

**PIERRE ALLARD**

***Crisis  
and  
beyond***

**SECOND EDITION**

*Fondation littéraire Fleur de Lys*



***Crisis and beyond***



**PIERRE ALLARD**

***Crisis and beyond***

*Fondation littéraire Fleur de Lys*



*Fondation littéraire Fleur de Lys*

Published by La Fondation littéraire Fleur de Lys,  
First non-profit French language editor on the Internet.

44, Chabot, Lévis, Québec, Canada. G6V 5M6  
Electronic adress : [info@manuscritdepot.com](mailto:info@manuscritdepot.com)  
Internet site : [www.manuscritdepot.com](http://www.manuscritdepot.com)  
Telephone & Fax: (418) 838-0890

All rights reserved. No part of this book may be used or reproduced in any manner whatsoever without written permission except in the case of brief quotations embodied in critical articles and reviews. For information address Fondation littéraire Fleur de Lys, inc., 44 Chabot, Lévis, Québec, Canada. G6V 5M6.

Available in numerical version and paper.

ISBN 2-89612-116-1

© Copyright 2005 Pierre JC Allard

Legal deposit

National Library of Quebec, 2<sup>e</sup> trimestre 2005

National Library of Canada, 2<sup>e</sup> trimestre 2005

Printed in Canada







To America, with love,  
on its 211th birthday.



## TABLE OF CONTENT

FOREWORD .....	15
BOOK ONE - GOODBYE, HOMO FABER.....	19
INTRODUCTION .....	21
THE PERVERSE CRISIS .....	25
1. After the Curse.....	26
2. The third-class ticket.....	35
3. The workaholics' backlash .....	57
4. The 13-figure bum cheque .....	68
QUEST FOR LEISURE .....	79
1. top-dogs and pack-hunts .....	81
2. The rise and fall of biomachines.....	89
3. Second debut.....	96
4. The great equalizer.....	110
5. The ghost of global glut .....	122
6. Fight or flight .....	136
7. The grand strategy.....	148

THE NULL-P. ORBITS .....	157
1. Courtship and deception .....	158
2. The rape of the stubborn customer.....	166
3. Symbiosis.....	173
4. O.T. in orbit.....	188
5. The epsilon drive.....	201
6. Hyperjobs.....	209
7. The last swing of the pendulum .....	221
8. Helots from cybernia.....	229
BOOK TWO - NEW RULES FOR A NEW GAME	235
INTRODUCTION .....	237
RULES OF NECESSITY .....	243
1. The creative imperative.....	244
2. Gambit on leisure.....	255
3. Shoulders to the wheels .....	266
4. Challenge of anarchy .....	278
5. Negentropy.....	289
6. Deal with the octopus.....	298
CLAUSE #1 .....	311
1. The smart matchmaker.....	313
2. The pragmatic teacher.....	326
3. The vicarious trainer .....	335
4. The fair broker .....	348
5. The demanding provider.....	363
6. The discreet angel .....	379

NEW SHAPE OF CORNUCOPIA.....	395
1. The way of momentum .....	396
2. Santa after xmas .....	403
3. Boardrooms, big and small .....	411
4. The great buyer's market .....	424
5. The crafty magician .....	438
6. The treadmill approach .....	449
7. Wealth in motion.....	460
CONCLUSION.....	471
ABOUT THE AUTHOR .....	479



## FOREWORD

This is a book about work, mostly about the absence of it; it deals with the end of the Age of Toil, a once-in-evolution crisis. I have been thinking about this book for about twenty years; finally, I got rid of most notes and figures and set it down in eight weeks. It is not meant as a work of art, but as a call to action.

Not a work of art, not a research paper either. I am not trying to describe the present situation and argue that there is a problem; I take it as an article of faith we are all aware that there is one, and my purpose here is to deal, not with the what, but with the why of our present troubles... and with the how of a solution. Consequently, although there are plenty of statistics floating around to sustain the conclusions of this book, I will concentrate on the principles, causal links and relations involved rather than the numbers.

Figures will change with time; indeed, they will have changed by the time this book is published! It is my contention however that, from now on, all figures will substantiate the same conclusions until we heed this call or a similar call to action .

On final approach, I got rid also of nearly all quotations from authors, living or dead. This was not to deny the influence of such as Galbraith, Illytch, Theobald, MacLuhan, Parkinson, Maslow and others — I will allude frequently to their works and make use freely of the concepts they made popular — but what I had read and found interesting became so enmeshed in my own thoughts that I would have been afraid not to give everyone his due. I hasten to add, however, that I claim no other originality than that of putting it together and proposing a solution.

Bowing to the giants, I prefer on the other hand to do without the authority of quasi-celebrities from far-away places; this book is not a digest and does not rely on Authority. I have read too many books recently that are merely collections of some out-of-context utterances and quotes from obscure Professors Smiths and Doctors Fu-Manchus who happen to agree that the Fountain of Youth, or what-not, is on the far side of the Moon. I did find out that most of them were not easy to reach over the phone and that, when tracked down and really hard-pressed, they would, more often than not, qualify the original quip and turn it into something more palatable but totally uninteresting.

No quotations, no statistics; this book is a call for action. In simpler times, it would have gone to the Pope, or the Prince, with an exhortation. Nowadays, it is not so easy to identify, in the “technostructure” of the Global Village, those who can really make things happen; the sheer mass of the system dwarfs leaders, tycoons and gurus to the size of powerbugs, who may crawl and gnaw, but will not change the tack or momentum of our society unless there is a huge public demand for change. So, this book goes to you.



It will need friends... I have been told that it might be unwise to explain things bluntly, in the manner of this book. Our civilization, though, has produced, by far, the most educated people ever. If any people ever had a claim to be able to face the truth and make a choice, it is certainly today's citizenry of America and other Western Nations. Fundamental changes are about to occur in our society; they will happen sooner with strong popular support, and if the people manifest their will to change. So let's open up.

Traditionally, a call for action will antagonize only those who resent change, any kind of change. However, because this book has no culprits to blame for our present predicaments, because the story it tells has no obvious villain and because it calls for an orderly change of our society, it is bound to come under attack also from those who believe that there is no possible change but THE change, in accordance with Marxist Scriptures; they will say that this book is "simplistic" and that its theories have been "exploded". You make your own judgment.

P. A.

Fourth of July, 1987



**B O O K   O N E**

**GOODBYE, HOMO FABER**



## INTRODUCTION

*WORK. In the beginning was the Curse, and “work” may contend to be the first of all four-letter words. Then, anthropologists inform us that one hundred thousands years ago — give or take as many millennia as you feel inclined to — Homo Sapiens, “Man the Thinker”, took over from his cousin Homo Faber, “Man the Worker”, and began to rule this planet for better or for worse. We, the Smart Guys, joyfully awakened to abstract thought and began to outwit rather than outdo our lesser brethren.*

*Then and there, the story goes, our ancestors’ jaws relaxed, their posture became more erect, and they picked up hobbies, like cave-painting, showing the same external signs of happiness as modern man whose day’s work is over. The feeling of elation was both sensible and familiar; we may work to obtain a result, but work per se is absolutely distasteful, and efforts that bring their own reward are known by other names than “work”.*

*The good feeling was a little bit premature. From stones and bones to copper and iron, from tools to machines, the quest for “time to think” and work-saving devices had to go on for roughly 99,960 years — give or take those loose millennia in the beginning — before a significant number of us, Smart Guys, could really obtain a modicum of leisure. When we finally did, it was our luck to realize, all of a sudden, that it was unemployment — the absence of work! — which had become the problem. And quite a problem: thirty five million (35,000,000) unemployed in the late Eighties in the Western Industrial Nations — (WIN’s, for short), a figure very likely to double in the next fifteen years. Now that victory was ours, that the days of drudgery were done with and that we were more than halfway back to Eden, CRISIS!*

*A nonsense crisis of “no-more-work-to-do”, while there were still obvious needs unfulfilled and so many wants and desires which remained unsatisfied. No more work to do? It certainly does look that way. Unemployment is a useful catch word, but it is merely the tip of the iceberg; it is work itself, it seems that slowly disappears. It is important to become aware that the time has gone for good when “sweat and toil” was everything for most everybody. Most people now do not work at all anymore, and those who still do are not at it very long.*

*Today, less than 60% of the “active population” — that is people 16-years old and over — even belong to the “labour force”, meaning that the other 40% do not bother to look for work at all. Few of those who still are obliged to work do so more than 40 hours a-week (roughly 25% of their time) now, compared to some 80 hours — and more! — almost everyone had to deliver weekly until the late Nineteenth Century. To put*

*it more descriptively, if all able-bodied Americans sixteen-years and over would share equally the burden of work today in the U.S., each of them would have to work only **23 hours a-week**.*

*This is the United States, of course, but the situation is not much different in other Western Industrial Nations (WINs). In Canada, for instance, where statistical whims have youths join the active population at fifteen rather than sixteen, it is 21 rather than 23 hours a-week that the average citizen would have to work, to produce all the goods and services now available.*

*And then, there is work... and work. When those who still work are still at it, they are not working that hard either. Remember the old ballad, about the “Sixteen Tons” of coal that miners used to have to load daily ? We have come a long way indeed from the days of sweat and toil, and these 23-hours a-week of work are not loading coal either. Not by a long shot! In most cases, the activity of today’s common worker is so undemanding, physically, that it is only remotely related to what our forefathers used to consider real productive work. The tools have changed.*

*Not only have the tools changed, but so have the goals and targets of work. Let’s take the industrial production of all manufactured goods; then, add agriculture, fishery, forestry, construction, mining... Don’t you have about all there was to “work” a century ago ? Surprise though! Now, all these activities together provide employment for only one worker out of three; the two others are busy with the production of services and “intangibles”. So, if the workload were spread equally, each able-bodied American over the age of 16 would have to put up only **8 hours a-week** to produce all these tangible goods that we consume, fill ware-*

*houses with, and export to the world. And it is the same all around the world; although “unemployment” is the social drama that raises eyebrows, it seems that it is “work” itself which has quietly faded away.*

*The Age of Toil is over.*



# I

## THE PERVERSE CRISIS

*Hosanna ! Hallelujah ! We should fall on our knees and thank the Lord that the Curse has been lifted. And yet "Here there be tygers": unemployment and its sequel of poverty, social unrest, world debt, inflation, stagflation and underdevelopment. Our civilization has the honor of coping with the most insidious crisis in the history of Mankind. Not the worst, mind you, not the cruelest of course, but the most perverse in that it is the anticlimactic result of ten thousand years of splendid efforts to free ourselves from the Curse, culminating in two centuries of unmitigated success.*

A perverse crisis will produce strange results and create topsy-turvy threats. The race is now on to move out of the crisis and beyond, before we are destroyed by any of three major threats which we face, each of which would have seemed bizarre to people of past generations. The paradoxical threats to which our society must react include a "leisure" class which might revolt against its exploitation by the working class..., excess "wealth" which might cause global bankruptcy..., and

“winners” so dejected that they may throw in the towel for good !

## 1. After the Curse

After the Curse, the Crisis. First of all, let's summarize the situation and face the truth: jobs will not be back. We are deluding ourselves if we believe that some clever political hodge-podge will bring back full-employment in the near, or even the remote future. Although a huge part of the work we are still doing is unnecessary, and is performed mainly for the sake of providing more employment, “work” today only fills about *one fourth of the time, of about one third of the population*. In spite of all our efforts, the relative importance of work, as a human activity, is decreasing steadily in our society. It is unrealistic to think we will manage to keep down unemployment even at its present relatively low level! The Age of Toil is over.

### *The trouble with Plenty*

Where would we create jobs ? Let's look first at the industrial sector. Prospects for job-mongers are bleak indeed in industry and, barring total war or a major catastrophe, nothing shall reverse this situation. To begin with, we do not need just more production. In the U.S.A., between 15% and 30% of the industrial productive capacity remains unused at all time. There are still individual wants and even sufferings in our society — and the policy in this case is to apply individual remedies — but the truth is that, globally, we have achieved freedom from want: there is basically no shortage, in a Western Industrial Nation, of anything that our present technology can produce. We may

disagree with our distribution pattern or wish for a readjustment of our production objectives, but we do not need just “more production”.

A very good thing, too, that we don’t need more production, since many amongst us believe that our available natural resources would not sustain a large increase in production. The “Club of Rome”..., “Limit to growth”..., “Small is beautiful”..., a large segment of the population believes that the production game is literally running out of fuel, and that we cannot afford to maximize anymore, but must now optimize production. Whether we agree or disagree with this view is immaterial to our argument; what matters is that we cannot even *pretend* any longer that we need more goods, and go on increasing production merely to provide employment; the presence of the very vocal environmental lobby would prevent such a policy.

A third reason there will be no more jobs in industry is that, should we close our eyes and go on trying to produce more just the same, it would hardly create more jobs anyway. Should the State kick the trend and insist on creating jobs in the industrial sector, these “jobs” would not be for men or women, they would be for machines. Why ? Simply because human beings cannot compete with machines for the type of repetitive jobs which are the core of the industrial production system.

This begs for a word of explanation. The problem with human labour is that the more production increases, the more global income must be made available to workers to buy this production and keep the system operational. Therefore, the price of labour must be allowed to increase roughly in proportion to the growth of the economy. Machines, although they consume some resources, are not prospective customers

and must not be given extra income to match their extra production. So, the cost differential between machines and manpower grows steadily wider, quite apart from the intrinsically greater efficiency which machines may display to begin with.

The consequence is that using manpower rather than machines, in any industry, drives prices up in this industry and encourages consumers to switch to substitutes from machine-equipped industries, providing all the necessary incentive for the continuous development and introduction of new machines. More machines mean more production, more production begs for higher levels of consumption and higher prices for labour... and the use of labour, as a factor of production, becomes less and less attractive. There is no reason at all for it to stop.

Neither should it worry us: it is good news. Human labour, in industrial production, is not only less and less productive, it is also somewhat abusive. Let's make a comparison. You have heard about *psychokinesis*, the moving of objects by mental energy ? In one specific experiment, in Russia, a woman was reported to have concentrated intensely for hours to move a milligram of matter over a millimeter..., and to have lost seven pounds during the exercise. Many people do not believe in psychokinesis, but this is not the point we want to make — (after all, if you think about raising your arm it does raise, doesn't it ?) — but rather that it does not seem very efficient, anyway, to lose seven pounds to “think” an object away when, with little effort, you can think your arm up and use it to move the object as you like. The human body, in a sense, is the grand-daddy of all machines which have been put at the disposal of the human mind.

The same way we would abuse our mind if we should renounce the use of our body to displace light material objects in ordinary circumstances, so do we abuse our physical body if we renounce tools to displace heavy material objects... and so do we abuse the worker when we “use” him to do things that machines can do. At current prices, the physical energy that a human body can generate is not worth the price of the food to keep this body moving; seen as some simple 1-h.p. “bio-machines”, we human beings are definitely obsolete. We are obsolete also to make repetitive operations and to make stereotyped decisions. We are obsolete in most functions related to mass production.

More technology will lead to a steady decline of the need for human work in industrial production. There is no way that a significant number of people will revert to “toil and sweat” in factories.

### ***Above the Prestige Barrier***

It is hardly news that the industrial sector does not offer much hope for more employment. After all, the proportion of the labour force working in the industrial sector has declined steadily for forty years! But what about producing more services ? Our planners often tend to emphasize the superiority of the “solid jobs” created in the industrial sector — which is normal enough since we have been trained to think that the mass production of industrial goods represents our standard of living — but still, couldn’t we keep everybody at work in activities that do not result in the production of material goods ?

The answer is: we sure tried! The displacement of workers from Industry to Services has been the greatest social move in history, with over 25 million workers of

a single generation (1950-1975) in the U.S. putting on a brand new white collar. In addition to really useful new services, we have been creating also an awful lot of “*Fake work*” — (paper-shuffling and inconsequential jobs for the sake of employment) — over the last few decades, so this is not a very original thought either. Why not go on and create more ? This approach seems to be doomed, for three reasons.

The first reason fake work does not offer a long-term solution, is that workers do not want to fill these jobs anymore. It is a normal human reaction to resent jobs that could be done by trained monkeys, and this natural tendency has been exacerbated by a major attack on our population of what we might call the “College Blues”. The education we give presently is far from perfect, but we give a lot of it. We have a society more educated, by far, than any society has ever been before, and the young “scholars” we produce for the labour market simply do not accept fake work anymore. A rejection reflected in the high value that workers attribute to job significance in motivational surveys. Fake work brings about absenteeism, general neglect of duties, a negative attitude about work, and all the other symptoms that so worry our industrial psychologists and to the dire consequences whereof we will come back a little later.

The second reason is that those who still do real productive work grow more and more restless about fake work projects which they feel — quite rightly — are all sponsored with their taxes. Workers in the United States have less real purchasing power, now, than the workers of half a dozen countries in Western Europe. Intuitively at least, the message is not lost on the workers; the so-called “Right” in America is not composed of millionaires, but of blue-collars who are

not against the “poor” but just tired of all the fake work, make-believe jobs and sheer nonsense.

The third reason is that not only will most of the jobs in the industrial sector soon disappear, but that modern technology also tolls the knell for paper-shuffling jobs in the third sector: most of these can now be done by computers. We may try desperately to keep these jobs alive by pretending that they cannot be done that way, but this will fail for the same reason that the primitive labour-intensive alternatives enforced in the industrial sector to create employment had to fail: the employer who uses human beings for paper-shuffling that can be done by computers will not remain in business.

What else ? Has work disappeared forever ? Of course not! What we call “work” is the effort towards a result, and it cannot ever be a scarce commodity until the last of our wants is satisfied and the last of our wishes is granted. There has always been — (and it seems reasonable to believe that there shall always be) — an infinite amount of work to be done. The concept of a global shortage of work is absurd. It is simply that what used to be called work is now being done by machines, and that what work remains to be done is now to be found only above a mobile threshold, a “Prestige Barrier” which separates work that requires human ingenuity, “above”, from the growing mass, “below”, of activities that machines do or could do. We must realize that the only haven left for manpower today is in that part of the third sector that lies above the Prestige Barrier.

It is a spacious haven, a sector in which we are far from the affluence we have attained in the field of industrial production, and in which the demand appears inexhaustible. There, we may find an infinite amount of

needs to be satisfied and of wishes to be fulfilled, needs of which we are not even conscious, needs not only unsatisfied but as yet unidentified. There, the labour force would find no dearth of work to do.

The problem is for the millions of workers to jump over that Prestige Barrier: the work crisis we live through is nothing but the queueing up in front of the Barrier, and the anxiety before the jump. There is work to be done above; but work above the Prestige Barrier does not mean work in the manner we have been accustomed to think of "work"... and, most serious of all, it does not mean "jobs" at all.

Later, we shall see why what work now remains to be done does not fit the job pattern anymore, and how work will tarry with us but will get to vest a new shape. At this point, let it be said only that fake work will not turn the trick. Jobs disappear, and the transition to a new work style above the Prestige Barrier brings unrest and angst to individuals, social and economic turmoil to society.

### *The Work Dope*

We are living through a transition crisis and there are, in this process of transition, threats and turmoil in excess of what we might have guessed. It is a perverse crisis, indeed, which has us all crave for work when the original and natural quest of mankind has always been for leisure. It is enlightening to remember that the present love affair with work and employment is quite recent and that, all through history and until the Nineteenth Century, work was not endowed with that much favor in the public eye.



As a matter of fact, great rulers who managed really efficient full-employment policies — those who built for instance the Pyramids of Egypt or the Great Wall of China — avoided popular wrath only by putting the blame on Divine Will or foreign foes..., and by keeping strong security forces of their own. They sometimes held to dear life, but then their children, or great-grand- children, were usually beheaded, or treated more harshly, as soon as the labour force could enjoy a moment of leisure to sharpen its tools into something that best fitted its aspirations.

Work has never been very popular. Why such a fuss now, if it should slowly disappear ? Who cares to work in the first place ? “For the money”, they say. We are presumed to be interested in the income and to still despise work, as always. Were it not for the money, they say, we would all rather go fishing... But this does not have the ring of truth. Are our motives really so transparent ?

When jobs began to disappear, a generation ago, all WINs have put into operation comprehensive systems of transfer payments, and welfare policies that have practically replaced for non-workers the traditional “job-for-salary” way to make a living. Transfer payments are not perfectly equitable, of course, but neither was the salary approach for that matter, and the financial conditions of Social Welfare are rather competitive with minimum wages. Today, for a large number of people, gratuities from the State have replaced wages and salaries as a source of income. Poverty and squalor are still with us — and the global gap between the “Haves” and the “Have-nots” still alternatively narrows and widens in our society — but now the flux obeys other rules than simply to work or not to work.

Why not go fishing, if money is showered on both the busy and the idle ? “Money” does not explain everything... There is the matter of self-respect of course, and we shall come to it later, but also a craving for the work itself, whether or not it is essential to provide an income. Surprising ? Not really; there has been more to work than just producing things and distributing income. Work is not only the mean to earn a living; for most people it is also the focus of their life, their privileged medium of expression and their main access to power. It is the very basis of our society’s structure.

