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Chicago Political Economy Group

Notes

Friends –

President Donald Trump, who as a candidate appeared as a wrecking ball to the political party duopoly, struggles coming to terms with the wobbly, down-but-not-out US political establishment. Wall Street, the military-security-intelligence complex, the party system, the media and other nodes of foreign and domestic policy making each face their own crises of legitimacy. The US citizenry along with the rest of the world will soon discover what has been ordered up from the US populist hard-right. Given Trump's lack of well-expressed or well-rounded views, and a cabinet and senior team comprised of fascist ideologues, generals and billionaires, we might minimally expect an ideologically incoherent hard-right government with decidedly fascistic tendencies: Berlusconi, or far worse.

The US is the only country to refer to fascists by euphemism. They are called the alt-right and some of them occupy commanding heights within the government. Trump has been very clear on immigrants and Muslims and must be taken at his word. However, the White House's lack of clarity around the US president's noisy proclamations on major policy issues muddies the near-term world strategic and economic picture. Dissing Angela Merkel must have been intended as support for Germany's anti-NATO far-right. Might then a traditional German Ostpolitik emerge as a corollary to Trump's desired de-escalation of tensions with Russia?

NAFTA, some NAFTA, no NAFTA? TPP is gone, but what of the 'nationalist' approach to trade and investment with China? Whither Latin America? Africa? If the White House finds a toehold, one might expect Trump's foreign policy to pursue the needs and dreams of the extractive industries. None of this bodes well for the people and landscapes of the third world, Alaska, Appalachian coal country or the rest of earth's remaining resource-rich regions. Have the imperial appetites of his NSA and CIA appointees finally won out over Russian entente and an end to war against Syria. What now to make of such destruction? Elsewhere, the US heaves mortal threats upon the hermit kingdom.

The United States had been off the rails for some time, and it didn't take Donald Trump to make that apparent. Sadly, many of the tools of repression available to an authoritarian Trump regime were put in place during the Obama years. The Obama presidency was like a great blindfold over the political eyes of the US electorate and much of world opinion. The blindfold kept people from recognizing the aggressive ramping up of the police state and militarization of local police. Acts of war in at least seven countries were presided over by the Nobel Peace Prize President, who carried out 'legalized' executions and indefinite detention of US citizens, not to mention all that was done to foreigners abroad. All manner of largesse was showered on Wall Street, while Main Street conditions decayed. Instead of universal health care, a syphon belonging to the insurance monopolies was attached to the population's pocketbooks in exchange for some protections for some people. Because the Republicans were too anxious to dash the ACA it remains the law of the land, for the time being. Next time the paying public may not be so lucky forcing millions back into that hard place between solvency and disease, penury and death.

One wonders what freedom-loving Germans expected during the earliest days of Nazism. Steve Bannon, White House strategist, and for a time the preeminent member of the National Security Council, made known his admiration for the Italian fascist Julius Evola who prescribed a 'shock to the system' to revive a moribund Western world. In fact, Evola left Italy because he felt the fascists there were too mild. In the highest offices in the land, one shudders to think what sorts of shocks to the system are being concocted in reaction to the crises of US politics and economy.

After a brief hiatus, *CPEG Notes* is back. This edition is largely devoted to sorting out the early days of the Trump Era. Joe Persky summarizes the bleak domestic economic scene, and finds little that might augur a recovery worthy of the name. Bruce Parry and Bill Barclay tackle the political crisis and party system fiasco represented by last year's presidential election results. Ron Baimain explores how macro-economic stagnation and recovery play out in employment terms. Dr. Parry's second contribution looks at how computerization, automation and other technological trends limit global employment possibilities.

Luis Diaz-Perez

More of the Same Sluggish Economy

Joe Persky

At the end of October, the Bureau of Economic Analysis announced that 2016 third quarter real GDP grew at 2.9 percent up from the second quarter figure of 1.4 percent and the first quarter figure 0.8 percent. Putting the percentage change from the yea-ago period at a quite modest 1.5 percent. Exports had strong growth of 10 percent, but this was largely due to an increase in soybean exports after bad weather conditions in Argentina and Brazil. Change in private inventories was also strong. This rise followed a year of inventory disinvestment. State and local government remained in a decline as did residential investment.

