time, it’s likely that the workday could be cut in half again, and that everyone would have even more free time—the “true richness”—to form bonds of affinity, become involved in their communities, and find contentment in transcendental pursuits.

6.8 Contributions to Sustainability and Social Justice

If postmodern societies could develop a culture of capping that expects everyone to be able to attain sufficient income to provide for a secure flow of the goods needed to attend to their basic creature needs—but otherwise center life around non-materialistic, social, and transcendental goods—that culture would provide one obvious additional major contribution to higher levels of contentment (and hence less alienation and anti-social behavior), as well as one far from obvious one.

Obviously, a good life that combines caps on consumption and work with a dedication to transcendental pursuits is much less taxing on the environment than consumerism and the level of work needed to pay for it. This is the case because transcendental activities require relatively few scarce resources, fossil fuels, or other sources of physical energy. Social activities (such as spending more time with one’s children) require time and personal energy but not large material or financial outlays. (Often those who spend large amounts of money on their kids’ toys or entertainment bond less with them than those whose relations are less mediated by objects.) The same holds for cultural and spiritual activities, such as prayer, meditation, enjoying and making music, art, sports, and adult education. True, consumerism has turned many of these pursuits into expensive endeavors. However, one can break out of this mentality and find that it is possible to engage in most transcendental activities quite profoundly using a moderate amount of goods and services. In short, the transcendental society is much more sustainable than consumer capitalism.

6.8.1 Effect on Social Justice

There is reason to conclude that if the culture of a society shifts from one that extols affluence to one that extols communitarian pursuits—major gains for social justice will become much more probable. An obvious reason to expect that this hypothesis will hold true is that the more members of a particular social grouping view each other as members of the same community—the more they are likely to be willing to support reallocations of wealth that reduce inequality in that society. However, there are much deeper and stronger links between a communitarian culture and social

justice. Before I can outline those and present relevant evidence, I need to outline the reasons such a culture shift is called for and what it may encompass.

6.8.1.1 Underlying Assumptions

- (a) In the near future, a large number of jobs will be lost to smart (AI-equipped) instruments, machines, and robots.
- (b) Unlike previous technological revolutions, this one is unlikely to generate a large number of new jobs.
- (c) Hence, underemployment will increase and many of those who do find jobs will be paid poorly and have few benefits. Indeed, many will work in the gig economy.
- (d) Those who design, produce, and own the smart instruments will increase their wealth, leading to growing inequality.
- (e) As a result, most people—who currently expect to improve their economic conditions and be able to bequeath to their children a better life than they had—will be very frustrated.
- (f) As a result of these trends—as well as others not explored here—these frustrations will result in growing hostility toward the government, the affluent, minorities, and foreigners. These trends are already visible in Europe and, to a lesser extent, in the US.

These consequences can be mitigated if those who have *their basic needs well sated and secured* find contentment in pursuits that are not labor or capital intensive and hence have low costs. These communitarian pursuits include spending more time cultivating meaningful relationships; in spiritual pursuits widely understood (from religion to meditation); and in community activism. Reference is not to a culture that favors an austere life but one in which one's consumption is capped at a level at which true needs are fully sated but status goods are avoided—and are sated through one or more communitarian pursuits. (To flag the difference between an austere culture and the one just outlined, I refer to the latter one as a capping society, one in which a person's quest for material goods is not minimized but bounded.) (See Etzioni 2013, 2016).

6.8.1.2 Relevance for Attaining a Significantly Higher Level of Social Justice

Much less obvious are the ways the capped culture serves social justice. Social justice entails transferring wealth from those disproportionately endowed to those who are underprivileged. A major reason such reallocation of wealth has been surprisingly limited in free societies is that those who command the “extra” assets tend also to be those who are politically powerful. Promoting social justice by organizing those with less, and forcing those in power to yield some of their assets to those less

powerful, has had limited success in democratic countries and has even led to massive bloodshed in others. However, one must expect if those in power were to embrace the capped culture, they would be much more ready to share than otherwise. They will be able to find more contentment without hogging their surplus.

In exploring these arguments with various colleagues and audiences, I found that many readily agreed with all the steps—until the last one. They held that to expect that people who find contentment in communitarian pursuits rather than affluence-maximizing ones, will be more willing to significantly share their wealth with others, was ‘unrealistic, utopian or visionary.’ The purpose of the following discussion is to support the thesis that a shift from an affluent society to a communitarian one will enable major gains in social justice. The thesis is based on two arguments, one rather familiar and hence only briefly treated, and the other in need of more elaboration and support.