And, since the very beginning, work has been also what has kept us away from thinking. There is still a “Faber” alive and well, both in our collective and individual souls, who keeps us very busy, maintains Sapiens — the thinker in our mind — at a safe distance, and protects us from acute awareness of our human condition. It is not surprising at all that our society, regarding work and jobs, should behave like the chronically-ill who feels a vacuum when the pain stops. The fact that work might lose some of its importance is acutely disturbing: Mankind is addicted to work.

This addiction creates ambivalence in us all towards the burden of work, since we do not really want to kick the habit but only to keep it in check: it is not really leisure we want, but a chance to work at our leisure. Therefore, the obvious ambiguity of our collective actions as we meet the present work crisis; we aim to create “jobs” — (which we identify with work) — but we spare no efforts to reduce the work-content of these jobs and to increase leisure. This ambiguity will lead to frustration, for the jobs will never be back.

It is a perverse crisis which generates this ambiguity of purpose and ambivalent love/hate relation with work. More so when we realize that we are addicted to

work in its “job” format, and that it is precisely these jobs which we are trying to protect in a rear guard battle which stand as the obstacles to a new “work-at-your-leisure” status for Mankind which would let Sapiens come of age. Renouncing jobs, as an obsolete way to work, will not be easy, since it is not unemployment so much as the fear of it that lies at the root of so many of our most serious social problems. This fear will not fade away; the Curse will have to be formally exorcised.

We may be addicted to work in its job format, still the Age of Toil is over. We will have to be weaned from the work-dope, and we better kick the habit fast, for until the moment we decide to set up a new framework for human activity, our society will live with three time-bombs ticking in the attic, anyone of which could explode and set us back decades, if not centuries. The work crisis has produced three major weird looking — but very serious — threats, lurking in the transition zone between toil and the new ways to work. A threat from the Losers at our society’s Game of Power, a more subtle one from the Winners themselves and, finally, a “joker” threat resulting from the sharpys way the dealer has been handling the chips.

## **2. The third-class ticket**

The most obvious threat, in this or any other society, is that its “losers” might revolt. Trivial as a truth and shocking as a thought, but we should keep in mind that a good many people in our midst are unsatisfied. It is easy to congratulate ourselves on our performance in the “social justice” file, to become a little cynical, and maybe more than a little complacent. “Yessir! We brought up the kids on freedom and toil! They are not

dressed to kill, and they are a little short on pocket money, but they work their way through college and there's always bread on the table...".

Here there be tygers...! True, the labour force is not starving in the WINs; the machines see to that. There is no doubt, however, that when State the Father, disguised as Santa Claus, hands out the free rides to Heaven, there are still a great many "third-class" tickets in the lot. It may be a better train for everybody, thanks to mass production, but it is still a somewhat cozier ride in the head-wagons: the upper fifth of American citizens have 10 times the average income of the lowest fifth.

A ratio which you may call scandalous or well-deserved, depending on your views about retributive and distributive justice. Fair or unfair, it is a threat: the threat from "below", from the losers at our society's game. The danger, as the burden of toil is being lifted from our shoulders, is that work that disappears does not disappear equally for everybody. This distorts even more the precarious equilibrium between the Haves and the Have-nots of our society, as leisure and prestige as well as money are reshuffled constantly. Before we look at the threat from below though, and see how it manifests itself in this perverse crisis we face, let's identify the losers. Who are the losers in our society? The unemployed? Well, yes and no... There is purgatory... and hell.

### ***Purgatory... and Hell***

We may as well start with the unemployed; there were recently about seven million of them in the U.S., so it is quite a good start. There are two wide paths leading to unemployment ... or worse. The first path is for the

“Not-quite-made-it” and the “Also-ran” of society, the “fit-but-not-fittest” who may end up without a chair when the music stops, that is whenever a drop in effective demand makes one more job superfluous, or whenever a new entrant on the labour market elbows his way in. The race here is to the swift, the battle to the strong; the process is softened, up to a point, by labour unions’ action — seniority and similar schemes — but, in a shrinking labour market, whatever the rules, out will go the “less desirable”. The loser may try his luck again, but he had better be on his toes. This is what we might call the “rough-but-fair” access to unemployment.

To add more zest to our society’s Musical-Chair-Job-Game, there is another path to unemployment, though, which is pure hard luck; a “Do-not-pass-Go-and-Do-not-collect-\$200” type of event that gives everybody, even the best, an equal chance to be a loser. We may refer to this one as the “technological unemployment” path to loser’s status. According to this rule of the job game, you will lose your job, whatever your individual skills or talent, the minute a machine makes you redundant. This rule has not changed much since the day the best stone polishers were told that copper and brass were “in” and that they were out, but the tempo has accelerated recently and the number of victims has become dangerously significant. Yesterday it was in Textiles, today in the Steel industry and tomorrow the wave will hit the vast multitude of paper-shufflers.

Whichever way you access unemployment, it is quite an inconvenience. An inconvenience or the beginning of an ordeal. Unemployment, they thought, when Unemployment Insurance and Social Welfare were provided, would become some kind of quasi-

leisure, a period during which one would draw an acceptable, although admittedly not perfectly adequate income, a situation in which one would still be considered a full participant in the labour force, and out of which one could reasonably expect to move pretty soon, back to a job in the system. Purgatory.

Purgatory, it may well be..., as long as one manages to keep the relatively high status of “unemployed”. Someone has said that there are three types of lies: simple lies, damned lies and statistics. We may be shocked to realize that there are 7 million or so unemployed in the U.S., but this is merely the statistical glare from the tip of a colossal iceberg. Here, as in all WINs, labour statistics are at best half-truths. The definition will vary from one country to another but, roughly speaking, the “unemployed” is someone who has been working, has ceased to work recently, and is actively seeking employment.

Therefore, the unemployment “purgatory”, as work disappears, tends to become a club restricted to very proper white, healthy, thirty-ish, males. If the victim is guilty of one or more of the “sins” that are the ways of injustice to make accidental unemployment chronic, there is a serious risk that he or she will fail time and again at re-entry in the work market, will renounce the hopeless search for a job, and that a little statistical push in time will send him or her to a worse but less obtrusive place of suffering.

When the victim ceases to look for work, he or she ceases to “participate” in the labour force. Therefore he or she is not “unemployed” anymore ... and thus ceases to be such a headache for all those who worry about unemployment figures. The victim will have moved from Purgatory to Hell, joining the *43 % of*

*the population over 16 years of age who do not even bother to try and work at all*

If you are too young or too old to work, if you are a woman satisfied — or profoundly dissatisfied! — with housekeeping, if you have never worked before, or have been so long out of work that you don't bother to seek anymore... then, chances are that you are not “unemployed”, but that you simply do not “participate” in the labour force. This means an awful lot of non-participants. There is a lot of “*Do-not's*” around.

Thus, it is not perfectly candid to discuss the fate of the “unemployed” as if it were the end of the matter. Amongst non-workers, the unemployed are the top of the barrel, the happy few who are still left with a voice to draw attention. Who are the losers ? Begin right now to think in terms of “non-participation” rather than unemployment, and you will be closer to the tragic reality, below unemployment, of the 140,000,000 and some who do not work in the U.S.A., and who depend on the pleasure of the “winners”. On the whim of those who have won at the Musical-Chair-Job-Game that allocates work to the “fittest”.

The traditional distinction between the “Haves” and the “Have-nots” has given way today to a new, more meaningful dichotomy. We now live in a three-tiered society in which, below the “Rich” — whose power becomes more and more mythical — the great social cleavage is between the “Do's” and “Do-not's”: the workers and non-workers. The “Do's” may act, work, take decisions, participate, and they are responsible for themselves and others; the “Do-not's” are idle, passive, irresponsible, maintained, unimportant, taken care of, provided for by the “Do's”, for the convenience and gratification of whom they seem to exist. Who are the losers in our society ? It is the non-participants, the

“Do-not’s”, who are the real losers, the holders of third-class tickets.

In our society of affluence, now that the immediate concern is not anymore so much to “have”, as to “be” something and, in order really to be something, to belong and to participate, it is not so much money which separates the men from the boys; what more than anything else, now, keeps the Jones apart from their inferior neighbors is work. Significant, purposeful work.

Therefore, we are not dealing anymore mainly with a lack of income but with a lack of social acceptance, the absence of purpose in life and a breach of self-dignity. We may let the private Do’s feed this socially destitute leisure class of Do-not’s, or have the State intervene with Welfare money, but with or without money the losers will not accept to be left aside. They will revolt. The non-participants are the threat from below.

The workers as “winners”? A leisure class of losers? How did we manage to fit ourselves into such a perverse situation? We may stop pretending that it just occurred; former decision-makers were not all nin-compoops. For the first time here — but it will not be the last — we will go back in time to try to understand what happened, and why.

### *The birth of the destitute leisure class*

The strange shape of the present crisis is the logical consequence of a long series of decisions, most of which were reasonably well-intentioned if not pure, and rather shrewd, if not downright devious. In the days of yore, remember, the leisure class stood at the top, not at



the bottom of the social ladder; most everybody worked most of the time, and usually much more than they bargained for. In the Mid-Nineteenth Century, though, society had to deal with a new large urban labour force, part of which at times might be temporarily out of work, following the sharp ups and downs of production. When workers were not working those days, they had no Social Welfare then to provide for them, so they became hungry... and violent.

Rulers of the time solved their problem, rather elegantly, creating buffers of “in-and-out” workers, who could join and leave the industrial labour force without perishing in the process. Farm hands, brought to the city as common laborers when there was a demand but free to move back to the farm when not needed, were such a buffer. Who else could be sent home to be provided for, when the initial demand for work would begin to stabilize and decline ? Children, of course. When a surplus of good strong men became available on the labour market, everyone suddenly realized that there was something unpleasant about nine-year old kids working 14 hours a-day, seven days a-week, in textile mills, and about youngsters barely older actually living down the mines’ shafts.

The working week of children was reduced, as well as the scope of activities in which they could participate, and, little by little, they were completely removed from the labour force. Whether it was done out of kindness or for sheer efficiency is a moot point to argue. It was right, it was generous, and it went well with the implementation of an education system to promote the values of industrial society, so everyone agreed.

It was certainly right, but it created a precedent that would have tremendous consequences on the future. As periods of unemployment became more severe and more frequent, more "leisure" had to be granted to the labour force. Leisure, though, was not granted equally to all, but was used to correct the most obvious abuses. Coincidentally, we may believe, it was also more practical, for the rather primitive placement systems of the time, to have groups of in-and-out workers as additional buffers than to tackle the problems of a reduced work-week for all.

So, the "kids-at-school" type of rationale was applied to women. Women would stay at home and bring back some of the stability of the Pre-industrial Age. In accordance with the "in-and-out" buffer principle, they might contribute to War efforts and be invited to join the labour force for the duration; but they would be escorted home afterward to become, said Galbraith, the "Administrators of Consumption". After the "woman-at-home" campaign, came the time to remove from the labour force older and older young men and younger and younger old men. Education was lengthened to have "children" remain at school until they were sixteen, eighteen, twenty, twenty-five... and pension plans could have workers retire at sixty-five, sixty, fifty-five...

If a reduced labour force was needed, was it not better to keep at work the best elements, the most productive workers? Let the others become the non-participants, the Do-not's, the sightseers of production; let them move aside unobtrusively, and cheer Man the Provider: the adult male in the age bracket when he is presumed to be too old to play and too young to be wise.

Trimming down the labour force to the core, rather than distributing leisure more equally as the demand for work decreased, brought a whole gamut of interesting results. First of all, it broke the traditional association that linked work with the “poor” and leisure with the “rich”. It was the strong and able, now, who would work. So, even though work might lose some of its economic importance with growing affluence, its social value would increase as it was equated with virility, power and prestige to become the symbol of success. The less work to do, the more work would become a privilege and would become desirable, quite apart from the income it would bring.

Another consequence of trimming down the labour force was to delay the disruptive impact of the industrial way of life on the nuclear family of father, mother and children. Children would leave and pursue their own career later in life, while women, being mostly without income of their own, would not feel so acutely the urge to go their own way and to do their own thing. A one-salary family would have more chances of remaining a family, and although this approach could not guarantee happiness, of course, for social planners it is stability that is paramount, not happiness.

Conversely — and this was by far the most important social result — the heavy responsibility for the wife and children that a “work-for-less-workers” approach was placing on the shoulders of the adult male “provider” made sure that work, for him, would remain a full-time commitment. Our society might have evolved quite differently if the “less-work-for-all” alternative had been chosen, for who knows what troubling ideas may be born in the head of a “23 hours a-week” worker? With most of the worker’s energy

focused on his work and the worker himself safely under control of the power structure from which he got a “job”, the “Faber” in the soul of each adult male would keep him out of mischief and adventures, interested in work and money only, and properly respectful of rulers and bosses.

Work became a privilege, and as such was fought for. As the demand for work decreased, the labour market was cornered by the stronger group — which happened to be that of the White Young Male Providers — and became gradually more selective, not solely on the basis of sensible criteria, but finally branding as “the best” those who survived exclusion by prejudice. So it came to pass that Do-not’s multiplied, and came to occupy a not-so-cosy niche of “leisure” somewhere below the working class. The Do-not’s are the losers.

How does one end up in the third-class wagon ? One way that will always work, against all odds for success, is to really try hard. Don’t show your ticket, argue that Heaven is in the opposite direction, spit in the Conductor’s face, and say you’d rather be here with the bums than with the stinkers up front. This is the way of the drop-out and it has some charm. There are other ways, though, that are not charming at all. Losing is a very human habit, and it’s not so much the loss that hurts, as the way it’s being dealt to you. There are seven “sins” that increase drastically your chances to end up, sometimes for life, in the hell of non-participation: these are the ways of injustice.

*The 7 ways of injustice*

The first sin is called *Youth*. We say “youth”, not “childhood”, but a word about children. In old agrarian societies, children were expected to be of some help from the moment they could walk and understand instructions; from age ten, they were usually fully integrated in the labour force. Now, people under sixteen are not expected to work; yet, sixteen is half of a lifetime in some underdeveloped countries, and, until recently, it was about one-third the life expectancy for half the people of the world. For us, children are nothing but consumers.

Unequal consumers, entirely dependent for their consumption patterns on the income of their providers, so that their station in life and self-esteem are established long before they even have a chance to play an active role in society and to shape their own destiny. They go to unequal schools, and play unequal games that match the social status of their parents, thus making sure that classes, in our classless society, remain basically hereditary. The consequences of the total “marginalization” of children would require a lifetime of study. Children before sixteen cannot even be said to be “non-participants” in the labour force: they are non-existent.

We say “youth”. At sixteen, children either remain at school or are born into the labour force with the original sin: youth. This is their birthright and, in most of the WINs, young people who join the labour force are not even considered to be unemployed until they have managed to get, to hold for some time, and to lose their first job. Their chances of getting that first job — all things being equal and though the job for which they apply could not, by any stretch of the

imagination, call for “experience” — are considerably less than those of an adult.

Exclusion by prejudice. Original laws that kept children at school were made to protect them, but now it is not proper to take a crack at work before eighteen, better twenty, and the purpose is painfully clear: to keep work for the “providers”. The youth who leaves school a little too soon is chastised with some sadism, since he is told that he should work, although he is not really expected to do so. Haven’t we learned from psychology that there is no surer way to destroy self-esteem than to set unattainable goals ?

Youth is an illness cured with time, and the ray of sunshine in the life of the young non-worker is the hope that time will solve the problem. Actually, if he has tried too soon, his situation may not improve that much with time; the reason for his exclusion will simply adapt to fit another prejudice. The prejudice against those who commit the sin of not being formally “educated” by the system.

The second sin is to be *unschooled*. If energy, lust for life, necessity, or plain boredom with book-learning, bring an individual to the labour market too early in life, his chances to secure employment are not only bad from the start; they remain permanently worse than if he had remained longer at school. In our relentless fight to keep the race for the fittest, we have made it an unwritten rule that the later one tries for employment, the better his chances. We call it education and it is a sin not to have it.

It is not know-how or even knowledge, but schooling *per se* that obviously makes the difference, since years of schooling at anything at all will help one to fare much better on the labour market... whereas the

school drop-out may gain knowledge from experience, night-school, part-time education or through any other means, but will seldom be absolved from the initial blunder of having left school too early.

The third sin is being a *woman*. Women are not really supposed to work yet; they constitute the largest single block of adults who are not fully integrated into the labour force. In pre-industrial societies, when work was still a curse, women being physically weaker were naturally burdened with more work. Women had to pick as many berries as the men, AND to give birth and educate children in the fine craft of berry-picking.

With industrialization, when the “job” appeared, raising children — although it is the single most important function in society — did not fit the definition of a job; women, therefore, were expected to raise children and to work, like they always had before, and so they did at the beginning of the Industrial Age. It is only with the maturing of industrialization, when more jobs were needed than were available, that women were removed, along with children, to make room for Man the Provider.

Then, it became convenient also to discover that raising children is a very complex affair, by no means to be left in the hands of unqualified personnel. The logical thing to do would have been to train mothers to do it and, if our society had taken this course, the social importance and status of women would have remained paramount. Social planners though, wanted more jobs for providers.

Since there was nothing to show that, after nursing, women were endowed with some kind of mysterious God-given talent that made them better than men at educating children, planners, rather than train

mothers to be child educators, created a group of “professionals” in whose care children were to be entrusted as early in life as possible.

So, the education of the child, which had been originally the prime rationale for keeping women at home, was entrusted to an education system that took charge of the kids as early as age four, while technology was reducing the “womanly” house chores to trivia. Then, the traditional family succumbed to the thrust of modern industrial life, and another excuse for the exclusion of women from the labour force — apart from child bearing and housekeeping — lost all credibility, as an ever increasing number of women ended up living alone and NOT being provided for.

As could be expected, women tried to rejoin the labour force as soon as they were deprived of their traditional functions and sources of income. They were not welcome — and those who had to earn a living met with insidious, often vexatious obstacles — but, in the long run, good sense has a tendency to prevail and women did join the labour force: *16 million of them over the last two decades, outnumbering men more than 3 to 2 as new entrants in the labour force!* When unemployment figures go up, though, women remain a choice target for a quick little push that will turn them into Do-not’s and improve statistics.

The fourth sin is to belong to a *minority*. Here, meet all those who are excluded “for race or creed”... or so many other reasons. We used to think of that in terms of “prejudice”, and prejudice it is, of course; but, in most cases, it is not the KKK type of prejudice that comes with hatred and violence; to look at it that way is an easy escape, since it puts all the responsibility on the naughty behavior of some individuals from whom it is easy to disassociate.



The truth is that unfair job opportunities for racial or religious minorities is just the most blatant example of a general principle that we may call the “one life-saver approach.” Negroes, Indians, Puerto Ricans, etc. do not account for more unemployment and non-participation because most people seriously believe that they are less apt to work, but because, as long as jobs are in short supply and we look to jobs as something desirable, most people, having but one life-saver to throw for many about to drown, will rather throw it to one of their own. There are less Negroes, Indians and Puerto Ricans amongst employers, so there is a tendency towards greater unemployment in each minority group, in rough proportion to the smaller number of them amongst the employers. No law is likely to be very efficient in changing this situation. We might discuss why there are less employers among certain minority groups, but this is definitely another problem and there is no lack of research going into it.

The point we want to make here is not that some groups are victimized more than some others by unemployment and non-participation — a fact which statistics make evident — but that a society that would consider work a duty rather than a privilege would show no lack of work for members of minority groups. Participation in the Armed Forces leaves absolutely no doubt about that, and it is well known that, when the production system moves towards full employment, the difference in unemployment rates is progressively reduced between minority groups and the population as a whole.

We usually think in terms of racial and religious minorities, but the same principle applies to all those who deviate from the common norm in any respect. “Marginality”, in fact, is the fourth sin, whether

“marginal” means deviant, different, wearing long hair or having an incredible I.Q. For the purpose of employment, all those whom society’s main core consider marginal become, in fact, the members of minority groups. Given a scarcity of jobs, this is not going to help their case unless their group develops into a micro-society within which enough employment is generated, or into a pressure group that will get more than its share.

Some groups may indeed achieve a positive balance in certain sectors or areas, by economic control or sheer political power, but this compounds the problem rather than solve it, since if a group gets more than its due somewhere for a while, the majority will suffer only through the sufferings of its other minorities, which then will get even less of their share of jobs.

The fifth sin is for the real *sinner*s. Playing musical chair with an eye on screening the players makes the job-game tough on the two-timers, the one-timers, or even anybody who looks like he might be tripping. Our employment policies must bear a large part of the responsibility for the failure of rehabilitation policies.

Quite understandably, employers may have some qualms about hiring a former con man as financial adviser; unfortunately, it is also hard for anybody convicted of anything more serious than a traffic offence to be hired at any job at all. The basic principle remains the same: to have a job is a privilege and it should be given to the fittest. So employment is a tightrope, and one mistake may end it all. There are exceptions to this rule, but so noteworthy as to make news, and the few who receive a second chance are accepted only after years of prayers and penance.

All real sinners are not ex-convicts either. Sinners may be debtors; if payments are missed on a car for a while, it may jeopardize the life career of a book-keeper. Even “thought-deviation” may be a sin; the older amongst us still have in mind the times when to hold certain political views was a very efficient way to resign from the employment market. Political views may change, we may be through with the black plague of Mc Carthyism, and the exclusion may not always strike at the same individuals, but if your pet theory happens to be in the dog-house, out you go from the labour market.