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What is surprising is that GDP is as large as currently measured.

Overall the picture remains that of a still sluggish recovery, with the likely result that 2016 growth will be down from the 2.5 percent average for the last two years. Prices are inching up with the GDP index running at an annual rate of 1.5 percent. If, as is likely, the Fed raises interest rates there is no reason to expect residential investment to bounce back. Federal spending may also fall. Real GDP is still running about $250 billion below the Congressional Budget Office's estimate of Real Potential GDP.

It is not surprising output isn't solid. What is surprising is that GDP is as large as currently measured. One thing that's clear is that the slow growth we have seen is not due to any return of manufacturing output. From 2007 through 2015 real value added in manufacturing actually declined. Finance insurance and real estate are up since 2007, at the average GDP growth rate of about 11 percent. Oil and gas extraction, as of 2015, was about twice its 2007 value. Professional and business services are up close to 20 percent (more if you exclude legal services), as are health services. Several of these faster growing industries are themselves close to being played out. Indeed, it is not clear where in this mix long-term investment might be directed.

While forecasts continue to predict growth in the 2 percent range for years to come, it is not clear at all that the macroeconomy can sustain that kind of an expansion. A major hit to business services or health services might easily set off the third recession of the century.

On the Election: The Capitalist Class Screwed Up

Bruce Parry

Donald Trump's election as President of the United States shocked the entire nation and world. It was a shock because the entire capitalist class appeared to line up against Trump. Many major politicians disavowed him, although as the representative of the Republican Party in the election, they were troubled and ambivalent about doing so. Major donors — including the Koch brothers — stayed away, supporting other Republican candidates or

Hillary Clinton. The entire press lined up against Trump. The only major newspaper to endorse him was the *Las Vegas Review-Journal*. All major polls — largely controlled by the media — put him down as a loss. Yet he won.

The capitalists — and, of course, he's a member of the capitalist class — failed to understand the depth and breadth of the dissatisfaction in this country. The Democratic National Committee — a clear representative of the capitalist class — screwed Bernie Sanders because they couldn't abide a declared socialist in the White House and because they wanted their favorite insider.

The race, with Sanders openly calling for a revolution, and Trump gaining in the polls throughout the process, was all about dissatisfaction and the call for fundamental change. The capitalist elite could have and (from their perspective) should have seen it coming. Since Bernie was iced and Hillary was so representative of the capitalist status quo, Trump — as a populist — was the only alternative for many voters.

The working class — particularly white voters — voted for change. Much attention has been paid to Trump winning the white male section of the working class. His votes came largely from white men who were not college graduates. However, 53 percent of white women voted for Trump as well. And the vote among college-educated women was approximately even.

This section of the working class is central to developing a progressive movement of the working class, where the left is woefully weak. These workers moved with some unity as they voted for change. Yet they did so without revolutionary guidance, in a crude, politically naive way, voting for populist change targeting "others" instead of the capitalist class.

The mainstream factions, which (barely) control the two parties, can no longer maintain the leadership they traditionally exercised.

A very perilous situation has arisen for both workers and capitalists, with the working class divided along racial and other lines. The present mobilization of white workers against other sections of the working class is dangerous. Only the concerted efforts across the entire working class — white and people of color, urban and rural, etc. — can change the political direction workers are headed. The danger for capitalists lies in the ongoing economic crisis. Workers surely are feeling it. Capitalism cannot stop the pain endemic to a system transitioning from industrial to electronic production, throwing millions out of work in the process, while millions more experience reductions in wages, standards of living, benefits while rightist policy turns shred the social safety net. Workers that voted for Trump come from sections of the working class most affected by these inexorable tectonic shifts, fostering this political shift to the right. It will not stop unless averted by the united political action of the working class fighting for the needs of the majority.

Thus, we are in a period of political realignment. The Republican and Democratic Parties are splitting. The Republicans are splitting into their Trump (right populist), Tea Party and mainstream factions. The Democratic Party is splitting into its progressive (Bernie) wing and a mainstream faction. The mainstream factions, which (barely) control the two parties, can no longer maintain the leadership they traditionally exercised. They were unable to even get their candidate nominated in one party, let alone elected in the general election. These are signs of the ruling class declining ability to rule in the old way, a condition fostering political revolution. Workers are becoming less willing to be ruled in the old way.