6.8.1.3 The Reallocation Effects of Communal Bonds

Sociologists used to hold that modern society arose as people shifted from being members of small communities (i.e. villages), in which people knew each other personally and had a strong sense of mutual obligations—to a society that encompasses millions, a so-called mass society (i.e. cities), in which all act like free standing individuals, each pursuing their self-interest. They refer to this thesis as a shift from *Gemeinschaft* to *Gesellschaft* (Tönnies 1955). Initially this shift was considered as enhancing human values as villages were considered oppressive and cities as liberating. However, communitarians pointed out that when people cut off their social moorings, they felt isolated and bereft, and acted out in anti-social ways. In response, communitarians called for a restoration of communal bonds, albeit much less encompassing and overpowering than the traditional ones. To the extent that this renewal of bonds has been achieved, most often not as a result of some kind of sociological analysis, but out of people yearning for social bonds, people have been content.

The most telling example in American society of the role of social bonds in supporting a sense of obligation to the less endowed members is that of ethnic groups. Typically, immigrants to the US are absorbed by communities with people of their own kind, in neighborhoods (such as Chinatown, South Boston, Spanish Harlem, Little Havana) and associations (such as Jewish charities, Catholic charities, and many others). Members of these groups shared resources with the new immigrants, provided welfare, housing, work, and otherwise shared some of their goods. (These immigrants gradually acquired other affiliations and memberships, which protected them from being dominated by any one group.) The same holds for many other kinds of communities, including those based on faith, gender, missions, among others. It follows that the more people in the post-affluent society become more communitarian (in the sense of forging new communities or strengthening or renewing their bonds to one community or another), the more reallocation of wealth can be expected.

6.8.1.4 The Role of Normative Content

A case study serves to introduce my next point.⁵ John graduated from Columbia University with an MBA and at the same time with a JD from NYU, after studying for 4 years and accumulating considerable debt. He could have had his pick of Wall Street jobs, but instead moved to Chicago to work at an anti-poverty bank, where his salary was a modest one. He married Rachel, who he met at law school. In an era where talented lawyers were in high demand and gained high salaries and bonuses, she instead chose to work for Planned Parenthood, with a similarly modest salary. They did not live a life of poverty but what might be called a version of voluntary simplicity. They were more likely to go out to a pizza joint than a four star restaurant; they did ski but in nearby places; and they put their kids in public schools. Their son became active in high school as an elected head of an activist group that fought to make the school greener, and then he ended up in college. He spent part of his time tutoring a child in a disadvantaged neighborhood and built a home for Habitat for Humanity during his spring break.

Using a highly conservative estimate of the differences in salary bonuses and benefits the couple gained and would have gained if they worked on Wall Street or a major law firm, assuming early retirement at 65, they gave up some 20 million dollars of consumption in order to serve the social goals they believed in, helping those less endowed. Because they believed in what they were doing, they were at least as content as those who worked on Wall Street or major law firms.

There are already—before a transition to a communitarian society—millions of people, upper middle class ones, who choose lives centered on pro-social pursuits and reduced consumption, feeling enabled rather than deprived or coerced. Moreover, most of these people subscribe to religious faith or left liberal belief systems, which both favor reallocation. These are people who embrace beliefs associated with the Social Gospel, liberation theology, Tikkun Olam, and left liberal or social democratic beliefs (Putnam and Campbell 2010; see McKittrick et al. 2014).

Many of the supporters of Bernie Sanders, who called for raising taxes on the rich, were upper middle class young people, whose incomes (or that of their parents) would suffer. But they enthusiastically supported him because they believed in the ideals he was speaking for. They are but the most recent example of the observation that when people of means embrace a reallocation belief, they will be ready to share more than those who do not.

Economists may argue that these kinds of believers gain other satisfactions than those they would derive from consumer goods, such as self-esteem and camaraderie, from these acts, and hence they are not truly altruistic. This matters not, because even if they do agree to share the material surplus because of selfish reasons, these believers are still more willing to share than the non-believers. Hence, the more the communitarian beliefs are embraced, the more social justice one should expect.

⁵ Identifying details have been changed.

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