It is not necessary to do anything notoriously wrong to diminish one’s chances of employment; it is enough to draw excess attention or to move too much in almost any field of human activity. What about Employment Agencies that will not recommend as a salesman a person who has divorced in the last two years ? There may be good psychological reasons for the advice, but the basic question is: would this rule apply if there was a shortage rather than a surplus of manpower ? Our society is looking for reasons and excuses to exclude people from the labour force, even if their “sins” have absolutely nothing to do with their competence to do a job. Any anomaly drastically reduces chances of employment.

One step lower into desperation, we find those who are too old. *Old age* is the sixth sin. Youth receives unfair treatment on the labour market, but it is much worse at the other end of the line. Young people may dream that things are going to shape up; old people may entertain no such illusions.

I know a white-haired cab driver, honest and courteous, who used to run the mile quite fast; he still runs it faster than me, and probably than you. He used

to be a store-keeper, but had to retire, years ago, because he was considered “too old” to handle requisition forms; now he drives a cab, which is physically much more demanding. This man is cheating; the rules of the games are that he should have faded away smoothly, spending the rest of his life on reduced income, as a “non-participant”.

It is doubtful whether the work efficiency of older people in most jobs is significantly lower than that of younger workers. In many situations the contrary is true. If, however, for the sake of argument, we admit that there is a productivity differential that grows with age, is it really sound policy to exclude from the labour force all except the most efficient ? This in itself might not be conducive to overall efficiency. In the days when jobs were not scarce, differences in productivity led to differences in salary that equalized opportunities for all. Nobody is so enthusiastic about the pre-affluence days when “market laws” did apply to work compensation, but, in this particular instance, we should find a way to deal, if need be, with this hypothetical differential. Because, considering the knowledge and experience lost to the community, exclusion of senior citizens offers the worst and saddest case of incompetent planning.

The senior citizen pushed aside cannot expect things to improve, but just to get worse. Not only is there no law to protect him, but there may even be rules to force retirement upon him and bar him from work. If he happens to have spent his life in a job that requires some physical work, the tendency is to get rid of him as soon as he turns forty; in other activities, lightning will begin to strike around his feet a little later, but not much. You have to be very smart indeed to be wanted in the labour force after fifty.

The un-kindest cut of all, for old workers, is the absence of group solidarity. In other groups, there is a tendency to follow the “one life-saver approach”: if he has a chance to give a break to somebody, a member of a minority group will try to help somebody from the same group. Not so with senior people; rich old people who give jobs do not give jobs to poor old people. The old and the young both hire the young

It is difficult to find a case more tragic than old people removed without cause from active life, but there is one. Guilty of the seventh sin, at the complete bottom of hell, are those who, through no fault of their own, are *handicapped* or disabled. There are some cases when a person is invalidated completely, and it should then be the responsibility of society to care for this person. In the vast majority of cases, however, a disability will prevent the individual from doing something; the underlying principle that seems to apply now, is that if someone is not physically able to do everything, he should be presumed to be unable to do anything at all... The economic loss is great, the social cost is horrendous.

If the policy would be to integrate handicapped people in the labour force, we would find that most of them are capable of doing some of the existing jobs, more so if a minimum of ingenuity was shown to adapt certain jobs to fit the capabilities of the handicapped. Presently, initiatives in this field are left almost entirely to charitable organizations.

The problem with the handicapped is the same as with old workers; their employment may raise the point of a differential in productivity for which the employer should be compensated, but this compensation must take place without deflating the work/price of all services. To find a proper compensation system would

not be hard; what is missing is the will to employ the handicapped. Time and again, we hear that the main problem is to find employment for the normal, average, healthy male adult. Work is still a privilege.

Aside from the seven great ways of injustice, which may be redefined and expanded to accommodate all those which our production system considers expandable, extending "youth" to a riper age or having people retire younger for instance, we prepare for new injustices for the future. "Emotional instability" may be the most promising way to cook the goose. It is a good indicator of our tendency to trim the labour force to the bone, that not only serious mental disorders but even a visit to a psychiatrist, sometime in one's life, may become a cause for rejection. Who cares today to admit to his employer that he sees a psychiatrist? But how then will any therapy be effective, if preventive measures are construed as proof of the disease? What if it means social stigma or, in time of scarce job opportunities, exclusion from the labour force?

It is possible to sin in various ways at the same time, and thus to be excluded from the labour force on the grounds that best fit the whims of the employers. From the individual's point of view, these do not appear as distinct paths to hell but as one damning profile. It is possible, for instance, to be branded a "young Puerto Rican with a police record"... or an "old Black woman with arthritis". Chances for employment in these cases, needless to say, become so remote that the individual is, for all practical purposes, divorced from the labour force until death makes it official.

And yet, if an earthquake would strike New York tomorrow, would not these people be welcome to participate in any little way they could? How dare we exclude people from the labour force!

*Daggers and Ahimsa from the unbelievers*

Whether we call it unemployment or non-participation, it is hell... and a threat. What kind of a threat ? Sinners and self-made Do-not's are a colorful bunch. They are the "world", literally, the extremes, each much closer to the main core than to his own fellows in third class. How can they be a serious menace to our society ? They are not, if one expects a purposeful offensive from the "Losers" to take over control of society. A destitute Working Class could raise up in arms; the new crowd at the bottom cannot, and this is what makes the system feel secure. A false security.

Do-not's appear as a serious threat, the moment one gives up the myth that civilizations die in combat and realizes that they mostly fall victim to some sabotage, gross or subtle, and disintegrate. Our Do-not's are powerless, uninteresting, anonymous. They do not really belong to our society, and have little reason to believe in its values or to condone with a blind eye its often absurd and sometimes objectionable behavior. Thus, many non-participant, more or less consciously, become saboteurs of our society's values.

Some use violence to do it. Collective or individual. Collective when, once in a while, some easy-to-grasp concept may become a "Cause", and large segments of the third-class will coalesce or be manipulated into something mildly aggressive: Viet-Nam, or Nuclear Disarmament... This is not a frequent occurrence, though, and even these coalitions are not major threats: Do-not's may riot, but they will not carry the day on a battlefield.

The Do-not's effective weapon is individual violence, and the wanton destruction of whatever or whoever stands as a symbol of a power structure that has

made them powerless and nameless. In its relatively benign aspect, taking advantage of anonymity, the Do-not's violence appears as *vandalism*. In its extreme manifestation, challenging anonymity, it becomes *terrorism*, the more hopeless and purposeless, the more dangerous.

The delicate mechanisms of an organized society are at the total mercy of mild or wild sabotage. It is not really the saboteurs' actions that are a threat, so much as the reaction to their actions and the self-destructive response that they may elicit from the system. Uncontrollable reactions and responses which undermine the values of society, add up, and finally destroy the quality of life that makes a society a place fit to live in and something worth fighting for. The problem, for instance, is not that many non-participants might even consider jumping at their neighbor's throat to ask for justice, but that city parks are unsafe at night; and the real threat is not that many will get knifed... but that so few will dare go.

Some choose violence, but most non-participants merely plunge into despair without this temptation. The threat, then, takes yet a milder form; it is the very "non-participation" of the Do-not and his day-to-day reaction to "marginalization" that becomes a silent attack on our society's values. His way of putting the axe to these values becomes closer to *ahimsa* — Gandhi's non violent resistance — than to the bomb-throwing of the classical revolutionary. His weapons then become passivity and unbelief, and these complement violence: they become the anvil to the active saboteur's hammer.

The problem with old men and women being retired without cause, is not that it will bring about a "White Hair Revolt", but that it will have us all look at old age and retirement as something drab imposed from



above. The problem is not that youths or kids might revolt — although they did just that in France in 1968! — but that family relations be strained past all hope, when the Do-not viewpoint of the young non-worker who simply cannot crash the labour market's gate will diverge from the Do viewpoint of his parents to the point where they cannot be reconciled anymore. The threat is that we may be succeeded by a generation so different in its values and mores that we may well feel we have been the last of our kind...

The anvil and the hammer. The threat from below — if jobs go on vanishing and work remains a privilege — is that the growing number of Do-not's in our midst will become either violent or more alienated, cynical and uncooperative, while a Do elite will become more and more supercilious and flippant with its protégés. Then, we may realize that we are estranged from each other and that we are, all of us, both harassed workers and dejected non-workers alike, rather unhappy about “affluence”, “progress” and “life after toil”, quite disillusioned about our society's objectives. This is the ultimate danger; for when we will stop believing in what we strive for collectively, then our society will be dead.

### **3. The workaholics' backlash**

Anybody who has tried to raise children on positive reinforcement alone — *i.e.* to resist the urge ever to “belt one” to the adorable little monsters — knows that the mistake which must be avoided at all cost is not to offer too little reward, even though few kids in our society will bend backward anymore for a dime on Saturday. The most serious mistake is to offer too much, since the kid “who has everything” may be only

mildly stimulated by more gifts, and may become unable to establish a clear relation between good behavior and rewards. The kid who feels that he gets the same, whatever he does, is not “positively reinforced”; he is very likely not to pay any attention, and to do whatever he likes.

A greater threat even than the misery of the destitute in our midst, in the *fin de siècle* atmosphere of transition from toil, may well be the complacency of the “Winners” who have more than enough, take a more relaxed attitude towards rewards, and have good reasons to believe that it matters very little whether or not they work at all.

### ***The “bets off!” warning***

We are addicted to work and it made workaholics of us; it is the same addiction, mixed with technology, which made us rich. We are a “rich” society, and by historical standards the winners win a lot. So much, that for an overwhelming majority of the people working is simply not a matter of life or death anymore. In terms of real material welfare, a little more or a little less work does not even make an essential difference.

Why should people go on working the way they do if they don’t need to? Because people, it is well known, do not feel rich or poor because they own this or that, but because they have more or less than the “Jones”. The insensitive Jones, on the other hand, are always doing their utmost best not to let their neighbors come close to their own standard of living. This is generally how they turned workaholic in the first place. Nasty? This is the way of “positive reinforcement”, and all alternatives that have been tried have proved unsavory; just ask a friend in Warsaw or Kabul. This is

the way it goes in our society, and when people do not have to go on working to survive, they are expected to carry on working to compete. But why work and compete if all bets are off at showdown ?

All bets are off, first of all, because the winners can hardly put their hands on the prize at all! After the worker has reached a certain level of income, to insist and work more is made to be less and less rewarding. The “Dealer” (meaning the State) increases his “cut” (we call it taxes) to sponsor the unlucky players back into the game, so that for decades 30, 40, 60% of what the winner/worker had “won” was simply never paid. Why work more ?

A second reason all bets are off is that, in our society, every pair of arms that works has three mouths to feed. Most of what is left to him after taxes must be used, by our winner the Do, to maintain — (and thus to keep out of the labour market) — the Do-not’s of his family... although most of them would like nothing better than to participate! Man the Provider does not get a square deal, so why should he work more ?

To top it all, “Workaholic Jones” knows, because he has been told, that there are Big Winners who make a lot of money, even after paying all their taxes, and that they have access to the Good Life. But then what ? Maybe there is a 10-to-1 difference, in terms of income, between the upper and lower fifths of the population; but, if we move away from the price-tag, away from the “money” value of things to try and concentrate on their real “welfare” values, on the needs and wants that they are meant to satisfy, we see that the figures are misleading and that the difference is largely immaterial.

There is no correlation between the price of food items and their nutritive contents, cheap clothes protect from the weather as well as the most fashionable, and all citizens have access to the same public infrastructure of roads, television, radio, telephones, etc. Jones cannot feel, deep inside, like real thirst and hunger, the \$100,000 difference between the Splashy Luxury Sedan model and the common jalopy. Its mostly all in his head... and he knows.

The difference in terms of access to the necessities of life and real welfare does not reflect the 10-to-1 difference in income. How could it ? Mass-production demands some uniformity at the production level, and a power structure based on machine production must make sure that there is enough money in the hands of workers and non-workers alike to buy all the industrial output and keep the system in motion. So, intuitively, Workaholic Jones knows very well that only the very, very few amongst us may enjoy anything material substantially different from what the system gives to everybody.

He knows that working hard is not going to provide him with any goods or services fundamentally different from those that his “take-it-easy” neighbor will get, except for the frills and the thrill in his head. So, it is all very nice to compete, but once he is bored with the frills of production, how will Workaholic Jones keep the upper-hand in a society where machines practically impose the same buying patterns for manufactured goods ?

First, he may indulge in more of the scarce commodities of our age, these expensive “services” that machines cannot offer. But then, what if State the Father — out of benevolence or political cunning — picks up the tab whenever one of his destitute children

is in need of medicine, legal advice, education or other services that he himself cannot afford, and gives basically the same services free to those who cannot pay for them ? Jones, of course, may go for the frills in services as well: not only Cognac rather than brandy and “Caddies” rather than just cars, but also private boarding schools, Swiss clinics... Until the realization dawns on him that, just as Cognac gave the same headaches as ordinary ethyl, the life expectancy is not significantly better in Swiss clinics than it is in American hospitals.

Workaholic Jones begins to reconsider... and keeps playing, but not for material results anymore; rather for “higher values” that money cannot buy: responsibility, prestige, recognition, duty..., intangibles that are related circumstantially only to the extra income that can be derived from extra work.

### *Jones’ higher values*

Work, as it fades away, thus becomes mainly a matter of personal ethics, dignity, self-development, ambition. Intangibles ? Great! But subjective isn’t it ? I may feel one way — and you another — about what duty there is to work from dawn to dusk for God and Country... in a country where unemployment is a top priority problem. What responsibility to work for spouse and children, when they would prefer to be given part of my workload and be independent ? What ambition, when it is obvious that only a very few can really achieve significant Big Power, and that what “power” the average Jones can control does not mean more goodies and longer weekends but simply more work ?

Prestige ? So many of our consumption patterns have been levelled by affluence, that “to have” hardly proves anything anymore and the very rich often become simple in their living habits. A “money-I-can-take-it-or-leave-it” attitude has gained ground in our society, and it is actually snobbish to scorn most everything that money can buy. The system now has to rely on “parvenus” and “nouveaux riches”, movie stars and rock idols drinking Chambertin with pizza and being reported by pulp or glossy magazines, to play the part of “Big Winners” and show the labour class what the “good life” should be all about. Class often keeps money at arm’s length, now, and workaholism proves very vulnerable to the insidious power of derogatory thinking.

It should be rather good news that material needs be so well satisfied, in our society, that abstract interests like Maslow’s “recognition”, should show in surveys as the prime motivation for action. The problem is that the new motives, however noble, are not so well known, nor so well conditioned and controlled as the old basic instincts for food and shelter. Now that the people feel secure, what if they begin to act fresh and not-dependent, in a society that can survive less than ever without an awareness of mutual interdependence ?

Great to aim at “higher values”, but the reasons to work are becoming quite subjective. Now that both the points have been made clearly to the workers, that high values are for free and that one does not need to work to get by, why should they ? We should remember that the association between “work” and “power” is totally unnatural; unless efforts are made continuously to maintain the specious link in the mind of the labour

force, it is leisure, not work, that becomes the normal objective once again.

Which is happening now to a significant number of American Jones. A whole school of economists, called “Marginalists”, have devoted much thought to the subtle variations of the demand, showing how a desire that used to be marginal may gain in importance as a person’s other needs are satisfied. As more and more people have enough of the goods that our society can offer, what could be bought with the extra money their work might earn — i.e. “higher values” — is often not worth to them the freedom of their own time. It is then the marginal value of leisure that increases.

Omar Khayyam said it all: «What can the vintners buy, half so precious as the stuff they sell ». More and more, people do not want to sell their time and to work more; after all, time is the stuff their life is made of. Leisure, for them, becomes once again the highest value. What if Workaholic Jones really goes on the wagon, comes back to his good sense and remembers that work is a four-letter word ? It is somehow disquieting to realize that our power structure and pecking order, which have rested always on a will to work and to satisfy very down-to-earth needs, now rest on ethical principles and personal values, that is on great golden, beautiful but quite vaporous, pillars of subjectivity.

The average “winner” may be “giving up”, and this is quite a threat. How do we protect ourselves from the backlash from workaholism: total rejection of work ? A society holds together by the consensus of an effective majority: those who together have the power and take the decisions. In our society, it is the Do’s, all the workers from top to bottom, who constitute the broadest effective majority; the most significant power chasm is often not between the boss and his employee,

but between the employee and his Do-not wife at home, between the poor but active Jones and their neighbors on a retirement allowance, between those who work and those who don't. The Do's, as a group, are the winners in and as long as they perceive themselves as such and close ranks, there is no risk of turmoil. How united in their ambition to work are the "workers of the world" ?

As we face the backlash from the workaholics, on top of the exclusion from the labour force of all those whom our society does not consider "the best", those who do not want to work add up to those who can't, and we are fast reaching the point where the only people fully active in the labour force will be those who, traditionally, had been considered to be the "leisure class": wealthy businessmen, professionals, senior managers... The "top-dogs" have not only joined the labour force, they have become THE labour force, while a lot of the Do-not underdogs are skipping away, and taking a multitude of devious paths to a strange paradise.

### *Paradise for the "Also ran"*

There is a short cut from the Hell of non-participation to some sort of paradise. The access to a paradise of leisure is in the mind, and it opens freely now to Do-not's who renounce the job game as a way of life and join the growing crowd of those who do not want to work. It might be instructive to establish a whole classification of the Do-not angels, but a few examples should be enough for our purpose

First among those immersed in celestial bliss are the genuine free riders, from Ph.D. drop-outs to hobos, who having decided that work is not their bag, will not,



if provided with a minimum of funds from any source, ever bother society except to offer grand politico-philosophical advice. These people have always been there, right from the beginning, but they never had it so good before. A generation ago, they were generally found along the railroad and on the wrong side of the tracks; now, they are spread in the Greek islands and all along the coast of South America.

In addition to those who see it as their birthright though, there is now a whole new crowd of angels who are obvious products of the present situation. Those who decide to milk the Welfare system, for instance. They are the couples who split when the husband is unemployed, so that she will get help for herself and the children while he will draw the unemployment benefits; merely a mild inconvenience, as they will miraculously fall in love again as soon as the provider can really provide. More sadly, the unwed mother of two who works diligently on her third and then fourth, to obtain a modicum of comfort from transfer payments.

Then there are those who just come and go. Not yet totally at ease in paradise, the “*See-saw*” worker is a green and insecure angel who accepts the indignity of an occasional dip in the labour force. The See-saw worker works the minimum amount of time required to become eligible for Unemployment Insurance, moves to more interesting activities until his benefits are exhausted, then comes back again to any job until he becomes eligible again. Done with reasonable astuteness, this approach may keep one afloat in a comfortable mix of little work and leisure.

Best candidates for a See-saw approach are secretaries, nurses and workers skilled in some trades of the construction industry. They may take advantage of rare singularities in the system where demand exceeds

supply, and use this strong bargaining position to get some more leisure at society's expenses rather than to press for higher wages. Many See-saw workers are women, some unmarried without dependants, some paired with somebody who draws and shares enough money for both of them. Others are men backed by tough labour unions and who are warned strongly against overcrowding the market.

Innocent enough ? Look closer; it is not because there are not enough qualified workers in these sectors that demand exceeds supply. It is the other way around; it is precisely because these workers have the freedom from want or the bargaining muscles to "take it or leave it" when it comes to work that they can, against all odds, create in the middle of a global glut of labour a small "seller's market" which plays in their favor. See-saw workers' behavior may be the advanced signal of the shape of things to come. While we stand hypnotized by unemployment, we do not pay attention to those who do not want to work anymore; yet, with growing affluence, more and more people, with increased frequency, will be in a position to "take it or leave it" when it comes to work... and will choose to "leave it".

Already "leaving it", in a way, from a position where he sits pretty, is the ubiquitous "*Lip-Service-Only*" worker. Bound to some sort of fake work, or playing dumb operator to a machine that may soon dispense with him, the LSO worker punches the clock and attends... but being perfectly aware of the complete uselessness of it all, he refrains from exertion. The LSO worker is a real problem, much more so than the free riders of all kinds, because it matters very little, in the end, that a little production be lost: we have more than enough. It does not matter to our productive capacity that one more married woman, or one more young

worker be added to the crowd of the unemployed and non-participants; but it matters a lot to the fabric of our society, and more so when it is of their own free choice! The real problem is the attitude of rejection towards work that now pervades our society.

It matters a lot that taking the devious paths to paradise is now so very socially acceptable. The Seesaw worker discusses his plans for unemployment with his family and fits the extra income in the vacation budget; people shake hands and have a laugh at the system with drop-outs abroad, and most everybody takes a step or two towards the lip-service-only approach. This is what we do, for instance, each and every one of us, when we use up to the last day of sick leaves and social holidays, without a second thought for their original purpose. From top to bottom, more and more people simply desist from playing the game, and even more people go on playing but yet consider it quite acceptable not to play. Intuitively, we are becoming conscious of the futility of the job game and we grab all the leisure we can. We are taking, each one for himself, a “decision for leisure” that we resist as a collectivity.