The entire left is shouts, "Don't mourn, organize!" The instinct is correct. A political organization independent of the corporations and the Democratic and Republican Parties is overdue and needs to be based in communities and in the workers' struggles on the ground, in the streets and the electoral process. It is unlikely a workers' party can be built now, although we need one. Presently, what seems more likely to emerge is a third party in the bourgeois mold. The idea that the Democratic Party can be reformed has to die. The Democratic Party is bought and paid for by the capitalist class. They aren't going to turn it over to anyone. The true left would have as much chance of winning over the Democratic Party as it would in winning over Microsoft to the revolution. It ain't going to happen. That said, work within and outside the Democratic Party is necessary to foster a split, a propitious condition for building a viable third party.

By the way, the Green Party isn't it. Facing an unparalleled opportunity to fill the void left by Bernie Sanders' meltdown, the Green Party was so sectarian leftist they won over virtually no one. This election was not the time for standing on a principled left position, but when it came time to lead the masses from where they actually were, the Greens weren't even in the ball park. Their vote — slightly over 1 percent — was just another third party run, less effective than many other recent third party efforts.

We are moving toward fascism, but we aren't there yet. The development of a police state is well advanced. It appears that the capitalists are more aware of the danger of a mass movement by the workers than either the workers or the revolutionaries themselves. The apparatus is in place and is used at every juncture. We can be sure any movement by the workers in their own defense will be met by force: naked and brutal. If they cannot corral workers into a fascist front, then they will use the police and military.

Elements in the ruling class have already begun to rein in Donald Trump, and have him surrounded. He has the Executive bureaucracy, the military, Congress and the Supreme Court to deal with (given that he gets to appoint some Justices). Congress is controlled by Republicans and will attempt to work with Trump. This may have the effect of moderating his extremism. He also has to deal with the media, state and local politicians and political reality. The early calls to impeach him, based on a new McCarthyism, may him do him in yet. We will see. These realities are before us. The role of revolutionaries is to study and act. We cannot move forward without a clear understanding of theory. I believe the theory we need to develop must be rooted in Marxism. We need to understand the current situation, see its dangers, learn from the past and see the way forward. There is no surer action of international solidarity than to have the workers gain political power in the United States. We are in the situation we have been waiting for. We have a world to win!

15-Year Decline in U.S. Working Population Demonstrates Need for Large Scale Employment and Income Distribution Programs

Ron Baiman

If we are to overcome the severe economic and environmental challenges that we face in the coming years, the new administration will have to (at least push for) far reaching public policy measures commensurate with the profound existential problems that we and the planet face in the second decade of this millennium. The Trump administration offers little to hang our hats on.

The Figures below track percentage changes in Emp/Pop ratios relative to its immediate pre-recession starting ratio for each post-war recession, identified by its official "trough" date.

Figure 1 shows:

a) Unlike any prior post-war recession, the 73 month expansion out of the Nov. 2001 recession left the Emp/Pop ratio in Dec. 2007 2.48 percent *below* where it had been prior to the start of that recession. That 73 month expansion, the longest post-war expansion until that time, ended in Dec. 2007 about when the current June 2009 "Lesser Depression" began.
b) From this 2.48 percent lower starting point, the maximum 7.28 percent (Nov. 2009) decline in the Emp/Pop ratio due to the Lesser Depression was by far the most severe of all the post-war recessions, and the current 88 month expansion from the official June 2009 trough of the Lesser Depression is already the longest expansion, and the longest period of not recovering the pre-recession Emp/Pop ratio, of any post-war recession.

c) As of October 2016, the Lesser Depression Emp/Pop ratio has recovered only 2.45 percent from its maximum Lesser Depression decline of 7.28 percent , and has recovered only 0.36 percent in the last year, strongly suggesting that, as occurred with the prior November 2001 recession, the next recession will begin before the Lesser Depression recovers its pre-recession (December 2007) Emp/Pop ratio.

d) As of October 2016, the Emp/Pop ratio has thus declined by 2.42 percent (December 2007) plus 4.78 percent (October 2016), or by 7.20 percent relative to its March 2001 level at the start of the Nov-01 recession. This means that in Oct. 2016, 11.5 million *fewer* people were employed relative to the population than in March 2001. Moreover, as noted in c), the current expansion has been raising the Emp/Pop ratio so slowly that it is likely the next recession will begin at a lower Emp/Pop ratio than the December 2007 starting ratio for the Lesser Depression.