And, inevitably, the lip-service-only attitude reflects on our self-esteem. The American labour force, which used to be the best in the world, does not compare so favorably anymore to the labour force of more, and more foreign nations. It is no coincidence that, in the last twenty years — and although great efforts are made to be very discreet on the subject — the standard of living of the United States, which used to be the highest in the world, has fallen, and fallen, and fluctuates now with the value of the Dollar until we sometimes now rank **ninth** in the world, behind such countries as Japan Switzerland, Sweden, etc.

The perverse crisis' second threat is more insidious than the anger and revolt of the losers at the Musical-Chair-Job-Game but, unfair as it may seem, can be even more lethal: it is the dissatisfaction of the average "winner" at the great job game, for whom extra work does not mean significant extra privileges anymore. The pugnacious human animal is obviously bored with what our society has to offer, and will not get back to work unless he is presented with a new challenge and more significant objectives. The second threat is that the effective majority of workers will lose the spirit of action, drop out irrecoverably from work and let our society stagnate.

If it happens, we will simply go, «not with a bang but with a whimper», to be replaced, in the not too distant future, by something more "vital" and more "dynamic", something we may find much less pleasant, though, the way life in the Frankish States was somehow less urbane than before, in the beginning at least, for the citizens of the late Roman Empire from whom the real doers had picked the torch of civilization. One of the major threat in transition from toil is the threat of decadence. We must try harder.... We are only number 9.

#### **4. The 13-figure bum cheque**

There are "Losers" who may stab us at dusk, or give us the great guilt trip and ruin our day; there are average "Winners" who might lose the spirit and downgrade our whole society to "third class", but what about the threat from far above, from the Champagne Crowd in the Pullman car, the threat from those who have POWER ? After all, great battles to bring down whole systems are usually fought for the "Poor", for the Have-nots and

against injustice, but they are seldom fought by the victims themselves, or only marginally so. It is not the French peasants who made the French Revolution, nor the Russian mujiks who revolted successfully against the Czar but, in these and all other cases, an intelligentsia which was supposedly part of the ruling class but decided that it did not receive “enough”.

Revolutions are made by small groups of top-dogs — or would-be top-dogs — helped by rabble or soldiery; they are launched by prophets/saviours in good or bad faith, or by opportunists who happen to see a small crack in the power structure, and manage to put a wedge to it, breaking it wide open to their advantage. Their advantage which may — but usually does not — coincide afterward with that of the victims in whose name the rumpus took place. What kind of threat should we expect today from our top-dogs ?

Trouble from its Powerful Ones comes to a society when the rules of the Game of Power that make them powerful are challenged. One of the best ways to do this is to question the value of the chips. So, as we face the crisis that comes with the end of the Age of Toil, let's remember that there is always a “joker” hidden in the pack, an “instant blow-up” alternative that has everybody pass Go once for all. The “joker” threat in the present transition is to look at the chips — money — and to cry “Foul!”. This, we will need all of our good sense not to do, since there is something of a link between work that disappears and money that loses its value.

*The deceptive treasure chest*

If we are to survive the present crisis, we must settle with elegance the question of all that useless money lying around. Thought we were short of money ? Think twice! I am not talking about the little greenbacks piled up in bank vaults and safety boxes; they're merely small change in the petty cash. I am talking about the real astronomical figures, the incredible wealth of all that money we owe. Do not expect from me, at this point, an up-to-date account of our debts; figures are changing daily, so just take the following as an illustration and rest assured that, by the time you will read these lines, matters will have changed for the worse.

To begin with, you and I, and these Jones we are trying to keep up with owe, merely in mortgages, loans and consumer credit, the modest sum of 2.7 trillion; then corporations, large and small, owe in mortgages, loans and bonds — which, unlike shares, are real debts — another hefty 1.2 trillion. To top it all, the U.S. Government owes, at the date I am writing these lines — (but it will surely be increased any minute, now) — the cute amount of \$1,850,000,000,000, the thirteen figures reading as one trillion eight hundred and fifty billion dollars. Astronomical figures indeed, as the total sum of our debts would pay for enough gas, at the current price, to fuel the average car for a very long 45 light-years trip, being roughly 10 times the distance to our neighbor star Alpha Centauri. Quite a debt...!

Poverty ? To the contrary, this debt means incredible wealth, because we have to remember that somebody must be on the bright side of the picture: some great Powerful Ones must have all that money coming to them. Lucky aren't they ? Actually, it is rather an embarrassment, because the huge amount is

merely a right to a share of the spoils, if ever our leaders would decide that you and me should make good and pay back that debt on which rests the power structure of our society. Bad news for the holders in due course, though; we, the debtors, may relax, for our leaders, of course, do not have the slightest intention that this debt should ever be repaid.

To the contrary, we increase it annually at the rate of 10 to 15%, and the Government deficits alone keep the economy in shape adding approximately two hundred billion a year to the total. Some economists foresee that public indebtedness should pass the ten trillion mark sometime in the 90's, which would not be more consequential than making it a 14-figure bum cheque.

We have no intention of paying it back, but what if we would ? It would be the dirtiest trick ever played on top-dogs! They do not need the money, obviously, because otherwise they would just push open the door of any bank and cash, draw upon, or borrow on the value of the bonds and promissory notes that they hold. Pay it back, and they would have absolutely nothing to do with the money thrown at their feet. Wealth would appear as another “great, golden, quite vaporous pillar”, and vanish in its own subjectivity the minute they would try to put their hands on it. Top-dogs have no other use for the money owed to them than to invest it, and they have no other choice but to invest it the way it is already: it is the only haven left for wealth. The Government, the corporations, you and me, are doing top-dogs a tremendous favour whenever we accept to borrow money, turning into “power chips” what otherwise would simply be a large stack of paper.

It is not that we want to default on payment; the heart of the matter is simply: “pay it back in what ?” In another age, very rich Romans could go for lampreys, or ask for ice cubes from the Alps, but there is presently no equivalent in our society, nothing with real “pleasure value” that only the real rich could buy and that could make a dent in the hoarded trillions, nothing that could bring half so intense a joy as the mere possession of wealth and of the power that comes with it.

There would be a tremendous market, right now, for an “anything-you-want” type of business that could turn into earthly satisfactions even a very, very small part of this awful lot of money lying around. In the absence of such an outlet for wealth, and until someone can bring back pleasure and fun into the money game, there is nothing much we can do to honor the debt.

We cannot pay back our debts, even if we wanted to, because there are insufficient “funds” in society, in terms of real goods and services that might be of any use to the Powerful Ones, to honor the commitment. Of course, the Government could print the extra money — just like any hobo may write down a cheque for any zillion dollars — but, just as the bank will not pay the cheque of the hobo, there is no way the production system could deliver rapidly to the rich extra goods and services to make good on the 13-figure bum cheque.

Now, let’s go deep into fiction. Suppose for a minute that the rich should decide that — since they don’t need it after all — they will ask for their money back and use it to buy more food, or build many more houses for the poor, or what not. Would all the goodwill and greenbacks bake one more loaf of bread or one more brick ? The reality is that unless you add more work, there would be exactly the same quantity of goods and services in this country after this grand



gesture as before, and that all this money floating on the market would have just one result: inflation.

Inflation, until such time as the price increase would have the sum of all available goods and services be “worth” enough to absorb all the extra money made available. The money which has never been anything but a symbol for the sum total of all these goods and services.

Nobody would be richer but a small minority of people, totally destitute, to whom everything would be given free. Just to the contrary, everybody else would lose, and the worst losers would be the less-well-off, since they could not afford the new inflated prices and therefore would end up with less real welfare, while the rich would simply put down more money and go on buying everything they want at any price. If more work is added, then of course new wealth will be created, which may or may not be distributed more equitably; but this does not change the fact that the present surplus trillions cannot create more real wealth or welfare

Let us be very clear about that, because it is the gist of the matter. To really back the cheque in kind would mean WORK to produce trillions in new services or in new goods for which there would be a demand. If we cannot do that — and no money-wizardry will make it happen instantly — the money cannot even be given away, for then we would just get the same and pay more for it. If we do not want the chips to lose all value, we have to borrow the stuff to prove that it exists... And spend it, somehow!

How do we do it ? Basically, a part goes to Santa Claus, the Welfare system, to make sure that consumers’ demand remains effective; another part sponsors the build-up of the largest, mostest, bestest

pile of whizz-bangs ever, just in case we decide to have a nuclear fireworks and see what God would have done if He had had real money. The so-called “Left” in this country favors being more generous with Santa Claus, while the so-called “Right” generally prefers to assign a larger share to military spending. One way or the other, though, the important thing is that the money be borrowed by the State and spent. It seems to be a good turn for the real spoiled brats who really have everything; but, as a matter of fact, it is a good turn for everybody, for we have seen what would happen if we would pay the debt back and make all that wealth “liquid”.

### ***The Work Standard and the “alternative”***

If it cannot be honored, what does the huge public debt really mean ? If we compensate debits and credits and take away all the intermediaries to simplify the equation, it becomes a note, a promissory note to pay the huge amount, signed collectively by those who do not hold Government Bonds in favor of those who do. More simply still, consider it is a debt of the Have-nots in favor of the Haves.

How can the Have-nots pay back ? There was a time when the “Gold Standard” applied, and then all debts ultimately were to be paid in gold. When a bank note stipulated that it would “pay the bearer on demand” so many dollars, it meant payment in gold. Not anymore. The Gold Standard is a thing of the past, and the new standard that applies is in fact the “work” standard, since there is only one way the Have-nots can pay back, which is to contribute the only thing that they have: their work.

Until recently, this was fair enough. We knew that the poor would work and make good on the debt: they had to. Now, though, work disappears and we have reached the critical point where our production system has little need for the type of work that the untrained, uneducated, typical Have-not turned “Do-not” can offer. Until the day he is educated, trained, and assigned to some productive work, the “Do-not” cannot pay back the money he owes.

Is he to return to the sender the money he receives from Welfare ? Obviously, this is not what we want, for otherwise Welfare would not have given him the money in the first place. Getting that money back is the last thing in the world we want, because there are also all these Corporate Bonds around: debts guaranteed only by an equipment which would become worthless if the Have-nots were asked to pay back their debts rather than buy all the goods they can.

Forget about paying back. Legislators may play with the concept of a “balanced budget”, and even bind themselves to achieve this lofty goal, but trust good sense to prevail. Reducing the debt is about the most suicidal thought to entertain in this period of crisis and transition. To the contrary, we must borrow more, both individually and collectively; this is the only way to maintain equilibrium in motion and to optimize everybody’s access to a reasonable share of welfare.

So, what about the debts, wealth and money ? We should not even discuss the value of the “power chips” of the rich, since globally they are clearly not redeemable in gold, or anything else anymore, and could now, for all the practical purpose they serve, be replaced by small medals saying “the bearer is a great man”. They could, but since we all have been conditioned to respect the authority of wealth and money more than that of

medals, we will certainly not go for that change... if we can help it.

Let's not play ostrich, though. The fact we must live with is that wealth and power, in our society, now rest on two rather shaky pillars: a \$1,850,000,000,000 bum cheque drawn on the destitute and permanently unemployed "Do-not" ..., and an investment in fixed capital for industrial production, which has value only insofar as prospective buyers are granted more and more credit to buy a production that always tends to exceed effective demand.

If a smart accountant scratches from our assets the worthless thingamajigs and the huge bum cheque, we will have to face the reality that we are rich, but not that rich, that a large part of our fixed assets are useless, and that money is only paper, after all, unless we can back it with a credible promise of welfare. This is the "joker" threat and we must be aware of that threat.

Which is getting more serious by the day. Not because the debt is growing, but because the less work there is for the Have-nots, the less solvent the debtors; the more the needs of the population basic and not so basic are getting satisfied, the less vulnerable the debtors to pressure from the creditor..., and the more the power vested in wealth becomes illusory, the more of a threat. Let's not dream that we may look the other way and let time take care of the problem. We must find a way to "restructure" that debt painlessly, and "finding a way" will mean agreement on new ways to work, new ways to invest, new ways to share and participate, ways that will have to satisfy debtors and creditors alike. *We must agree that in this operation there will be no losers.*

It is quite a challenge, but it must be done before somebody yells “The King is naked”, and some simplistic fool decides in favour of a write-off. We must never forget that the 13-figure bum cheque is the symbol and embodiment of all the dreams and ambitions of the ruling power structure. The same power structure that made industrial development possible and which industrial development, reaching its logical conclusion, is now making obsolete. We better make some arrangements on the payment of that cheque, for power structures do not commit suicide.

The cheque must not be torn away! ... or else. Or else, confronted with phoney money and a crumbling power structure, you may bet that rather than a write-off that would mean ruin for top-dogs, economic collapse and social anarchy, our decision-makers would decide for another round of the same thing, within the same framework and under the same type of leadership. We would face the traditional “alternative” to evolution.

The “alternative” is, rather than to let work disappear, to keep manpower at work ... turning all workers into soldiers; to keep wealth “productive”, even if it means blasting most of everything away so that it will have to be rebuilt, and to get rid of the huge bum cheque through the inflation that always comes when we get war rather than change, meaning a write-off of most wealth save that of the Most Powerful Ones. Simple, well tested time and again, and proven effective. The only itch is that it will bury our children, together with our past mistakes...



## II

### QUEST FOR LEISURE

*Jobs are going, going, gone, and will not be back. This is not a cyclical problem, it is a major crisis. We may follow a patchwork approach to the unemployment problem, and react on the spur of the moment to the loudest calls for attention. This way, we may even stumble on some satisfying makeshift arrangement and pretend that we have reached a new equilibrium. We may... and then we may not, and there are those threats, those three “time-bombs” ticking, remember ?*

*Then, we may seek a permanent solution to the problem of life in society after toil is over, and aim at setting up a new equilibrium for the Age of Leisure. If we do, then we must wave goodbye to Homo Faber, set new rules for the new game, and plot a path that will take us safely, with as little pain as possible, from here to there, through the dangers of transition, out of the present crisis ... and beyond.*

*This book will propose a solution. Before it does, though, we will go back in time to the root of the problem and come back step-by-step, in a cautious “forward pass” along the network of decisions which*

*resulted in affluence... and crisis. We will start in the beginning, go slowly, touch all the bases and leave no milestones unturned. We will, because it is not really possible to grasp the intricacies of the present crisis and to plot that path to safety unless we have a clear idea of the events which brought us to where we are.*

*Fastidious ? Maybe, but I have heard too often, too many experts in the field of human resources — not to speak of laymen like Ministers and Secretaries of State! — utter incredibly asinine statements because they had missed a turn somewhere. You and I have seen much too many «enterprises of great pitch and moment » turn awry or simply fall flat, because there was a little missing link in the vision of the world of the powerbug-on-duty. We will go back and look at the “why” of the crisis, try to understand what went wrong with a system that has been good enough to satisfy — and then some! — all the material demands that were placed upon it. As we do, we will not only understand why this crisis had to come, but also why it has to go away... and see how we can help.*

*The “why” may be boring, though, to the true believers and the compulsive problem-solvers, so here is a clue and a deal. The clue is that whenever you feel that you have had it with yesteryear and yesterday and can take the rest of the “why” of the crisis on faith, you may proceed directly to Book Two (more precisely to Parts II and III of Book Two), where you will find real, honest-to-goodness suggestions for a better world. The deal is that if you are shocked by some of these suggestions, you will not shout “Preposterous!”... but will return quietly to join the historical mini-tour at the very point you decided to wander on your own.*

*Now, for the curious at heart, let us go back in time...*



## **1. top-dogs and pack-hunts**

Go back in time..., go back in time. The Saga of Man the Worker starts with a modern manager's dream: total dedication to work. Small groups of men, women and children roam the woods, picking berries and trying to catch small animals. Like some birds and insects and door-to-door salesmen, they go from sunrise to sunset, without pause, eating as they go along. It is indeed a manager's dream, as it can be seen that workers need no extra incentives and require absolutely no supervision. It is a perfect system of personal entrepreneurship; it offers equal opportunities for all, and results correlate abilities. Good berry-pickers obtain a reward commensurate with their efforts: survival. It is unknown to us, but appears dubious, whether berry-pickers as a whole enjoyed berry-picking, either as a way of life or as an occasion for self-development. What we definitely know, is that some berry-pickers, at least, did not care too much for it and that they looked for more exciting challenges, like hunting larger animals.

### ***The consenting Labour Force***

We know also that this did provide opportunities for self-development, even self-aggrandizement, and that, immediately as some reached the level of self-development and self-aggrandizement necessary to express forcefully their opinion, the world witnessed the first great division of labour: the division between those who would go on herding buffaloes, picking berries, "working"... and those who would henceforth devote their lives to loftier schemes, like planning raids on neighboring tribes, or forecasting the "Gross Tribal Product" by scrutinizing the innards of some unlucky animals. This first division of labour was a portentous

event in the history of Mankind. It is immaterial, though, whether we refer to it as the “Birth of Society”, the “Dawn of Civilization”, the “First Social Contract”, the “Original Powerplay” or simply say “in the beginning”...

“Leadership” was not really a surprise move. Wolves, baboons and other animals hunt in packs, an activity that requires coordination and team-work and is greatly enhanced by some sort of pecking-order. Not surprising either that this division of labour should meet with the enthusiastic approval of the would-be coordinators; but what about the “labour force”, about those who would now have to feed both themselves and the “leaders” ?

It is unrealistic to believe that, right from the start, the labour force was forced unto submission; it is a safer guess that, faced with the challenges of day-to-day life, the “strong” had other priorities than to look after the “weak”, and that great warriors, except for immediate intercourse, had little interest in running down fugitive spouses and their progeny. Had they wanted to run them down, the whole wide world was on the side of freedom. The reasonable assumption is that it is the weak who began to play “follow the leader”, that leadership was sought, not imposed, and that if Man, a stiff-necked animal who would rather go his own way and do his own thinking, accepted gregarious life, it was undoubtedly because it offered advantages that made up for the constraints and that, all considered, hunting in pack was more fun than berry-picking by oneself.

It is very important to understand that in the beginning there was **freedom**. No two parties will stick together, no family units will hold, no society will be born unless its original members agree that, together, they will fare better than each for himself. It is a

bargain, a contract, and if he is to come back nightly to the common hearth rather than take to the hills on his own, the most down-trodden individual in the group must see something for him in keeping close to his stronger neighbors. Primitive society is the original “non-zero sum game”, and if it is to go on every player has to gain a little more at it than playing “Lone Ranger” .

The first social contracts were not elaborate and certainly not “equal”. If he fetched wood and otherwise followed orders, the weak partner might be allowed to sleep within snoring distance from the strong and to receive from his bigger friend a modicum of protection, together with the implied promise that he would not be butchered and eaten except in case of dire necessity. It was understood also that “chiefs” were whimsical, temperamental and unpredictable, just like all other forces of nature. These were hard bargains and it was “take it or leave it”; still, there was freedom and it was a bargain. There was freedom, that is, until an agreement had been reached.

When the contract was “signed”, it became another story. A whole series of changes take place after the birth of society. First, the division of labour that makes the deal palatable to the strong will create a state of *interdependence*: each individual in the group becomes dependent on the others for his welfare. To the weak, this is nothing new and it just creates an extra incentive to belong; for the strong partner, however, it is unusual to depend on weaklings.

Yet dependence is created the minute there is a labour force: it is so much more pleasant to have somebody else do the chores. When the strong feels dependent, he discovers an incentive to keep the weak at hand. Freed from daily tasks and with followers ready

to lend a helping hand, leaders realize that they have good reasons and plenty of time now to pursue tentative quitters. From then on, it is labelled unpatriotic to resign from the tribe; society shapes into something much more cohesive and sometimes oppressive.

It is not because someone, or someone's father, has agreed there should be a pack-hunt, that agreement will eternally prevail as to the identity of the top-dogs who will lead the pack; the top-dogs who will have access to more goodies and longer week-ends. When the game of "Society" is well on the way, a refined version of it is introduced, called: "Power". This new game of "Power", though, is definitely a "zero-sum game".

### ***Rules for the Zero-Sum Game***

Meaning that I win what you lose and vice-versa. The Power game has certain basic rules that it is necessary to understand in order to follow what comes next; so, before we proceed further, just a word about concepts like *Effective Majorities*, *Chains of Command* and *Reinforcement*, both positive and negative.

An *effective majority* is the minimal number of people in a group who, together, can wield or muster enough strength — physical or otherwise — to impose their will on the rest of the group and use the common resources to their own advantage. All decisions in any group are always taken by an effective majority. In a group of two, the stronger will prevail; in a group of three or more... it depends.

The father may impose his will on the woman and children, but only until they grow strong, until he grows old... Then, comes the time for alliances. What about the father and his eldest son against the others ? What

about me and my brothers against my cousins ? What about Us against Them ? Whatever the way teams may coalesce, *We* will prevail against *Them*, if — and only if — together, we have more strength than they have, and thus constitute an “effective majority”.

The concept is always “strength”, but muscles will not take you very far. The physical power of an individual does not extend further than the length of his arm, at best to the range of the weapon he bears, which is not much, and even the strongest is weak if he stands alone against too many. When the group becomes larger, presumptive leaders will need friends, “allies”. If he can command loyalty, the Leader’s power will be multiplied by whatever strength is wielded by those loyal to him.

Through a similar process downstream, the strength of his allies will be built on the strength of their own followers, and so on down the line, step-by-step, until a *chain of command* is established over a significant population, and there is an area within which will prevail the word of the Leader and an orderly distribution of wealth, power and leisure. More than anything else, a society is this chain of command. If there is to exist a society at all, each loyalty link in the chain, in the “power structure”, must be stronger than the centrifugal forces in the stiff-necked human animal that are the great desire for freedom and the equally great desire for the rejection of constraints.

It may look like leaders will choose their allies but, in the beginning, power is usually built from the **bottom up**. A sufficient number of people — minimal to maximize what each may obtain — will become an effective majority and impose their will upon the group. Within this effective majority, a majority “of the second order” will soon assemble, to obtain for its privileged

members even more advantages than the ordinary members of the effective majority, but without compromising the basic agreement which keeps the first effective majority together. Within a “second order majority” appears a “third order majority”, and so on, until the power at the top is in the hands of a human-scale group, family-size, in which decisions can be taken amongst people who know each other, respect each other... and fear each other.

This is the normal way for power to build, except that it may be quite unstable; let any link weaken along the line, and the effect will transmit, up and down, over a large segment of the chain. To balance this instability, it is normal for leaders who have reached the top, once the structure is in place, to “delegate” power **down** the structure, to people who will command no loyalty of their own, and thus will have no power except the power they derive from the top. Delegates see clearly the virtue and advantages in loyalty, and do not get fresh so easily. Delegation of power from the top provides for stability ... or inertia. It is all check-and-balance.

Then, *reinforcement*. In small primitive groups, it is usually *negative* reinforcement that is applied and a “sticks-only” policy is the crudest and simplest way to get things done. The boss will bash the brains of his immediate followers to make sure that they obey his orders, and they in turn will do the same to their own followers, until the will of the Chief is done at all levels. Sheer brute force will determine the pecking-order and, unless one of the top-dogs trips and breaks a leg, it may go on unchallenged for quite a while.

When larger groups are assembled, however, for pack-hunting on a societal scope and for more global objectives, a longer chain of command is required

suggesting a more subtle approach. It is possible, of course, even in a complex society, to whip people into submission. It has been done very often; it is simply not very efficient. Better results are obtained when people are convinced that they have something to gain when they follow orders.

People do better running downhill rather than uphill... When people are *positively* reinforced, it is as if their own inner resources would work with — rather than against — their action, and performance is improved over that of people negatively reinforced. This increased effectiveness has to do in part with self-motivation, and in part with the fact that, in a negative reinforcement system, all these people at each level who must do the whipping and watch their own backs are not doing anything really productive: there is a very significant “supervision differential” that plays in favour of positive reinforcement. So, when larger groups begin to develop, leaders have to learn better manners and it will become “carrots” rather than “sticks”.

Since it is so much more efficient, leaders in their right minds would always use positive rather than negative reinforcement, if it were not for a small catch: it is always easy to find sticks, but sometimes there are not quite enough carrots around for everybody’s appetite. Successful leaders are those who know how to keep carrots available for the effective majority and how to crack the whip for the others, carrots being usually food and leisure and the stick of negative reinforcement whatever you can imagine.

*The great promise*

Effective majority, chain of command, reinforcement, we'll come back later to these concepts. Now, back to the original powerplay, the division of labour and the first "great promise". Early primitive societies had to face shortages; the basic purpose of pack-hunting was to get more food, and the way to have it was to work more. So, as soon as the leaders of the berry-pickers-turned-pack-hunters realized that they had a labour force on their hands, they started to think in terms of full-employment.

They did not, however, implement full employment in view of its beneficial effect upon the worker. To the contrary, looking soberly at the consequences of work on the body, mind and soul of human beings, it was with deep regret that rulers, shamans, planners of raids and forecasters of crops imposed on the labour force — that is to say all the others — whatever work was required to keep the fire burning, the wheels turning and the elite fed. With deep regret, for it made people restless, but they did it just the same, since the main reason for an effective majority to develop and to cling to power was precisely for its members to have more food for less work, that is to have a labour force at their disposal, and they proceeded to use the labour force as best they could.

Using the labour force at its best, leaders nevertheless understood perfectly that it was leisure, not work, that was considered fulfillment by their constituency, and they skillfully used leisure as well as food for positive reinforcement. Wise leaders vowed that as soon as the administrative infrastructure of the tribe would allow, every human being would be spared the indignity of toil.



This promise helped in no little way rulers and their friends to remain at the top, at a safe distance from berry-picking and other chores. Then, with larger and larger groups gathering together, communications, better organization and a will for leisure, the day came along when the great promise could be kept. The dream of leisure for all human beings became a distinct possibility...

## **2. The rise and fall of biomachines**

It became possible to offer leisure to all human beings, when it was realized that everything that could be construed as work could be imposed on animals or, more efficiently, on bipeds of other tribes who would lose their status as members in good standing of the Mankind Club; freedom became a prize to be fought for. Losers, their own drive towards automation having been curbed in battle, became “biomachines” and did all the work while Men, the winners, could indulge in the first conspicuous consumption in history: the consumption of leisure.

### ***The child of leisure***

Slavery was the first attempt at automation. With it, some human beings, at least, were freed at last from the “burden of toil”; as a direct consequence, **civilization** was born, which is the child of leisure. Those who did not have to “work” anymore, who did not have to apply all their ingenuity and efforts to the solution of immediate problems for obtaining an immediate result... began to *think* and to apply at least part of their brains to abstract thought, long-term problem solving, cultural and philosophical considerations, etc. Not only was it

more interesting to deal in abstract thoughts, but it soon became evident that, globally, it was also more efficient: new ways were discovered to hunt, to sow, to weave and to “make things”. Mankind had discovered production, and wealth increased for everybody; for everybody, that is, who was a “human being”...

The system was a little bit rough on biomachines, but this, at the time, did not worry much anybody, and least of all the “philosophers”, a new breed of “non-workers” who had just taken advantage of leisure to blossom into existence. The primary concern of social philosophers then, was to design stronger chains of command and better reinforcement techniques. Their best effort, by far, was *Justice*.

Primitive leaders could say and do what they liked. A few thousand years of “leisure” — and thus of civilization — later on, though, if the King of Babylon wanted his will to be done at thirty-days walk from the city, his subjects had to know what he wished... and what to expect if they did not behave properly. For sound management of complex societies, kings may remain all-powerful and temperamental but they must renounce in part to their unpredictability. They use justice and edict *laws*.

From laws is born the feeling that one has rights as well as duties, a feeling which is the best of positive reinforcement, the carrot worth a thousand sticks. From then on, philosophers may say that it is “right” and “good” to obey the King and the Law. Power, which until that day had rested merely on promises or threats, suddenly could become endowed with moral value and rest on *Authority* .

With authority and cheap labour, power can really go places. The planners of raids became the great conquerors; the shamans became High Priests; forecasters of crops became soothsayers, a step forward on the path that would lead, some day, to the emergence of real “far-seeing economists”. The tribes of berry-pickers and pack-hunters became Egypt, Athens, China, Rome. Rome, it seemed, really had authority and a lot of cheap labour; yet..., it failed.

### *First try*

There are no lack of explanations for the rise and fall of the Roman Empire, and they are of no concern to us. On the other hand, the rise and fall of biomachines, of slavery, is of great interest. Why ? Because slavery may be seen as the first large-scale experiment in automation and our own civilization, the civilization of Western Industrial Nations, as the second such experiment. It is important for our purpose to find out what went wrong — not what *was* wrong (an ethical question to which there is an easy answer!), but what *went* wrong — with slavery; this is a technical question that begs an answer.

First of all, we may discard the hypothesis that it failed because the slaves themselves objected to it. True, there were slave revolts in Rome (Do you remember Kirk Douglas in “Spartacus” ?) but the Roman legions could take care of that very efficiently; slavery went on and prospered in the Empire at least three centuries after the most serious revolts had been crushed.

We cannot believe either that it failed because Rome became Christian, otherwise, we would be at a loss to explain slavery in Nineteenth Century America.

Better to admit that successful religions usually condone business practices that work well and condemn the others, and we may safely guess that the Christian message brought the slaves' emancipation after — and not before — they had become obsolete equipment.

The real reason slavery, as a large scale automation system, practically disappeared at the end of the Roman Empire, was that Roman society was thrown into the absurd and hopeless situation where men, free men, were made to compete against biomachines.

How did it happen ? The early Roman Empire was a period of growth and expansion, and in between the rich and the slaves stood the Roman citizens-soldiers, an upwardly mobile middle class with dreams of owning land, a booming market of potential biomachines users in an ever growing rural environment. Then, conquests, wealth, urban life, concentration of wealth and population in the City, more and more slaves pampering the rich rather than producing food, boredom, Angst, Limit to Growth ... Sounds familiar ? Anyway, peace replaced war, and the citizens-soldiers of Rome came back *en masse*, to become citizens-workers, thousands upon thousands of them, and to work. Of course, there was no work for the citizens-workers of Rome: work was for slaves.

The ex-soldiery became an unemployed “lower middle class”, marooned in an urban environment without access to any means of production that would let it earn a living and survive. This situation put a tremendous pressure on this new lower middle class to compete with the slaves, and to provide whatever work and services were required at a price that buyers of work and services would find attractive. This would be possible only if they could do the work at a price lower than what the slave-owner had to spend to keep his

slaves alive and working, that is if the free worker's productivity would be much higher, if he could work much faster, much better than the dumb chattel...

All slaves were not dumb, of course, but they certainly suffered from a great lack of motivation. If ever there was a plain case of positive-vs-negative reinforcement, that was it. In all fairness, it must be said that the management of biomachines was in a deplorable state. In the beginning, in the tribal days and until the Romans would begin to eat quiche I presume, the necessary amount of toil was exacted from the slaves under the supervision of armed warriors, and in an environment of total alertness: anybody in the tribe would be ready to take extreme punitive measures against any slave who would not behave properly. It was possible, in this context, to obtain enough work from the slave to justify the operational costs — food for the slave and supervision — and still to turn a profit.

But what with second-generation, third-generation and even fourth-generation slaves ? How much immediate, supervision do you need to watch a slave, in a society that has turned “soft”, and in which nobody but you cares whether your slaves work or not, whether they stay or go ? How can a Roman gentleman get real leisure and enjoy it, if he has to remain in a state of “total alertness ?” How practical is it, anyway, to apply punitive measures to a slave whom you want to use as a physician, a philosopher, a cook or a teacher to your child ?

In time, the slaves — and mainly those working close to the household — were treated with increasing kindness and came to enjoy most of the amenities of free citizens, although they could not, of course, be granted *rights* lest they ceased to be slaves at all. So, slaves could be treated like free men, except that they

did not have rights, least of all the right to be ambitious. Without ambition, who will break his back to work and produce ? So, free workers did manage to compete and to sell their services.

To meet the challenge of free labour, slave-owners could revert to negative reinforcement: crack the whip, increase supervision. This, however would lengthen the chain of command and raise costs, and chances were that the 1-h.p. biomachine would then produce little more than what would be required to pay for the increased supervision. The slave-owner could also go on feeding the slave and being pleasant to him, but then, having security without ambition, chances were that the slave would produce less than his free counterpart driven by hunger and anxiety. This dilemma led to all kinds of plans to increase the slave's motivations, all based on the same "Toil Now, Freedom Later" approach. It soon became obvious, however, that nothing was working quite as well as Freedom Now. Biomachines could not compete with men.

This created another dilemma, for slave-owners as a class. Should they, or should they not, stoop so low as to hire free workers, an alternative that was now proving daily to be more efficient than using slave-labour ? If he used slaves, the slave-owner, as an entrepreneur, could not compete with free labour and would not stay in business... but if he chose to use free labour and admitted that it was cheaper to use free labour than to take care of the basic needs of the slaves who could do the same work, than slaves — as a capital investment — would not be worth their weight in flesh, except as house pets, since the value of a piece of equipment is nothing more than a factor of the profit that one expects from what can be produced with this piece of equipment. The value of his investment in

slaves would depreciate more and more, until its value became nil, negative even, if he did not get rid of them fast.

It was worse if he tried to escape the dilemma by freeing only some of the slaves, since every time he freed one he would increase the number of free workers competing against slaves in the labour market and increase also the drive of each free man to work harder still! He would thus reduce even more the value of all biomachines still in operation, including his own. It is about that time that the Roman State began wheat distribution on a large scale, and embarked on a huge recreational program with an eye to keeping free men out of the labour market. It was useless, as it was useless, of course, to try and feed part of the surplus manpower to the lions to keep the rest amused.

It failed, so the rich embraced stoicism and retired from it all... while upper and lower middle-classes turned Christian, allowing philosophers to declare that slaves had a soul, after all. Having a human soul, they should be recognized as fellow human beings and allowed to become a “lowest middle-class”... after which they could begin to steal, fight, or scavenge for food like everybody else... or quietly disappear.

In the end, slaves did just that; they disappeared. Rome was not unbuilt in one day, but its population declined from 1.5 million in its prime to 40,000 in the Middle-Ages. Most everything else also disappeared, and first of all civilization. It was back to square one after the failure of the first large-scale experiment in automation. There are three lessons to be drawn from the Roman Biomachine Experiment, in addition to the obvious point that slavery is a dead alley and that 1-h.p. biomachines are simply not efficient enough to produce, without the help of another source of energy, sufficient

goods and services to maintain a significant percentage of the population in civilized leisure.

The first is that negative reinforcement is not very effective. The second is that leniency with slaves will not help, because security without ambition will lead to the lowest possible productivity. It is important for us to remember this lesson, because although slavery as such may not be with us anymore, the same rule will apply in any reinforcement system, if the rewards are not sufficient to stimulate ambition. The third lesson is the most important and may have ominous overtones when we compare their system to ours. It is that wealth invested in biomachines — or any type of machines, for that matter — is totally dependent for its value on the demand for what these machines can produce. Let the demand decrease, and so will the value of the capital until it has absolutely no value at all. None.

### **3. Second debut**

Freedom now. But, from the slave's point of view the passage into serfdom looked like a low blow. Gone was the womb-to-tomb security and the consideration he had enjoyed as a good piece of equipment. He had been admitted to the great Brotherhood of Man, and it was now his recognized birthright to get his share of the profit when things were good. They were not good very often, though, and when they were not he could expect little help or even sympathy from his fellow men, landowners and nobles. They had life-goals of their own, and enjoyed some sort of "Minimum Guaranteed Income" which allowed them all the leisure they needed to plan raids on neighboring Provinces and to forecast "Gross Baronial Product", invoking the Saints or evoking the Devil.



*The golden days of full-employment*

Biomachines were gone, except for a few Asians or Africans — bipeds from *really* different tribes — the delivery of which was always precarious. Few sources of energy were available: the wind, beasts of burden... With the disappearance of machines, the concept of the labour force was back and ex-slaves, now that they had attained the dignity of Man, could feel that most of the fun had been taken away from their newly acquired status: they had to work.

To work as hard as ever. The ex-slave was free, but free to become wealthy growing wheat on a one-acre plot, provided he did not sin and paid his taxes faithfully to his lord, since that Minimum Guaranteed Income for top-dogs had to come from somewhere. It was like picking berries once again, except that now it had to be done in a severely controlled area, an area which actually had to be sowed and was sown. Work! Naturally, leisure was still a desirable commodity but few, now, could enjoy it. The whole set-up was called the Dark Ages.

It is extremely unlikely that anybody conceived the grand design that whatever leisure was still available in the Dark Ages should be shared unequally, so that toil for the masses would ensure full leisure for the few, that a little civilization might escape... and with it the hope of a better future. Like so many world-shaking occurrences, this one just happened to save the day, which is probably why so many of us believe in God.

Whether or not He took a hand in the process, the Good Lord certainly got the blame for the subsequent unpleasantness that resulted from the unfair distribution of leisure. Some inspired “non-workers”, Shamans and Philosophers, came up with an explanation, rather a

slogan: “*work is a blessing* “. Work was good; it was Man’s natural destiny to work his way to Heaven, and leisure was wrong..., except for those who were in the service of God or whom He had endowed with wealth.

While Shamans kept talking, another sub-class of “non-workers” was putting leisure to profit in order to think. Enough thinking, in time, brought the Renaissance and “ideas”; ideas about work-saving devices, that bloomed into a technology and into machines. Honest-to-goodness, work-saving machines: **Mechanical slaves**. Mankind was ready for a second try at automation: the Industrial Revolution.

### ***The benign conquest***

Machines came and conquered. The day steam first blew the whistle and the train could get there faster than the horse, it was obvious that work, toil and leisure would never again be the same. Because we all have read accounts of urban life in the early Industrial Era, the word “Industrial Revolution” has a tendency to evoke visions of workers more or less hoarded into town in quasi-slavery, of cloaked-and-daggered agents of evil Scrooges going on the rampage at night, to steal children from their idyllic homes in the countryside and have them work in the coal mines.

More to the point would be a vision of starving peasants migrating in droves from too much work for too little result in the barren fields, and queueing up for work at the door of every factory that would offer what we now call “inhuman working conditions” but may have been the Promised Land at the time compared to the prevailing standard of living in rural areas.

This does not mean that it was all great fun for workers in the early Industrial Era; some descriptions by London, Marx and many others would support a plea for serfdom or slavery! It is important, however, to remember that the Eighteenth and Nineteenth Century peasants turned industrial workers of their own free will — just like berry-pickers of another time had joined society of their own free will — if we are to understand that the early Industrial Era was not a black spot in the history of mankind, but just one more step up, from the initial drudgery of toil to the paradise of leisure yet to come.

From the end of the Eighteenth Century and on, the machines conquered sector after sector of the economy and the machine invasion always followed roughly the same pattern. Smart Alec would invent some labour-saving device, usually a clever application of a well-known scientific principle. Fat Investor would put the contraption to use, so out went the workers, and in came the machines.

The social drama would also follow a well-established pattern. Workers went to the poorhouse, while Fat Investor would make a pile of money but get loud outcries from displaced workers who would try and destroy the machines, preferably with their wooden shoes — hence the word sabotage, from the French sabot — while philosophers would write pamphlets. Machines would soon get repaired and wheels would turn again, but the pamphlets would endure, conveying the impression until this day that unemployment on a large-scale was the scourge of the Industrial Revolution.

On one hand the image of forced labour, on the other the image of rampant unemployment. And yet, this picture of a reduced labour force retreating before the advancing machines was not to become a reality

until about a century and a half later! Before mechanical slaves would bring the Utopia of leisure for all, they would first give Mankind a lot of work to do, and work there was, at this stage, like never before. Machines replaced few men; mostly they increased production.

The reason they did was that as soon as Fat Investor had recouped the money of his initial investment in machines, he saw gold at the end of the rainbow: *Effective Demand*. Effective demand, which is nothing but a name for the sum of all the needs and wishes of the consumers... who have enough money to satisfy their needs and wishes. If you produce anything, anything at all and want to sell it for a profit, you must sell your wares to the people who have the money to buy and the lower the price, the more of these “people who have enough money to buy”. After you have amortized your initial investment, your best interest therefore is to cut your prices drastically and to chase for new clients amongst those who have now enough money to buy at this lower price. This is the inescapable logic of machine production, and provided you keep above the operational costs you can do it and still increase the return on your initial investment.

This is exactly what Fat Investor did, and while he chased successfully after effective demand he reached many more new clients than the few who traditionally could afford to buy his products when prices were sky-high. His market multiplied manyfold. He sold more and increased his production, providing more work for more workers. Workers who might not be paid much, but still would have more pocket money to spend now, than they had previously, when they were tilling the land; workers with more needs and wishes, and more money too, which added up to create more effective demand ... which led to more production creating more

work for more workers. Apparently, it was positive feed-back without end.

Well, maybe not without end, but certainly for a long time. The overwhelming majority of the workers in all Western Industrial Nations dropped their ploughs and hoes and moved to the cities... and they came to WORK. To work in the industrial sector, with machines, producing more wealth than ever. The second debut was highly promising and things were definitely looking up. As for the other “carrot”, leisure, it seemed that it might have to wait a little: there were so many needs to satisfy... Leisure would come, but not without pain, because there was a little flaw in the system; not an evil conspiracy to oppress the working class, mind you, but a “bug” in the system. The machine was still a very imperfect slave.

### *The imperfect slave*

Machines, as slaves go, have a kind of *Prima Donna* attitude: they are choosy. From the end of the Eighteenth Century and on, machines came and conquered most sectors of the economy, bringing with them a vastly increased productive capability. Not to all sectors at once, though, and certainly not to the sectors in which an immediate increase in production would have been most welcomed. Machines conquered at their own pace and rhythm, and they followed no other logic than their own, which happened to be the logic, first of Technology and then of Economics. Machines were installed where they could be installed, and where they could produce economically. Machines are choosy.

By slave’s standards, machines are also dumb. They will stubbornly produce whatever they have been made to produce, and nothing else, leading to

discrepancies between consumers and investors. The average consumer has many needs, and will proceed to satisfy them one by one — «*A loaf of bread, a jug of wine, a book of verses...* » — going for the next after the first is satisfied, as our marginalist friends would explain, his interest in poetry increasing notably after he has been fed properly.