All this implies that without a major increase in employment, a larger share of the US population will be dependent on the production of the working population than at any time in in the post-war period. This in turn suggests a need for a significant increase in employment and resources from those who are employed to those who are not. This redistribution requires large increases in social security, retirement, childcare and family support, and other, mostly public programs, to redistribute resources across generations, across families and individuals.

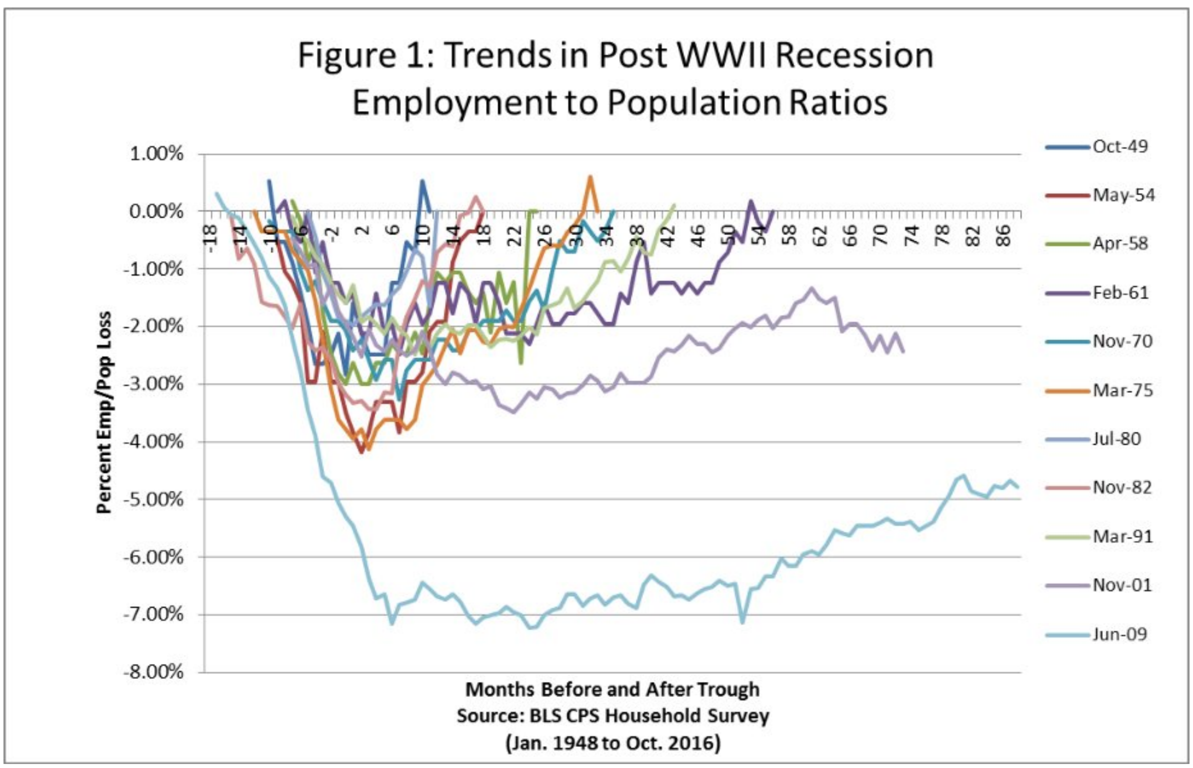


Figure 2 below repeats the analysis of Figure 1, but does so within population cohorts of ages 16-24, 25-54, and 55 and over, whose shares are held constant at October 2016 levels to remove the effects of changing demographics over the post-war period. For example, this eliminates the impact of an increased over 55 population share that is likely to reduce the overall Emp/Pop ratio.

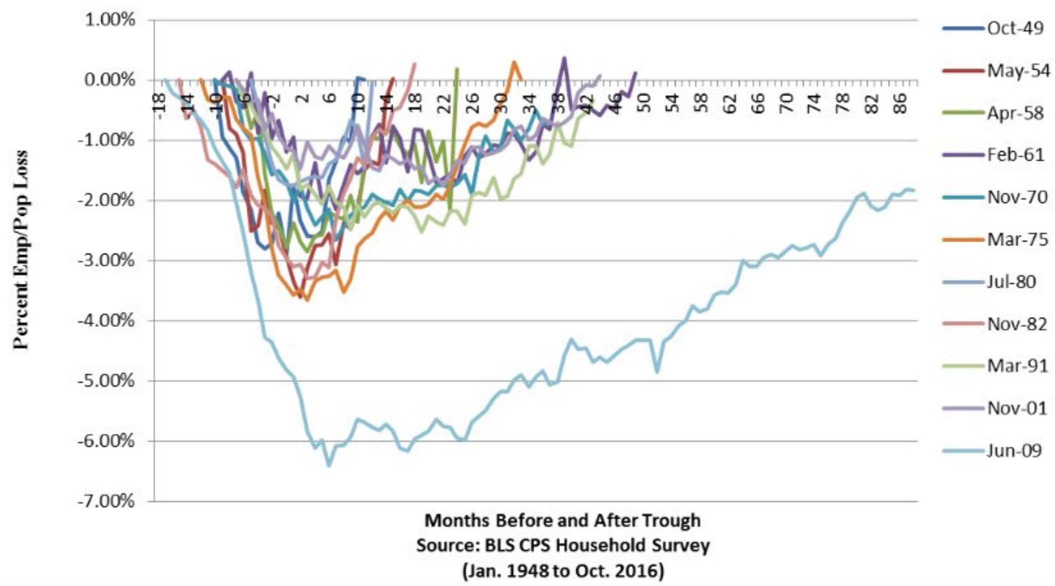
Figure 2, shows that after controlling for population demographics:

e) The Lesser Depression is the *only* post-war recession that has not come close to recovering its demographically controlled pre-recession Emp/Pop ratio within 49 months of its official "trough." The only prior exception was the November 1970 recession that raised Emp/Pop to within -0.68 percent of its starting level before the next March 1975 recession began. The Mar-75 expansion then raised that raised Emp/Pop back up to above prior levels.

f) After 88 months of expansion out of the official June 2009 Lesser Depression "trough", even after taking demographics into account, in October 2016 the Emp/Pop is still -1.84 percent below its December 2007 level.

g) This translates into an employment level almost 3 million less relative to population than then would have been the case at the December 2007 Emp/Pop ratio, and demonstrates an urgent need for employment programs and large scale retirement and redistribution programs, as discussed above to provide resources to the entire population.

Figure 2: Trends in Post WWII Recession Employment to Population Ratios Assuming Population Age Cohorts (16-24, 25-54, 55 and over) Fixed at Oct. 2016 Shares



In short, large scale employment and distribution programs such as the CPEG jobs program are required if we are ever to achieve mass prosperity, especially if we consider that even November 2001 was not a full-on employment or zero poverty economy. These considerations, of course, need to be overlaid on the massive economic transition that needs to be undertaken if we are to avoid planetary existential collapse. In addition to large scale industrial policy and managed trade policies, the publicly funded share of our economy will have to dramatically increase, if we are to achieve mass prosperity and avoid environmental catastrophe in twenty first century and beyond. Radical, far-reaching economic policy is not an option at this point, it's a necessity.

The 2016 Presidential Election: Voting and Political World Views

Bill Barclay

Clinton Won

The winner of the 2016 presidential election is going home; the loser is going to the White House. Yes, that's right: Clinton received more votes than Trump. We have to insist on this reality.

We have to insist on this reality, not because we do or don't like Clinton, but because we need to start – now – on making Trump an illegitimate president: so he serves only one term. We have to insist in this reality because D.C. insiders such as Paul Ryan are already speaking of a "mandate." Yet Trump will be only the fourth president elected with fewer votes than his opponent. We have to insist on this reality because, while a president was elected with a minority of the vote only twice between 1850 – 2000, it has now happened twice in the last five presidential elections.