The consumer's needs will change. The investor who has invested in machines, on the other hand, has acquired something very inflexible. Something that will keep its physical shape until it turns once again into scrap metal, something that will not easily change its purpose. What has been meant to produce one type of goods will go on producing this and not that type of goods. The wise investor may well pass the buck and get rid of useless machines by selling them to other investors, but for society as a whole there is no such easy way out.

For society, the work and efforts that went into making a machine are spent forever; the useless equipment will not magically be transmuted back into money to permit another investment in something that would fit more closely the demand and the wishes of consumers: the initial decision to invest is irreversible. It is up to the consumer to adapt to the machine, and if he does not, the investor will take a beating, while the consumer's needs will remain unsatisfied.

They will remain unsatisfied, because in an industrial society based on machines an investment is required prior to production; the money to invest in what consumers want will not be available, if all the wealth is already invested in the equipment to produce something else. Or, if we get rid of the confusing monetary symbolism, let's say it is always good to make tools to work with... but if all the time and

available metal has been spent making harpoons and we have no ploughs, we had better like fish.

The wealth invested in machines is “captive” and the investor is always a prisoner of his previous investment decisions. This is a great flaw in machines, and early industrial society was ill-prepared to cope with this imperfection. Society, then, did not have the enormous wealth which we enjoy today and any wrong decision could create a scarcity of capital, with painful or disastrous consequences. Wrong decisions were frequent, not so much when investors moved into new markets — there were really, after all, huge needs to satisfy — as when they followed to the bitter end the “logic” of machine production.

The logic of production, with imperfect slaves, is that it is so much cheaper to produce more of what you already produce than something else for which you will have to make a new investment, that it is profitable to reduce your prices and fly very, very low, just slightly above your costs, to attract the largest clientele you can. With some refinement, it is possible even to plunge below the level of return that would allow for replacement of the equipment — but still to keep above operating costs — and thus to rake in the last penny of profit while phasing the investment out of a shrinking market.

There is nothing wrong with that in principle. It is the desire in Fat Investor to scrape the bottom of the barrel that brought Plenty to the less-than-rich, and multiplied jobs at the time when machines were said to send workers to the poorhouse. This is the logical way for the investor to maximize the return on his initial investment and the consumer, incidentally, gets some real good bargains along the way. It is logical to chase after effective demand, unless you go too deep in the pursuit

and face the bitter day of reckoning, the point where there are no more takers at a price that will yield a profit or at least let you break even, and you begin to lose a little on each item you produce. Glut!

### *Sectorial gluts*

Before the industrial revolution, “glut” and “dearth” (both sides of the same coin) happened only in those sectors where Mother Nature took a hand, proving the bitch she was. For instance, there were regularly gluts or dearths of food, but dearth was the problem, not glut. Pre-machine gluts had been relatively short-lived, for if there is a glut of fresh food, it will last only until the unwanted surplus is spoiled; the producer/investor will recoup his loss — and more — when food is in scarce supply. Prices in this sector fluctuated wildly.

No such fluctuations were likely to occur though, on the market for durable goods. A few things might have intrinsic or circumstantial value, like gold, water in the desert, or desiccated parts of the anatomy of Saints and Martyrs, but for hand-made products the “normal” value of every thing compared to that of another was known: it was the value of the human efforts necessary to make it. Differences in prices would only reflect the quantity of work involved and whether this work was the highly priced art of Michelangelo or the toil of a common laborer.

Saturation in the market for hand-made products was unlikely, because individual craftsmen, responsible for the planning, designing, marketing and production of their own products, knew very well the effective demand for that product (which had stabilized over centuries), the relative value of their work, and the



rhythm of production they had to maintain to keep the market in equilibrium.

Machines, of course, changed all that. Not only would there be a general trend for productivity to increase in the mechanized sector of the economy — and therefore for the price of machine-made things to decrease, while the price of hand-made goods would appear comparatively higher and higher — but the price of any machine-made product could also zoom down whenever investors would want to attract more consumers at a lower price.

As the price for a product would go down, it would first sell more, until demand was satisfied, then much less than might be required to bring an adequate return on the investment. When this happened, when demand was saturated in a sector of production, it would mean “glut”: goods in this sector would not sell, or would sell at a loss, until the surplus was absorbed and demand would come back. With durable goods it might take quite a while for the surplus to be absorbed. Longer than the investor could wait...

Machines brought periodic gluts in one sector, then the next. The unfaithful consumers would move on, while the fixed capital would remain captive, its value decreasing fast to reflect the lower profit expectations. Every time it would happen, it would be the Roman slavers’ dilemma all over again, and Fat Investor would get poorer by the day.

Basically, his was the “flight or fight” response. *Flight* meant to grab whatever money he had left and run to another sector a to try his luck once again. *Fight* meant to improve on his technology, to lower his costs and his prices still more, to grant credit facilities to would-be buyers, the net result being to increase ef-

fective demand and to postpone the day of reckoning when a more severe glut would occur at a lower price level. Faced with glut, Fat Investor could also, naturally, go bankrupt immediately.

Whenever glut occurred in one given sector, not only were many capitalists left without capital, but there were also an awful lot of workers left without work. Now, this was not the already known “Machine-replaces-Man” type of unemployment, mostly a benign phenomenon (since machines would soon bring an increase in demand and production which would create more work), but a much more ominous type of unemployment which meant that material needs **could** be fully satisfied. This type of unemployment carried with it a “good news-bad news” message.

The good news was that it would be possible, with the help of machines, to have Plenty together with leisure... The bad news was that whenever any discrepancy would arise between investments and the real needs of consumers, whenever too much work would be spent to produce too much of something that consumers did not want... then, there would be a glut of some goods while, simultaneously, some needs would remain unsatisfied. When this occurred, investors would lose, of course, but mainly there would be “leisure”. It would be the dark side of leisure, though: unemployment.

### *The dark side of leisure*

Before it became a tragedy, mass unemployment was an embarrassment. How could there be such a thing as a shortage of work ? Up until then, men could starve only if they did not work, or if their work had not been blessed with results; the peasants who moved to the city from the countryside did not migrate because they

lacked work in the fields, but because they had to work too much to obtain too little.

Before the industrial revolution, individual workers — and the whole labour force as a class — were often cheated, robbed or otherwise deprived of the results of their work by the powers that be, but they were seldom told that there was no work to do! Peasants in serfdom had an obligation to work and to make use of the land to pay their lord his share; conversely, they took for granted some kind of life-tenure on the land which they occupied and was then the major source of production. Now that more workers had gathered in the city than were needed and that more were coming daily from the countryside, all of them deprived of any means whatever to produce something and to earn a living, except in the framework of the industrial production system, it seemed that “work” had become a scarce commodity. Of course, it was an illusion: it is the jobs that were scarce.

In the industrial framework, the word “work” had ceased to mean the effort to achieve a result and now referred to neatly packaged units of services that could be bought and sold like any other commodity: **jobs**. As a commodity, jobs had to go on the open market for the price they would fetch, and the market-value of work would fluctuate with demand, with effective demand, like that of any other commodity.

For workers selling work in job-packages, it is a market of employers/buyers rich and poor which constitutes his effective demand, and the worker running after this demand also may plunge and fly low over his operation costs. The penalty for failure to maintain operations costs, for a living being, is worse than bankruptcy, though... so the worker will go to some

length to avoid phasing himself out of a shrinking work market.

The effective demand for work declined when investors were short of money and had poor profit expectations, which is exactly what happened in times of glut, when investments were committed to sectors for which there was not enough demand from consumers. Less demand for their products would have employers aim at less production, which led to less work to do at this particular time and place. This produced less effective demand for the work-commodity and growing unemployment. Unemployment meant less money for the workers-consumers and less effective demand still, even though consumers might be craving for something that was not produced or that they could not buy. From then on, why not crisis until Kingdom come ?

Mercifully, it was only until the sheer productive capacity of the mechanical slaves, in spite of the hare-brained schemes of human entrepreneurs, had created some spare wealth to permit investments where it was really needed. But this took quite long enough in many occasions to create much more than intellectual embarrassment. There were enough crises and enough “glut unemployment” to create misery, and it inspired a few gloomy visions of the future.

Massive unemployment provided the tribe of far-seeing economists with something really interesting to argue about. The golden age of full employment, it seemed, was fast coming to an end. In other times, the slaves of Rome had been turned into free men; what could the redundant workers of the maturing Industrial Era be turned into ? No other debate was likely ever to give economists such a red carpet access to the lime-lights, so it was quite a match.

In the right corner of the ring, the Optimists kept their eyes on traditional “man-replaces-machines” type of unemployment and smiled. It was arguable that not only there was more and more wealth around, but also that there even were more and more jobs! Industrialization might have its birth pangs, but it would bring Plenty, and eventually the new god “Progress” would solve everything.

On the left-hand side, wearing red of course, Karl Marx and his supporters had a sadder story to tell. Unemployment was the all but inevitable consequence of industrialization in the capitalistic mode, they said; it was necessary for capitalists to create a “reserve” of cheap labour and, furthermore, the whole thing would self-destroy, since wealth would accumulate more and more in the hands of fewer and fewer people, until the day would come when the great majority of the people would have no money left to buy anything at all. So, we were confronted with “class struggle”, it would be fire and brimstone at best and Armageddon was a distinct possibility.

Less violent and less emotional, but gloomiest of them all, Malthus explained that unemployment would be a permanent feature of society; the inconsiderate breeding of the “proletarians” would consistently provide more workers than there would be jobs available, and then perfect competition on the open market would bring down the income of workers to the lowest compensation that would keep them alive and at work: a *level of subsistence* income. Since all of them, however, might not be necessary for the system to operate, the surplus workers were expandable. They could, as we said, phase themselves out of the shrinking labour market or, as

Malthus said it more elegantly, at the banquet of life, there would be no place for them... They should do as the Romans had done, disappear.

Gloomy, indeed. And this Marxist hypothesis about the concentration of wealth was not to be taken lightly either. Suppose it would really get to the point where all that there was money to buy had been bought and the remaining demand was not “effective”? Nightmare!

#### **4. The great equalizer**

Meanwhile, we had pleasant dreams in spite of storm warnings. All through the Nineteenth and the Early Twentieth century, sectorial and multi-sectorial gluts serious and more serious came and went, but somehow the system survived. Human lack of foresight and the inflexibility of machines might have combined to create gluts in this sector and then the next, but some superior forces saw to it that effective demand would always be saved *in extremis* .

#### ***Waiting for the storm***

Clouds gathered, but sound remedial measures were taken against what might have been an excessive concentration of wealth, and unemployment did not pass the threshold beyond which the system would have been blown to bits.

As productivity increased and the total amount of work to be done diminished, workers were authorized to renounce total dedication to work, and to fit their productive activities in the framework of roughly “40-hours a-week” jobs. This allowed for more jobs to be

created and, since wages could not be reduced lest a dangerous drop in effective demand should occur, the net result of reduced working hours was a tremendous increase in the value of work itself.

It was inevitable. More production begs for more disposable income if it is to be sold, and if less work is available, then obviously work must fetch a higher price. It seemed that the Optimists had been right when they had said that wealth would increase, and that the Red Team had been wrong to think that it was necessary, or even useful, for investors to have a “reserve” of unemployed manpower at their disposal; to the contrary, it would have been a major inconvenience. Wrong also, when they had thought that unemployed workers could be left to starve in the streets; this would have been even more disturbing.

The Red Team had been right, however, to assume that unemployment would become a permanent phenomenon in our society. Machines were pursuing workers from sector to sector and these workers, like so many investors in this commodity called “work”, also had to act on the “fight or flight” response, keeping an eye on an advancing technology that was still globally creating more jobs in the industrial sector, but was already playing havoc with all established work patterns.

There was also a more subtle negative effect taking place; now that the “job” was born, and that it was certainly more comfortable to be with, rather than without one, working could be said to be better than “not working” and generations could be conditioned to think that work was in scarce supply. The “work is a blessing” line had come back with a vengeance.

But why complain ? Progress would solve everything! When it came to building its stock of new slaves, industrial society really went to business. Sector after sector of the economy was opened to the Machine like so many new frontiers, and a horde of proud owners of 40-h.p. motorboats would soon cruise the rivers, with the same labour equivalent at their disposal as Cleopatra going up the Nile. Every native fisherman in deepest Africa would soon strive to put a motor to his pirogue and to add more metal slaves to his household. The “mechanical slave” population of the world, measured in h.p., would come far to exceed its human population. God Progress took over, we had the “Roaring Twenties”... and then came the bolt from the blue.

From the beginning of the Industrial Revolution, the menace had been there that some day — and whether or not Global Glut was a material possibility — the faith of investors and consumers alike might be shaken and that the realization could dawn upon them all that maybe, just maybe, there was not enough money around, in the hands of prospective buyers, for all the manufactured goods that were produced to be sold at a profit.

They finally reached that conclusion in late October 1929. Goods would not sell at a profit, and it was “profit” that justified the price tag which investors as a whole had put on their investment in machines. So, panicky investors figured that the machines that produced these goods were useless, that investments made in these machines were worthless, and they instantly wished away a huge part of the wealth of society; it was the Great Depression. Was it the Marxist “concentration of wealth” effect in action, or nothing more serious than a small problem of distribution compounded by a huge lack of credibility ? One thing



was sure: the golden age of full employment was over, and if there was a “glut” going on it was well disguised. Now, the question was whether the “superior forces” would still save the system.

They did, the superior forces this time turning out to be the shrewdness of the human animal who has more flaws than just greed and the very dumbness of machines. Philosophers and economists had been wrong to read the raw figures, in the entrails of their primitive calculators, as meaning that wealth would concentrate in the hands of the few until effective demand would be nil, until unemployed workers would be up in arms and until all cogs and wheels would stop. The final result of the meeting of Machine with human ambition had been misunderstood by both teams of economists, left and right, for it is precisely *because* they are dumb and inflexible that the machines would save the day and be the greatest carrot since laws and justice. Machine would be the great equalizer.

### *The bias for equality*

Industrial society survived the Great Depression and all the ups and downs of effective demand, because the top-dogs were not half as stupid as Marx had thought. He, the Prophet, had warned — and his supporters were repeating daily in so many words — that wealth would concentrate in the hands of the few, that there would be no more effective demand, that capitalism as a system was doomed, and that the top-dogs would soon be invited to join back the labour force. It was explained very clearly, although not completely as we shall see later, so why should top-dogs be so stupid as to let it happen ?

They were not, and they did not, of course. Nobody in the Upper Kennels barked agreement very loudly, but the message was not lost; if faulty distribution of wealth was to topple the system, then faulty distribution would be corrected. The Marxist error was to believe that the rich crave more riches, that the wealthy are obfuscated by wealth, that top-dogs have dreams of bigger bones. A crude mistake, since money is nothing at all... to those who have money

A little money will buy what anybody needs; a little more will buy most anything that anybody could want; real wealth is practically useless except as a means of power. Power is the name of the game. Wealth, they say, is “having two pairs of pants and using one”; it is mainly having so much more money than one can use, together with the discretion to part with it, that the surplus may become a tool for positive reinforcement: power.

I read somewhere that to catch a monkey, you can put peanuts in a box with a hole big enough for the monkey to put his arm in with extended fingers, but too small for him to remove his arm after he has closed his fist over the peanuts. It will not let go and will remain prisoner of his greed. I do not know if it does work with monkeys, but it did not work with top-dogs. The moment they realized that the game could not go on if all the chips were at the same end of table, they agreed that the chips could be redistributed. Enough chips at least to keep all players at their seat and the game going, the old, intricate, delightful, and all-important game, the purpose of which is to know who is going to lead the pack. The system would not work without a little bit of money in everybody's pocket ? Well, if it was so, then let the human flaw of ambition correct the human flaw of greed... and let there be Effective Demand! Keep the

power and let the money go. If it was absolutely necessary, of course.

It was. In an industrial society, in which affluence rests on the production of goods, wealth is the ownership of the means of production and power is in the hands of those who control the means of production. To stay rich or become richer, one must invest in machines; either directly, as an entrepreneur, or indirectly as the man who puts his money in the bank... that loans the money to the entrepreneur... who will invest in machines. A perfectly sound investment, provided that the machine produces something that will sell.

If it does, there will be a profit and the investor will become richer. If it doesn't, however, it is not only that the investor is not going to make a profit: it is much worse than that! The investment's value being merely a factor of the profit that the production is expected to yield, if it is known that the product will not sell and that there are no profits to be expected, the machine itself will lose all value immediately. The investment will not be worth its initial value; it will be worth its price in scrap metal. Wealth will have turned to ashes.

And, what is true for one investor is true for all investors, true for top-dogs as a class, true for the whole wealth of society. Once wealth is invested in machines for production purpose, it is not only "captive", as we said before, it is at the total mercy of consumers. The value of the capital investment in machines becomes dependent on consumers' credibility as prospective buyers, a credibility which must then be maintained at all cost. The clients **must** have money.

Quite enough money, for people who try to "subsist" will usually favour food and shelter over manufactured goods (the utility of which appears more

evident in that stage of affluence, unknown to Omar, between the “bread and wine” and the “book of verses”), while the wealth and power of the machine owners rest precisely on the sales of manufactured goods. The “level of subsistence” is not only uncomfortable for the workers, it is obnoxious to the machine-owners, who happen to be also the top-dogs in society and those who decide what policy is applied... So, Malthus’ “level of subsistence” may go the way of the dodo bird. The target for worker’s income moves up to become a “*level of consumption*” that society will try to attain, and which will represent the income that ought to be made available to consumers, if everything that is produced in the system is to be sold and sold at a profit.

If “level of consumption” income would merely mean the distribution of a global income, it would be quite simple. Our production system though, is geared to satisfy what investors have guessed would be the wants and wishes of a multitude of individual buyers. Ideally, each of these individual buyers should be provided with the unequal share of the total available income, no more and no less, that would let him buy exactly what modern soothsayers have said he would choose among the millions of different items that come out of our very diversified production system.

Too much for the poor, too much for the rich, and there is a discrepancy between investment and demand that will result in bankruptcies and unemployment. It is quite tricky, and perfect accuracy in the investors’ estimation of what consumers will want — (years hence if proper investments are to be made!) — is a dream that will certainly not come through for a while, if it ever does. Society, however, may strive towards this “level of consumption” income, the ideal distribution that would optimize the profits of investors.

At first glance, this approach looks disgustingly biased in favour of investors and producers, but the truth is that *the system is biased in favour of equality* and that, when he agreed to invest in machines, Man, the ambitious and egotistic animal, painted himself in a corner out of which he would not escape until the system would produce, not only for top-dogs and the rich, but also for those who had less money..., for those who had little and, finally, for those who had none at all.

Equality. Before the Industrial Revolution, in Rome for instance, it was feasible to have a very unequal distribution of income. Since everything was hand-made, it was no trouble at all to invest all the productive resources — the work of slaves for instance — to satisfy the real needs of the rich, and than to change tack and go all out for whatever else became the object of their fantasies.

The productive capacity of the Roman Society could turn on a dime, and make it a priority to bring back ice cubes from the Alps, or to catch lampreys and other delicacies for the rich, while the poor would eat bread when it was available or go to bed on an empty stomach. In an industrial society, the picture is totally different.

The dumb machines are the source of wealth, and they are a source of wealth only because they can produce vast quantities of one given product; not this and then that product but, for each machine, a great many similar items of just one type of goods. These similar items *are* the wealth which is produced, and the wealth of the machine owners consists in the ownership of these items. Affluence and wealth thus depend on mass-production.

What do you do with many similar items ? The owner of the machine — and the leisure class as a whole — have little taste or use for all these similar items. How many shirts can a rich man wear ? How many cars can he own ? How many, and how much of anything ? The unavoidable corollary to a system of mass-production is mass-consumption. Mass-production must be sold to a large number of consumers, and each of them, of course, must have enough money to buy. Not enough money to buy bread while the rich eat lam-preys, but *enough money to buy more or less the same things as the rich....*

Because it is the quintessence of industrial production to mass-produce, and that it is the diffusion of mass-production which brings more wealth to the wealthy and more power to the powerful, the implicit goal of our society becomes to mass-produce and mass-distribute **everything** possible. Therefore, it becomes essential for the system that money also be distributed more and more equally, so as to guarantee mass-consumption of everything by an ever increasing majority of consumers as soon as it can be mass-produced.

The system is optimized when both rich and poor have the same life-habits and the same buying-patterns, the leisure class being allowed to keep — for the sake of prestige and conspicuousness — longer tail-fins on basically the same cars, golden ribbons on bottles of basically the same booze, and to use French names for basically the same food. Machine is the great equalizer.

As industrial society developed, it was realized that when the Haves would have bought all the durable goods, cars, radio sets and appliances they could use, and all the gadgets and trinkets they could dream of, nothing could prevent the wealth invested in the fabrication of these durable goods from losing its value,

if a larger demand was not to be born from the “poor”, or the “almost poor”. So, the poor would have to be treated with all the respect due to prospective buyers and promoted from their condition of Have-nots to the loftier status of “Have-not-yet’s”.

### *The Common Sense Revolution*

It takes no altruism, for a society based on industrial production, to move towards a just distribution of income; the system will simply not work without a little bit of money — enough money — in everybody’s pocket. Anybody who has a vested interest in the system must cooperate as best he can towards the goal of equality, since everything that is produced must be sold and sold at a profit, lest workers go without work and investors go bankrupt.

It may be a sobering thought to realize that no Great Ruler, no Philosopher-about-human-nature will be able to claim credit for having brought that more justice and fairness to Mankind but, considering the frailty of human nature, it is a comforting thought that the great big Beast of a system will not have it any other way. Try as he may the Egotistical Animal, machines make sure that there will have to be more justice and equality in the world; the material needs of the needy will have to be satisfied, if those who have “everything” are to have a chance also to keep on looking for what more they really want: power.

Since the will and interests of top-dogs coincided with the wishes and wants of the poor, there was no reason why the Good Fairy Machine should not grant these wishes and make it all happen. No altruism was required from top-dogs, just plain common sense. The power could be kept, but the money would have to be

shared with the labour force whose demand would have to be made effective.

The most obvious and traditional way to achieve the required equality without rocking the social boat was to keep the labour force at work, paying it whatever more was necessary to maintain level of consumption income. Although increasingly frequent gluts made that easier said than done, no efforts were spared to keep the labour force working its way to heaven. When the Great Depression proved that these efforts were not sufficient, though, the system did not collapse to fulfill Marxist prophecies; it simply moved one step closer towards equality. It took from the rich and gave to the poor.

It is not easy to have people part with their money, but the circumstances were critical enough — and such was the fear of some “global” glut — that it was possible for Roosevelt to convince an effective majority of the American people that it was “share or perish”, and that the time had come for the long-delayed Christian gesture of finally giving something free to the poor and destitute. It helped a lot that this was also the only thing that would keep the system alive, and the labour force was offered a New Deal.

Much but still too little has been said about the New Deal, for it was a significant milestone in the history of Mankind. Often before, the leisure class had been known to pay ransom to the rabble in exchange for peace and quiet. In Rome, for instance, where the slave-owners and slaves constituted a close economic system that had no need, in time of peace, for the citizens soldiers turned workers, wheat distributions and circus games were gratuities that meant giving in to a not so covert blackmail. The situation was totally different in 20th century America, because the ruling class became conscious of the fact that its wealth was nothing more



than an instrument of power, and that neither this wealth nor the social order could be maintained, unless the labour force could buy the goods, and thus show its adhesion to the system, acquiescence to its goal and obedience to its power structure. The interdependence that exists in an industrial society, between producers and consumers, was seen, recognized and accepted.

The fact that it was, and that a deal could be struck there and then without bloodshed, was certainly as momentous — and quite more surprising! — than the Great October Revolution in Russia. There is nothing unusual about our pecking-order problems, our social and economical differences and the relevant details of income distribution being settled in open combat: Mankind has quite a track record of violence when it comes to these matters. The New Deal — and the way a majority of the Americans both rich and poor reacted to it — on the other hand, was unusual and revolutionary since common sense prevailed over violence; Mankind was coming of age.

There was more to the New Deal than just giving money to the poor. All the details for income redistribution were worked out later to become Keynesian Economics, but the main concept was that, from then on, the Government would intervene and make sure that no excessive wealth would accrue to the rich and topple the precarious production/consumption balance.

The whole problem at the time was thought to be merely effective demand and the proper distribution of income. Needs could never be satisfied, they believed, no more that they had ever been since the beginning of history, and the demand for industrial goods, globally, could never be satiated. Given enough money, the citizens' consumers would always rush to buy the factories' output, indefinitely.

In brief, this meant that Karl Marx had been absolutely right about this “concentration of wealth” business, but that with good planning and a common will to share — although admittedly under some duress — the problem could be solved without too much trouble. His soul could now rest in peace, and so could we, for there might be sectorial gluts, even “frictional” or “cyclical” unemployment problems, but things would soon improve and, meanwhile, the workers in transition would be provided for. If need be, industrial society would be able to give to its labour force a free ticket to heaven. We can refer to the whole concept as the “Santa Claus Approach”. Santa Claus could take care of everything. There was no such a thing as “Global Glut”, it was a bogeyman, a Ghost!

## **5. The ghost of global glut**

The Ghost of Global Glut bided its time. He reappeared about a generation later, in the Fifties. The Second World War had solved drastically, but efficiently, the problem of gluts; it had created dearths, something Mankind was more familiar with and with which it could cope with human ingenuity, making new things and designing new ways to make things. At the end of the war, the United States could build a Liberty Ship in less than five days.

The same ingenuity was there after the war, when people decided to apply it to some other goal than blowing each other to bits. The new ways to make things were also available, ways which had been designed with maximum productivity in view, and without a second thought for possible “manpower surpluses” that the war effort then would have been more than ready to absorb. In peace time though, more

productivity would mean unemployment unless a huge demand would appear for all types of goods. The demand was there all right, due to all the destruction in Europe and all the delayed aspirations in the United States; the only anxiety was about effective demand and money distribution.

### *The Santa Claus Approach*

Planners came in laughing, with the Santa Claus approach in their briefcase. In the United States, mass credit to the Veterans came on top of all the purchasing power which had accumulated during the war and could now find an outlet, so that things got moving pretty fast; Europe was a tougher assignment, so we designed the Marshall Plan. The idea of the Marshall Plan was pure Santa Claus and very simple. The United States would give equipment, old equipment, to the countries that had been destroyed by the war, and thus would immediately provide these countries with a basic production capacity and the means to give a minimum of well-being to their population. Support from American credit would also mean credibility for the democratic governments of these countries, and allow them, at the price of some inflation, to behave as if the demand from their consumers was effective, although this demand would be backed by nothing more than an entry in American dollars on the books... and the will of the labour force of these countries to work harder.

Santa Claus, of course, also had something for the United States. The operation was an *import of effective demand*, and the workers in America would now have to build new equipment to replace the old equipment that was given to Europe, which made serious unemployment unthinkable. The work that would be required

to do that could be financed by the U.S. Government, since it was backed by all the “wealth” that represented these loans to Europe, loans that somehow, some day, some debtor in Europe would pay back... If this operation could work, it would certainly prove that wealth was a matter of credibility, and that the Great Depression had not been Global Glut but a sad misunderstanding.

It worked, to the USSR’s great despair, whose own far-seeing economists had forecasted total collapse in the United States, as soon as the citizen-G.I. would return home to become a citizen-unemployed. Such was its despair, that the USSR naively begged the European nations to reject the poisonous gift, and bravely to take upon themselves the burden of more hunger and sufferings so that the hated capitalist system would crumble down once for all. This request was received with very little enthusiasm.

The Marshall Plan worked, as did mass credit at home, but a few years later gluts and unemployment began to reappear in the United States. Nothing to worry about, it seemed. Until then, it had been normal in each new sector that had been conquered by the machine and for each new product that had been introduced, for the demand first to *grow slowly* as the curious and wealthy began to explore this new market, then to *grow fast* as average consumers moved in, to *peak* as mass production allowed for lower prices and the lower income groups were attracted, and then finally to *stabilize and reach a plateau* as the product would sell at the lowest possible price that would still bring a return on the investment and producers would adjust to cater only to a replacement market.

Around 1950 all this was old hat, and although economists still argued, investors and manpower had learned their lesson and could fly real low; they simply fought each round to the limit, then ran to another sector just conquered by the machine: that's where all the profits and the jobs were to be found. Then, suddenly, the situation began to look a little different. The production sectors had all been conquered by the machine, and all significant traditional needs were on the verge of being satisfied. Everything that could be mass-produced was already being mass-produced and mass-distributed.

This did not mean that everything that could be mechanized was already mechanized; to the contrary, technology in the coming years would improve at an increased rhythm. It meant that, from then on, the net result of all these new developments in machines could not be, like it had been before, to make affordable for the masses what had been hand-made for the few: the "masses" were already the clients!

Improved technology now, in traditional sectors, could mean no quantum jump in consumption that would make for the creation of a vast number of permanent jobs; it would only bring more productivity on the assembly lines, better quality products, all of which could mean only less sales, smaller profit expectations, less investments and, for workers, unemployment. Quantum jumps in profits and employment, from now on, could come only from the satisfaction of new "needs" that would have to be created. Production would have to break new grounds and «boldly to go where no man had gone before». Producers would have to invade the Universe of the Superfluous.

In time, consumers might develop a taste for superfluity, but we would quickly get pretty far from visceral needs and the hold of each new gadget on the

consumer would be more fragile, each new addiction less convincing. With each new product on which the investors would risk their chances to become richer or broke, the trumps would be more and more in the hand of the consumers, who could “take it or leave it” when it came to electric toothbrushes in a way they never could when the deal was for food, clothes, or even stoves and fridges. The interdependency between the producers and the consumers was becoming one-sided in a way Marx had never mentioned. How many radios does even a poor man need ?

Let’s take radio, which is a good example. It is possible to put in transistors and make better, cheaper radio sets, but the day soon would come when more than 97 per cent of the population would already own one or more radio sets and adding anything could not expand the market that much... And how much can you expand the market for cars when there are already more cars than families in the U.S. ? It did not look much like a problem of distribution of income anymore. Was it possible, that there was more to this problem than Marx or Lord Keynes had seen ?

What if there was really a limit, after all, to what even a hungry man could digest ? What if that point had been reached and if consumers would simply prefer to keep most of their money, or save it for old age, or join the top-dogs for some fun at the power game and invest in production, rather than behave like good consumers and spend ? What if Global Glut was not simply a ghost but had materialized ? The best way to find out was to pit Santa Claus in a one-on-one fight with the Ghost and watch the outcome.

*Santa Claus and the Ghost*

By that time, the far-seeing economists had already vested their champion with so much hope and “sold” it so well to everyone, that it then seemed as natural to give things away as it had been to sell them a generation before. Santa Claus could be given all the chances. The New Deal was revamped and the old tools refurbished: workload redistribution, progressive reevaluation of the value of labour, credit facilities so that almost anyone could spend much more than he earned (provided he behaved properly and spent it to buy the goods that industry would produce), Unemployment benefits, Social Security, and the whole range of other Welfare transfer payments whenever necessary.

To this traditional “liberal” kit of tools, were also added three devastating new “James Bond” devices:

— *Government’s deficits*, to make all ends meet and regulate the Level of Consumption Income of society;

— *Progressive taxes*, to make sure that no more wealth accrued to the rich and compromised equilibrium;

— *Inflation*, to wipe the slate almost clean and start anew, anytime anyone would make a mistake.

With this arsenal at its command, there seemed to be no reason the State could not really give a free ticket to heaven to its labour force... if the labour force would only accept to use it!

The new New-Deal, or *Santa Claus Agreement* if you prefer, was the tacit understanding to keep demand effective by turning back immediately to the workers / consumers the net result of all productivity gains. Producers/investors would not be prevented from

making a profit (because otherwise they would be left with no chips to mark the score in the great Power game), but any profits they made would have to be made at each others' expenses.

Investors, as a class, would not profit anymore from the class of consumers, lest the precarious balance between production and consumption be disrupted. Increments to the investors' share of our global wealth would be taken away in taxes, and either redistributed directly to the labour force or spent to cover the operating expenses of Santa Claus... unless the producers would reinvest the surplus in the productive system, to manufacture more goods that eventually could have only the most destitute as end-users, since existing productive capability seemed more than sufficient to satisfy those who could pay their bills.

It was, by an order of magnitude, the best deal ever offered a working class: plenty of all the goods they always wanted, and all the money to buy these goods, if only they would SPEND the money and not hoard it or otherwise divert it from its mission: acquisition of the goods that Industrial Society could produce. Buying, the consumers would show their willingness to uphold the principles of Industrial Society and to endorse the value of the wealth that top-dogs had invested — and would keep on investing — in the production system.

It meant nothing more than for the worker / consumer also to recognize the necessary interdependence between producers and consumers for the system to survive. Buy! Show support for Santa Claus against the Ghost! The best deal ever. It looked like a sure bet, so the match was set to avoid ambiguity as to the rules and result.



Santa Claus would inject money in the economy to increase demand, create jobs, allow for more profits that would end up in taxes and in investments to produce more and more goods that the labour force could acquire for less and less work. The new products that industrial society would offer might be superfluous though, opening the door to the Ghost's counter-attack who, on the other hand, would try to make it appear all very boring. "You already have three transistor radios, you already own one or two cars, you even have an electric can opener... why bother?" The Ghost would try and discredit industrial values.

The conditions were clear, and it would also be easy to know who had won. If a sufficient number of solvent customers — meaning the workers who had a job to prove that they were bringing to society a contribution for which there was still an effective demand — agreed to buy the total production of the economy at a price that still would yield a profit to the investors, *it would be tantamount to an effective majority stating that they were still ready to work to obtain what industrial society could offer.* If they did, grateful investors would gladly, not only compensate the labour force still at work more and more generously, but also sponsor the State, to the last penny of their profits if need be, to pay the bills of the unemployed and destitute minority so that the poor also might join the ranks of customers and help total consumption equal total production. Everything would sell at a profit, economy would boom, manufacturing goods would pile up indefinitely, and it would be victory for Santa Claus.

If, to the contrary, the labour force would not hold its part of the bargain, if customers proved unfaithful and too many workers should decide that the goods they were offered by industrial society were redundant, and

not worth the price in work that they still had to pay to buy them, then Santa Claus would have to give more and more, until the sum of its gifts would exceed the sum of the profits that resulted from the sale of all the goods. There would be an actual de-concentration of wealth... and nothing can be given out of negative profits. If this occurred, the verdict of the effective majority of workers would have been that there was *an irreducible discrepancy between investments in the production of material goods and the real demands of society*, that surplus goods were produced by the system that were not needed, and that the investment that had been made to produce these goods was worthless. A clear victory for the Ghost, a loss of credibility in the symbolic value of wealth, the Thirties once again and chaos.

Chaos, because this would not be simply another sectorial glut but Global Glut. A clear signal that there was a surplus, not of this or that commodity, but of the global *productive capacity of the system* as a whole. If this was the case, all investors would be at something not unlike the “subsistence level” until that surplus would be absorbed and, with profound irony, a good many of them might not “find a place at the banquet”... And there would be some **real** unemployment.

### ***The reluctant consumer***

The dice were heavily loaded in favour of Santa Claus. Was there even a remote possibility that the labour force would refuse the best deal ever and choose poverty over affluence? Would the American labour force — and eventually the labour force of other Western Industrial Nations — accept the masochistic gambit to bring the system down? Certainly not as a conscious decision,

but there was always the risk that each individual might vacillate and that, somehow, inadvertently, the system might be torn to bits. This possibility was enough to give the shivers to rulers, planners and economists. What if the reluctant consumer said no ?

The day of reckoning arrived, and it would even be possible to say exactly the day and hour it occurred: the percentage of the manpower at work in the secondary sector, the sector of industrial production which accounts for the manufacturing of goods, a percentage that had peaked first right after World War I and then during World War II.... began irremediably to decline. Not very impressive as an omen for Armageddon ? Yet it meant that the population was not ready to spend the money and to buy enough to absorb all the goods that increased productivity had machines ready to vomit from our assembly lines. This, in turn, meant that the labour force could not be fully employed anymore in industrial production.

Production would not decline — machines would see to it that there would be more goods than the hungriest society could use — but less and less work would be required to produce them, leading eventually to total “unemployment” or at least — whether or not workers might decide to sing psalms to pass the time — to a divorce between “work” and the production of life’s necessities. This satisfaction is Global Glut and this divorce the very essence of the work crisis.

Reluctance... on top of massive credit, severe taxes to limit wealth concentration, redistribution of income through transfer payments, and inflation that had the rich running faster than ever just to hold their ground! Now that a production system had been built that could provide the labour force with everything it had always wanted, beyond even the wildest dreams of

past generations, consumers were proving to be more capricious than the choosiest of machines and had our society flirt dangerously with collapse: they were not buying...

Not buying enough, at least. The reason that even pumping all profits back into the system, in accordance with the Santa Claus Agreement, turned out finally to be insufficient was not only that productivity had increased. It was also that the consumers were not doing the same. There was a leak through which money escaped from the production/consumption loop. Where was the leak? What did the customer want? Why was he turning away from the treasures of industrial production to save, hoard and invest, when investment without adequate consumption would hardly provide a return? Why was not money behaving as it should? Marx, it seemed, had skipped a part of the picture. The money was there and in the hands of buyers, but what was lacking was the will to buy

On closer scrutiny, it became obvious what the capricious customer wanted, and what he was doing. Not only was he saving rather than spending, he was also leaking more and more money to lawyers, doctors, professors, people who were mostly working without the help of machines and were themselves so highly paid, that an even larger proportion of their income ended up in savings and investments — and payment of fees to other professionals! — rather than contribute to increased consumption of machine-made goods.

The customer wanted precisely what the system — which was so anxious to please him — had been nevertheless reluctant to give him, and he was leaking a large part of the gifts of Santa Claus to his paramours. The unfaithful consumer had fallen in love with

*services*, and as far as industrial production was concerned Global Glut was not a Ghost, it was real.

### ***The meaning of Global Glut***

If the reluctant consumer said no and would not change his mind, if more goods could not sell anymore for a profit because there were simply too much of them and acquiring more was not worth the effort — (which is basically what the consumer says when he refuses to spend the money he earns through his work to buy the surplus the system produces) — it would mean the end of the free society we had known. A society based on positive reinforcement could not survive Global Glut.

We saw that there are two great ways to run a society: positive and negative reinforcement. Faced with the challenge of machines, other societies had stumbled on the “simple” problem of effective demand and had turned to negative reinforcement. Fascism had been one way to do it; the metamorphosis, in the USSR, of the original utopian communism into an oppressive tyranny had been another. No surprise. Since it refused, on principle, to rely on the positive reinforcement of ambition and greed, it was a foregone conclusion that the communist system would, sooner or later, be confronted with stagnation and anarchy and then react the easy way out: negative reinforcement.

In Western Industrial Nations — and most of all in the United States — the choice had been to trust the equalizing impact of Machine together with human ambition to create a society of freedom working completely on positive reinforcement. Each desire fulfilled was replaced by another desire to fulfil, each target met was replaced by another target to meet and no sticks were required. Given enough momentum, the system

had equilibrium in motion, like a bicycle, and as long as it kept moving it could be kept on course with one hand, even with no hands at all, since the will to uphold the structure had been internalized and Power had been properly identified with Authority.

This approach — we may call it the American Way — had been the answer to fascism and communism and had proved successful enough to meet the challenge of wealth concentration and income distribution, making it possible to soft-sell to top-dogs the dissociation of “wealth as a way-to-own-things” (the object of *greed* which they would have to renounce, up to a point), from “wealth as a tool-for-power” (the object of *ambition* which they would be allowed to keep), and to apply the redistribution of wealth essential for the system to function. It was this success in tackling the income distribution challenge that had paved the way for industrial expansion on a scale that had brought Plenty and a deadlier challenge... for society based on positive reinforcement cannot survive Global Glut.

Why ? Because positive reinforcement rests on dissatisfaction and on the fact that wealth flows naturally between unequal partners. Wealth is power because there are Have-nots to whom promises can be made, and because wealth can be owned by top-dogs and distributed unequally along a chain of command, among the labour force, to reward compliance with society’s objectives. The objectives as such and the precise “Who is Who” of the chain of command are immaterial to the approach. What really matters is dissatisfaction enough for action, and control over the reward.

Machines had brought not only affluence but more equality in affluence, smoothing the gradient that allowed the goods, the wealth and privileges to flow from

the Haves to the Have-nots. The success of the American Way had come in good measure from its ability, in spite of this equalization process, to keep always some “pot o’ gold” in sight at the end of a rainbow that did not shine in some distant Utopia but just barely out of reach. Now the Ghost was upon us, flattening the gradient. Why a hunt if needs are satisfied ? Why top-dogs if no hunt is needed ?

Even more to the point, the system of positive reinforcement of our society was based almost entirely on the distribution of goods. Wealth invested in machines meant power, but only because there was a demand for the goods that machines would produce. If everything machine-made that the system could offer was within reach, then what next ? Global Glut seemed to indicate that we had arrived at the end of the proverbial rainbow to claim the prize, namely affluence and leisure.

Who would rule was irrelevant to the system of positive reinforcement; some social changes would not break the equilibrium of a bicycle-like society. But what Global Glut was threatening was not the downfall of one group of top-dogs to be replaced by another, nor the collapse of one particular hierarchy based on the possession of this or that good, but a slow deterioration of the traditional pecking order, of the existing power structure, and of all hierarchies based on wealth, for what can wealth promise to those who have everything ?

For those who really had power in the existing structure, the self-serving question might have been how to keep this power. For all members of the effective majority, it might have taken the form of a strong desire to maintain their position in the hierarchy and reasonable differences in privileges. Global Glut,

though, was not threatening merely a palace revolution. For anybody in his right mind aware of the implications, Global Glut was raising a more basic question than mere privileges: “How to keep the pack together... and keep it a society based on positive, rather than negative reinforcement?”

What could be offered that would maintain the drive forward that kept the bicycle society in equilibrium? People had many needs still — (from True Love to Immortal Life...!) — that were not satisfied. But these were needs which it was not in the top-dogs’ power to satisfy, and which, therefore would not serve as a reward. The problem was really: what could be offered that money could buy... Now that machines had created a Global Glut of industrial goods, new objectives would have to be found in a hurry that could be attained *with the support of wealth*, and so would not topple the power structure but give it time to adapt to change. Otherwise, it is positive reinforcement itself that might disappear with Global Glut, leaving only two alternatives: anarchy, or a society based on negative reinforcement, tyranny and oppression. This was the real meaning of Global Glut.