The Voting Demographics - 2016

What were the parameters of vote distribution that determined the Electoral College outcome in Trump's favor? First, there was the largest gender gap since exit polls began: 24 pts.[1] Clinton won women by 12 points and lost men by the same margin. But the gender gap is not what many understand it to be: Clinton lost white women by 10 points, doing a little bit better than Obama's 14 point loss in 2012. She did, however, win white women with a college degree, probably the first time for a Democratic presidential candidate since Johnson in 1964 (he was also likely that last Democratic presidential candidate to win the majority of white women voters). Clinton actually improved over Obama in states such as California and Massachusetts

The difference for Clinton was also not really a composition of the turnout problem. Whites were actually a slightly lower share of the electorate in 2016 than 2012, African-Americans were also slightly smaller while Latinos were up slightly. A slightly poorer performance across a range of voting groups that cost her an Electoral College victory. She won unmarried women and men (barely in the last case) and even married women. She won African-Americans and Latinos, voters under 45, and voters from households with incomes below $50,000. It was not the poor who turned on Clinton; it was the Trump voters with incomes higher than average (and higher than Clinton voters) who worried that the "American Dream: is no longer reserved for whites." But, in each case she underperformed Obama's 2008 and 2012 results just enough to lose crucial swing states.

What else can we learn from the 2016 election basics? I think there are two important realities that we need to understand. First is what Elizabeth Drew labeled "the [troubling] ignorance of the electorate."[2] When only one in three Americans can name the three branches of government; that is cause for concern. But when in a 2010 survey, less than 40 percent could correctly identify the party in control of Congress; that is alarming.[3] Second, sexism is alive and well among as large portion of the electorate. This is implied when looking at the gender gap in greater depth: it is essentially a white voter gender

[1] https://www.washingtonpost.com/news/wonk/wp/2016/11/09/men-handed-trump-the-election/

[2] http://www.nybooks.com/articles/2016/11/10/on-the-election-ii/

[3] https://www.washingtonpost.com/blogs/govbeat/wp/2014/09/18/only-36-percent-of-americans-can-name-the-three-branches-of-government/

gap. The gender gap widened, but not because Clinton significantly increased the share of white female voters supporting a Democratic presidential candidate. Instead, the share of white male voters supporting her declined sharply from Obama's 2012 performance. And many voters believed accusations against Clinton, absent any empirical basis while at the same time giving Trump a pass on much more serious – and well-documented – flaws. Third, identity politics are also alive and well. Whites vs non-whites, women vs men, youth vs old. And finally, the fickle five percent is always a problem in country so closely divided. Trump carried – and carried heavily – the significant share of voters who were unable to make up their minds until the last eight weeks of the campaign.

Speculating on the Meaning of the 2016 Election: The Antinomies of Liberalization

Everything I've written to date is easily found by rummaging through the web. But now, let me speculate a bit about the larger picture. How do we understand the 2016 election?

There are (at least) two striking features of this election: the amazing success of an obscure senator from Vermont and the election of a "Republican" who ditched many of the cherished conservative shibboleths, such as free trade and balanced budgets.

Then former came close to getting the Democratic nomination, while the latter became the GOP nominee and president. Both were "outsiders" in the parlance of our rulers. So, why did they both do well?

The popular explanation on the left is a rejection of neoliberalism. In fact some leftists have claimed that only Clinton was a neoliberal candidate.[4] However, like Mark Twain's, I think the death of neoliberalism is greatly exaggerated. Trump accepts and actively promotes most of the core economics of neoliberalism: wages are too high, the minimum wage is harmful for US competitiveness, unions are an obstacle to economic competitiveness, and deregulation will produce economic growth.[5]

Rather than a critique of neoliberalism, Trump's politics are a combination of economic nationalism and social conservatism. In this political combination he differs from Thatcher, Blair, and Cameron as well as Bill Clinton and Obama. Thatcher, often seen as the leading figure in the emergence of neoliberal world view, combined economic liberalism (in the 19th century sense of the word) with social conservatism. Blain, Cameron and Clinton added social liberalism to economic liberalism.

The parts of the neoliberal policy framework that Trump rejects are free mobility of labor across borders – his anti-immigrant politics – and, perhaps because he ran a largely fact-free campaign, his positions are not always clear – free international movement of goods and services – his attack on the TPP, China, etc.

Trump's election, or even if he failed to win, his strong support, when coupled with the Brexit vote, may indicate we are at or near the end of the most recent era of globalization. Just as WWI and the Great Depression ended the globalization of the 1870s – 1920s, the financial panic of 2008 and the Great Recession may signal the end of an era as wel. If I am right, politics will become more challenging, while also offer new possibilities.

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[4] http://www.democracynow.org/2016/7/18/why_a_member_of_the_democratic

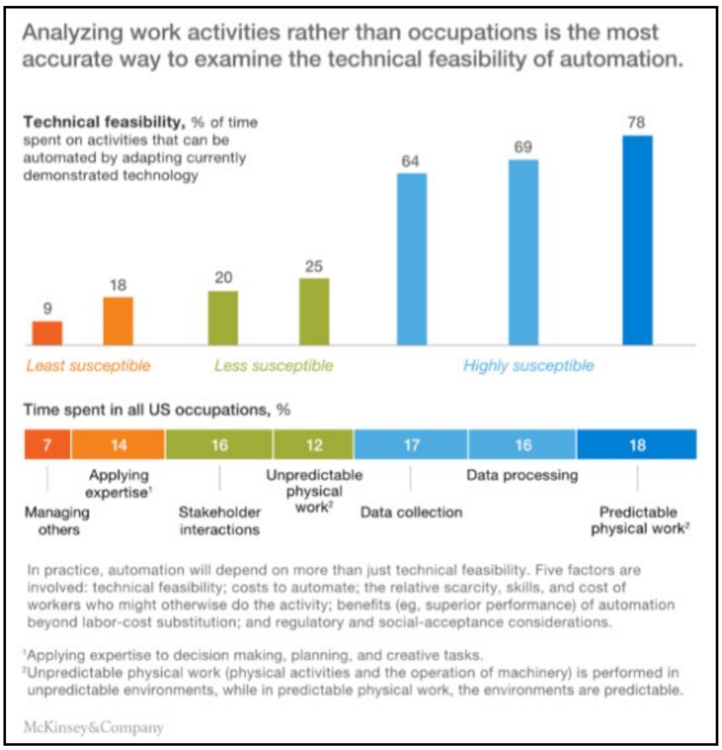
[5] Bill Fletcher makes this point clearly in one of the best short analyses of the 2016 election I've seen: http://billfletcherjr.com/2016/quick-reflections-november-2016-election/

Technological Change and the Future of Employment

Bruce E. Parry

We are in the midst of a technological revolution in electronics, which has influenced every branch of science, technology and the economy. It has led to revolutions in communications, bio-technology, materials, robotics, transportation, artificial intelligence and numerous other areas. It has given rise to the Internet and World Wide Web, which are revolutionary of themselves. It has affected virtually every aspect of production and distribution of goods and services in the economy. This technological revolution has transformed our everyday lives. (See, for example, Brynjolfsson and McAfee, Schwab, and Ford).

A major question that has arisen about this technological revolution is whether the new technologies are labor-replacing. That is, as a result of computerization, robotization, new organizational forms based in the new technologies and all the other changes computerization has wrought, are there fewer jobs, or has the new technology created more jobs in other spheres of production that compensate for automation-related job losses?



A number of recent studies point to the jobs lost and to be lost as a result of automation (See, for example, Frey and Osborne, Arntz, Gregory and Zierahn, Hicks and Devaraj, and Chul, Manyilca and Miremadi). Hicks and Devaraj show that 88 percent of the job loss over the past decade has been due to improvements in technology, and just 12 percent due to offshoring. Chul, Manyilca and Miremadi investigated more than 2000 activities that are part of 800 occupations in the United States. They found that while very few occupations will disappear, about 45 percent of all activities workers perform will be subject to automation over the next decade. As their exhibit shows, they have divided occupations into seven categories and arranged them from highly susceptible to automation to least susceptible. For example, predictable physical work constitutes 18 percent of the activities workers perform in the economy and 78 percent of those predictable activities could be automated over the next decade.

New technology will be adopted at the firm or plant level if it improves the firm's profitability. Individual capitals or firms are forced to continually improve their technology by competition. If competitors can produce the commodity at a lower cost of production, they can undersell the market and reap extra profits. Ultimately, to stay competitive, every firm in that sphere of production is forced to adopt the new technology. The essence of the new technology is that it is labor-replacing, cutting costs for the firm and thereby making their commodities cheaper. This leads to a fall in overall manufacturing employment and an increase in both unemployment and underemployment on a national level. But this phenomenon is international as well (See Parry and Brody). China, for example, leads the world in implementing robotic technology.

Effect on Employment

This process generates permanent unemployment. Contemplate the effect driverless vehicles will have on the economy and society. This development will force millions from their jobs. A huge number of people are employed driving vehicles in this country. This group includes truck drivers, cabbies, workers who drive from site to site, Uber and Lyft drivers, etc. It will not happen at once, but over a decade or two. Nevertheless, it will mean unparalleled social upheaval. Already, two billion people on the planet, about one-third of the population, live on $2 a day or less. This includes people in the US.

There are countervailing forces keeping this process from developing as fast as it otherwise might. First of all, everyone needs money to live, so we are seeing a shift from well-paying manufacturing jobs to retail and service jobs which pay less. We are also seeing an increase in the informal economy, including the criminal aspect.

Further, firms will not adopt the technology if the cost of labor is sufficiently low that the cost of adopting the new technology is greater than the savings. This, of course, depends on the relative scarcity of the labor, the skill level necessary to do the job and the actual wage rate. Additionally, the benefits of automation have to be considered: machines may be more accurate, perform tasks at a greater speed and be employable without breaks, shift changes, vacations and other absences. Finally laws, regulations and social acceptance of robotics are factors. The laws and regulations governing driverless cars vary from state to state and between the federal government and states. In the medical field, it is hard to believe nurses, many of whose tasks could be automated, will be replaced by robots; patients would demand human contact. The same applies to education. (see Chul, Manyilca and Miremadi).

There are factors that slow the trend toward permanent unemployment at the macroeconomic level. The revolutionization of agriculture has driven millions from rural areas into the cities. These people are forced to work, mainly in retail and service sectors. In the former socialist countries, many state owned enterprises are being privatized. Additionally, across all countries, the provision of water, waste removal, education and other public services are being privatized. That means services once provided by public entities have become profit-making enterprises. And finally, in the neocolonial world (but not only there), natural resources have been taken by treaty and/or theft. All these phenomena lead to increased employment in previously unexploited areas. In the major imperialist countries, like the U.S., fracking and other extractive technologies have played the same role.

Social Effects

Despite the counteracting tendencies, the social effects of these processes are profound. Capitalists will not pay to support those they do not need in production for profit. This explains the rightward shift in politics over the last 30 years: the continual attack on the social safety net with the attendant decline in standards of living for the majority. It is the phenomenon of better off people — the middle class — being forced into the working class (the 99 percent), with working class standards of living. It also explains the attack on and defeat of unions, which has also led to a declining standard of living.

Further, it is behind the growing income inequality. Poverty at one pole is equaled by wealth at the other. The growth of fully automated plant and equipment, computerized and robotized, is the essence of the technological revolution. But the prices of computers and all the computerized components of production — including robots — have been falling for years. This means increasing wealth for the producers that use them and for those who make the computers and other components. With the Internet, this is leading to untold individual wealth, such as has never seen before.

Conclusion

Technological change is leading to growing permanent unemployment and underemployment across the globe. Capitalism is therefore capable only of supporting a smaller proportion of the population, as it needs fewer workers. That means that people, 99 percent of the population, face two choices. The first is to allow society to continue as is with a growing police state and security apparatus to control increasingly restless populations. This process is already well under way. The alternative is to change the system of production and distribution of goods so that goods and services are made available on the basis of who needs them, not on the basis of where they can be sold for profit. We must work to change society! The choices are in our hands!

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