## **6. Fight or flight**

What was the problem? The core problem was that productivity had grown and production had increased to the point where the demand for goods was “satisfied”, resulting in a dwindling need for both manpower and investment in the whole industrial sector. It created a “Global Glut” condition, after more than a century of expansion, and a “Fight or Flight” situation for which there was no precedent. Fight or Flight, but at the moment of decision it seemed evident that *manpower could*



*not fight* to remain in the industrial sector, while *wealth could not flee* out of it.

Manpower definitely could not fight; men cannot compete with machines in tasks that machines can do. It had been said seriously that “a bulldozer could be replaced by one-hundred strong men with shovels” and, in jest, that they could be replaced also by ten-thousand children with teaspoons! This however was not the way to build better houses and roads, nor to maintain our standard of living; employers who followed that course would not remain in business and governments which followed that policy would not remain in power.

Should we try and globally withdraw from machines towards labour-intensive production methods, we would simply work more to produce whatever we need and bring down our standard of living to the lower level of past ages. Even to slow down the introduction of labour-saving devices that seem “too expensive” is a precarious position. Work is the final standard by which the value of a product is judged and we know that the price of labour will, sooner or later, rise enough to justify the introduction of all such devices. As we said before, the jobs the State might try and create in the industrial sector would be fantastic multipliers of jobs... for machines.

It was safe to assume that jobs for humans, in the industrial sector, were not coming back. Manpower would have to flee. It would have to flee to sectors where machines could not follow, preferably to do something for which there was a demand; the worker in production would become the worker in *services*, which was exactly what the reluctant consumer had in mind.

*Wealth, welfare and services*

Services ? We often hear references to goods, to manufactured goods, to the “secondary sector” which re-groups industries producing goods, as opposed to the “tertiary sector” producing services. What is meant exactly by goods and services ? Goods are things, objects, they have a material substratum and you can touch them; they have some durability in the physical universe and, therefore, can be accumulated: the accumulation of goods is called **wealth**.

All things though are not “goods”; few people bother to accumulate pebbles, and we have to fine people to make them collect their empties. Things become goods only when you can extract from them, somehow, “something” that will improve your situation, change you, make you feel better. You may, for instance, eat a thing called food and be fed; cover yourself up with things called clothes and be dressed; things become goods when they serve a purpose and contribute to your **welfare**.

*Services* is the name we give to actual contributions to our welfare. It is possible to obtain services from things, and it is the services that we obtain from things that have us look to them as goods and make them attractive. Wealth’s most obvious target is to provide the one with wealth with goods from which he draws the services he requires. “Services”, to be what he wants to be, to do what he wants to do, and to feel great. It is precisely because it is an efficient mean of Welfare that Wealth became the privileged instrument of power and of positive reinforcement.

There are other ways to attain welfare, though, and other services can be obtained than those vested in goods. Services are basically immaterial, intangible, and

exist only in relation to the recipient; so, people also can provide services: you can take me from here to there, cure my illness, teach me, love me... These are clearly even more direct contributions to my welfare: services.

The services we derive from goods are very specific and it is up to us to make the best of them; things may be re-arranged to hold the promise of more services, and this is what “work” is all about: we add to the value “in services” of things, at a cost in work that adds to their price. But work and try as we may, things remain passive and will serve only to satisfy a very narrow range of needs. Goods have little versatility, which is why we need money; to exchange goods one for another and gain access to a wider range of services.

For the satisfaction of our basic needs, we are quite happy to deal with “things” and to take advantage of their passivity; when I need to fix a nail, I want a hammer, not an argument! Whenever we have more complex needs, though, when we face problems for which we do not hold the solution or when something unusual happens, the very specific services hidden in goods prove insufficient and it may be necessary to call upon the most versatile and active of agents: another human being. Only then, can the user trust that his satisfaction and welfare will improve beyond what he himself expected, planned or imagined.

The not-so-ubiquitous machines could do nothing to increase the availability of these services that only human intervention could provide; so, it was a foregone conclusion that the price of services would increase with mechanization. Services would become *the* scarce commodity of the Industrial Era and appear more exclusive, they would become the new privilege of the real rich..., while goods would become cheaper, easier to get and a little vulgar.

Since the machines would make us all rich — but rich only in what machines could produce — we would all feel richer more quickly if we agreed to think of wealth, well-being and welfare only in terms of “the possession of what machines could produce”.

***Substitution... and back***

We certainly sought to achieve a consensus on that somewhat biased definition. For decades, a tendency prevailed not only to replace hand-made things by machine-made things whenever it was possible, but also — as the difference in price grew between goods and services — to substitute for needs that had been traditionally fulfilled by human labour, needs that would be satisfied by machines, or through the use of machine-made goods. A good illustration of this was the substitution of personal servants by machines and appliances, from kitchen ranges to lawn mowers. Appliances did not offer the same services as personal servants, but they were so much cheaper that people agreed to the change and “made do”.

It became much cheaper also to buy a radio set than to hire a musician ... It was substitution, not replacement, but it had to do; as people accepted substitution, the gap in prices widened still more between goods and services, widened to the point where it became not only more expensive to hire a musician than to buy a radio set, but more expensive to hire a musician now, in terms of relative standards of living, than it had been to hire one in the time of Mozart! Services, it seemed, had grown “un-affordable”.

Actually, it was an illusion. Services couldn’t be afforded by who ? Before the industrial revolution, a majority of the people did not have personal servants,

and most people did not hire Mozart, or any other musician. After the Industrial Revolution, more people than ever could have afforded to hire personal servants if they had wanted to. They did not, because they felt that what the machines had to offer for the money was so much more attractive.

In fact, the “higher price of services” was merely the other side of a coin that also read “higher value of work” and happened to be a blessing for most people. It is because substitution had taken place between men and machines and had increased the value of labour and services, that even musicians, now, could buy radio sets, cars and the like... and even, once in a while, hire other musicians.

It was a good thing that the services had grown “un-affordable”. The rich and wealthy were paying more money for services, and provided better wages for the less well-to-do, while these could concentrate on the acquisition, not of services, but of the goods that would most immediately improve their material standard of living. A wise choice...

A wise choice, because we must remember that, in the 19th century, it was not clear whether education was really such a big help to improve one’s immediate well-being, that culture, then as always, was mostly a matter of opinion, and that there was nothing much to medicine before Pasteur; in fact, many believe that it was still 5-to-4 in favour of faith-healing until quite late in the 20th Century. When it happened, substitution, was the smart social decision.

But things changed... The day came, at last, when physicians could really cure their patients, when more leisure gave some meaning to such things as “culture” and “entertainment for the masses”, and when education

began to appear as a prerequisite for personal development and social up-manship. Machines had provided him with a lot of goods, and now that he was replete with the kind of “low” passive services that goods could offer to satisfy his basic necessities, the reluctant consumer began to wish for something else. It was quite natural and perfectly legitimate: people who attain their objectives must identify new targets, lest they stop, stagnate and die.

Looking for what he now referred to simply, for short, as “services”, the consumer realized how, in some aspects of his welfare, industrialization had left him as poor as ever. He was poor as ever in what machines could not produce. Poorer, it seemed, since the price of every thing hand-made had increased in comparison to the price of things machine-made, and most of all the price of services, since they consist of pure work, have no material substratum, and are the equivalent of “100% hand-made” objects. Never mind the “high price of services”, the reluctant consumer was satisfied with his wealth in “goods” — to a point — and now wanted to satisfy his broadening vision of welfare and to obtain the versatile, imaginative services that only men, not machines, could offer.

He wanted to substitute back to services, and the first naive reaction would lead us to think that the consumer’s wish should have led to a huge demand for labour. Not so, for the way the consumer saw it intuitively, in his fantasy, “services” meant something more than simply what machines could not do. He was not asking for personal servants to be back, nor for more hot-dogs stands operators and window-cleaners. There was in his mind a distorted image of this Prestige Barrier to which we referred earlier, and the services he wanted stood above this barrier.

Above the barrier stood high services. “High” services required brains rather than brawns, and logic more than creativity, unless it was the kind of creativity that would bring instant fame and money overnight. High services catered to some “important” needs and made use of arcane knowledge that he himself, the average consumer, did not have. High services were performed by “high” professionals who earned more money, preferably much more money, than he himself, the consumer, did.

In short, high services were not only above what any machine could do, they were above what the average consumer himself felt he could do! That’s the kind of services he wanted, and what did not fit these criteria was perceived by him as “low” services, meaning that if it was not done by machines it was probably because it was below the attention of machines. For a number of reasons, this consumer’s demand for high services was quite a tall order. Too tall to generate employment.

### ***The tall order***

The first reason it was a tall order was that the consumer had been accustomed to bask in an orgy of goods made by machines and was looking for the same affluence in the field of services: he wanted *plenty* of high services, he wanted them *cheap*, and he wanted them *fast*. Because, however, by very definition, we would not be able to rely on machines in this field of high services, we could expect none of these spectacular productivity gains which had increased collective wealth in the field of industrial production. It could have been learned by rote like a religious incantation: “There are no machines out of the realm of Machine”.

If we could not use machines to mass-produce something, there was no way we would have a lot of that “something”, unless we simply assigned more efforts to their production and worked harder. This was definitely not what the consumer had in mind when he thought of “plenty”. Yet, it was obvious that without machines as “multipliers”, it would take the same time as always to teach a child, to play music or to mend bones. High services had to be performed one-by-one, so there was no reason for us suddenly to become any richer in high services than we had been one hundred, or five thousand years ago.

To understand the second reason it was a tall order, try the following experiment. Stand up in front of a sizeable group of people and state: “It is my definite opinion, that half the people in this room are below average”. Then, try to explain that it is not derogatory, that the more normal a population, the more likely there is going to be about half the people above, and half the people below “average”. Try, and good luck! What people were consciously or unconsciously asking for then, was not only to receive high services, but also all to be trained to provide high services. The way they defined high services, however, it meant not only a collective boost of their status, but a bootstrap operation for themselves or their children that would allow them **all** to be above average, which of course was a mathematical impossibility.

“High services now” was impossible. What was feasible was to educate and train more high professionals and to provide more of the services that the people wanted, but it would take a long time to reach affluence in terms of services. “Cheap” also was impossible; services would demand a constant, rather than a steadily decreasing input of human labour. Services



would be “work-costly” and would seem very expensive, unless the people could really picture not their neighbors but *themselves*, working for cheap wages providing services.

Which led to another question. Did the people want services that much ? It would not be as easy to calculate the impact of services on welfare as it had been to calculate the impact of goods on collective wealth. How much were people really ready to pay in *work* for such intangibles as the “quality of life”, “better health”, “culture”... ? Would they accept to pay the price, or would they balk if they were not given instantly the equivalent of Global Glut in the field of services, which was a total impossibility ?

What if people were not serious about it ? What if people were merely attracted by scarcity itself ? If consumers were eager to have high services merely because these were not commonplace and vulgar but were the privilege of the rich, and merely because industrial society had not been able to fit them in Santa Claus’ big bag for general distribution to everybody, then planners had to be very careful. Great efforts might be spent with no other result but to transform “high” services into “low” services in the mind of consumers, the minute they would become cheap, plentiful and easy to get.

Imagine yourself as a young peasant of the Renaissance, looking at the work of Leonardo Da Vinci and praying to God that you, His humble servant, be granted the talent to paint, just once, like the master, a likeness of your beloved one, a work that you would cherish eternally in memory of her beauty. How precious the gift if it would be granted! How rich you would feel if you could hold the picture in your hands ... Now, teleport to the bus depot in New York City, and

imagine yourself telling your girl friend that you are not going to spend another buck, nor lose another minute of your time, for a set of badly framed, badly exposed pictures out of a machine. How is it that a “likeness of your beloved one” now has so little value unless it has at least the Grand Canyon as a background? Cheap, plentiful and easy to get, isn’t it?

There were some modern precedents for this kind of zany behavior, as wonders and miracles like penicillin, had been received with polite thanks, while people kept raving about free dental care although — or because — it could put the nation in bankruptcy. What about free public education, that had been hailed as a landmark by all, after which nearly everybody who could afford it had sent their children to private schools. Transition from the production of goods to the production of high services would be a major step in evolution. Were people really serious?

### ***Fighting on the line***

Last but not least, if the unsatisfied demand of society was now for services that could not be performed by machines — and that did not really need machines to be performed — how would wealth keep growing and how would the power structure be maintained? Wealth — (or call it money, investment, capital...) — simply could not flee. Where would it go? A society based on the machine-production of goods offers no alternative for wealth but to be directly or indirectly invested in the production of goods. Where else could it be bound to a “multiplier” to generate a surplus for profit?

It might be possible, for a while, just to buy the services of workers and sell them at a profit. Unless outright slavery was imposed, though, it would not go

very far. Why would people accept an intermediary ? The worker's arm could be twisted to accept exploitation, but what would prevent the client, the buyer of services, from by-passing the investor, if an indispensable element of production — (i.e.: the machine) — was not under the investor's control ? It would be possible, of course, to buy and sell the services of other people, if you could add your own services to theirs, services like management or organization, to justify your intervention and profit. But then, it is these extra services that profit would really pay for... and "wealth" as such would still not have brought a return. It seemed there was no use for substantial "wealth-for-power" unless it could be invested in "machines-as-multipliers".

If this was the case, not only present but even future wealth would have to remain captive as fixed capital in the production sector, if it was to keep its status as a symbol of power. Collective wealth, however, would grow and become more wealth. What would be done with the extra wealth, now that demand for what machines could produce had stabilized, that each investment increased productivity and brought to all products more quality and more durability... which caused demand to decrease even more ? Wealth could not flee, it had to fight; but it had very little to fight with...

Planners were faced with a Global Glut of goods on one hand and, on the other hand, a huge demand for high services, a "tall order" that it would be quite touchy to handle, since a demand for something that top-dogs and wealth could not deliver was only marginally better, for the structure of society, than no demand at all. Actually, the consumer's fantasy led to a huge demand for a mythical labour force which did not exist and, as the demand for industrial goods would not

keep up with increased production potential, to very real unemployment.

What then would be the solution ? If the consumer wanted services, a society based on positive reinforcement could not but oblige him; but the transition to some White-Shirt Promised Land would be fraught with perils. Manpower would have to flee from industrial production right now, so workers might as well move into some sort of “services”, but this could not mean immediately the glamorous jobs that the consumer had dreamed in his fantasy. A period of transition would be required.

Transition could be achieved with a minimum of pains and disorder only if, even though their value might become more and more symbolic, the credibility of **work** and **wealth** could be maintained during a long march in a paradoxical desert of Plenty before high services were available. To maintain this credibility, it would be necessary to define new objectives whose realization would still imply a joint commitment of both wealth and work. Only thus could we preserve the power structure, the social order and the principle of positive reinforcement. It would have to be a well-planned strategy.

## **7. The grand strategy**

The demand for goods was globally satisfied. It meant not only that the jobs that would be created in the future would be aimed exclusively at the production of more services, but that, with productivity increasing constantly, even existing jobs would have to be reorientated gradually toward the production of services. Another obvious consequence was that, globally, future productivity gains would not accrue to the workers as “more

goods” but as “more services”. This in turn meant a whole series of problems.

First, the demand was for high services that the existing labour force could not provide immediately: it was a tall order. Until we could provide these high services, we would have to create a demand for the type of services that could be provided by the present manpower. Since these were not the services they expected to receive, the workers would have to be sold quite a bill of goods... and of “not-so-high” services.

Then, to avoid making matters worse, we would have to regulate cautiously the flow of manpower to services so that the increase in services would correspond exactly to (or at least would not exceed) the increase in productivity. Otherwise, there would be a drop in the production of goods... and consumers wanted services AND goods, not services instead of goods.

Finally, it was illusory to think that investors as a group might hold to a share of the services that the workers would produce without the help of the machines/multipliers. Consequently, wealth now would not tend to concentrate but to *de-concentrate*, as a growing share of the work activities would take place in sectors where machines played a lesser role. A very serious problem would be to try and minimize the destabilizing impact of this de-concentration of wealth on the social order.

The dream answer to the whole problem would be to create “*perfect slaves*”, versatile and all-purpose machines that could replace men to provide most high services, yet would require some human guidance. Not only would that be the only realistic way to have affluence in services, but “human guidance” would

mean that labour remained a factor of production, while the perfect machine itself, as fixed capital, would reaffirm the paramount importance of wealth and sustain the power structure based on investments and control of the means of production. The divorce between “work” and “wealth” would not take place.

Machines that could provide high services were not an absurd hypothesis, the way the consumer’s fantasy about “plenty of scarce services” was absurd, for instance; it was merely a long term objective, like building a modern factory might have been “a long term objective” at the beginning of the Renaissance. It could be done, but it would take time. The problem was what to do in the meanwhile.

### ***Guidelines for transition***

Meanwhile, manpower would flee where machines could not follow: workers in production would become workers in services. Not high services maybe, but services. There would be no great rush, though, to replace the production of goods by an all-out effort to offer more services. Since people wanted goods as well as services, the change towards the new objectives would take place at a “reasonable” pace, giving the power structure plenty of time to adapt.

By historical standards, it would still be incredibly fast. It had taken roughly 150 years to move most of the population from the agricultural to the industrial sector; it would take less than a generation for a majority of industrial workers to move to the “third sector” and to begin working in services.

The flight really began in the Fifties and went on without pause, spontaneously. The greatest problem was to regulate the flow: the right number of workers out of

industry and into services... and the right number of workers in “high” rather than “low” services. Keep the new pot o’ gold within craving distance, but do not exceed effective demand. There were four basic rules to the Grand Strategy for transition.

First, **Expand the realm of machine.** We would condone, sometimes quite deviously, most efforts to replace men by machines in as many production jobs as possible. We would encourage the substitution of needs that still had to be satisfied by human labour by needs who could be satisfied by machines or by machine-produced services, and we would spare no efforts either to try and peg machines to human activity. This way, we would be increasing productivity and, even more important, we would be creating a dependency upon the machines that would sustain further expansion into sectors yet unidentified.

Second, **Keep the labour force at work.** People who work are expressing that they want things that money can buy and have needs which they will work to satisfy. Therefore, they recognize the value of wealth, uphold the objectives of positive reinforcement and endorse the power structure’s fight to preserve the system. Keep all the “effective majority” of young male, white providers at work, even though there might less work to do; it keeps them out of mischief. Work would be in services high and low, of course, but the system would also create work in the industrial sector. Not in production activities, where machines should replace workers, but *around* production, to create a buffer between variations in the production of goods and the exodus of manpower to the field of services.

Third, **Keep wealth productive.** As long as money will breed more money and an effective demand for wealth will persist, we shall know that we have not

fallen prey to Global Glut yet, and that our power structure based on wealth and positive reinforcement endures. The role of wealth should be questioned cautiously during transition, lest our social system as a whole be shaken and our basic dedication to positive reinforcement be jeopardized. Keep wealth productive, even if it requires an artificial support for industrial production, so that the wealth invested in machines might keep its value and remain a symbol of Authority.

Fourth, **Promote education.** The service that would make all services possible, since it seemed to be a multiplier of the quality of work although it was not, like machines, a multiplier of its quantity. Education would not only be an immediate answer to one of the demands of the people; it would also be an investment in the future, preparing the human resources needed to expand progressively the “realm of machine” until the day science and technology would succeed in changing the limits of the possible and would give us the “perfect slaves”.

### *Optimal stress*

This strategy would pit conflicting forces one against each other, and create stress in the system. Well endowed with the human resources that the educational system would produce, technology would try to expand the realm of machines. This would mean the replacement, by new “jobs-for-machines”, of as many “jobs-for-men” as possible. Simultaneously, though, the manpower would have to be kept at work! If the expansion of machine went a little too fast, it would create unemployment. Machines could not delay their expansion too much, on the other hand, for there would be on the market a growing number of professionals



competing for the interest of consumers, offering services which, more and more, would be what the consumers would really want. It promised an interesting race to propose the most glamorous trinkets to the reluctant consumer, and it should keep technology on its toes.

Looking at it from another angle, this growing availability of high professionals would be the “pot o’ gold” and would provide immediate reward to those who kept trying hard... but it created the risk that too large a share of the total income would be spent on the consumption not of industrial goods but of services, after which it would be used for savings and investments after a brief stay in the pocket of high professionals. “Growing investments together with less consumption” would mean smaller and smaller returns on these investments, and wealth might slowly lose its value, which would reduce the authority of a power structure based on positive reinforcement.

A strategy for optimal stress. Optimal stress in consumers, because consumers would be looking most of all for more high services while society would be better off, for a while, if people kept buying “goods”... or at least the lower “services” that machines could produce. The consumer would obtain more services, though not as much as he would like, and would keep his motivation and his drive to get more. Optimal stress in top-dogs, whose power would be conditional upon the continuous growth of technology; optimal stress in the system, because individuals would all try to satisfy their wishes with a minimum of efforts..., while society as a whole would do its best to keep people at work having at least some of their money-related wishes remain unsatisfied. Optimal stress, in the tradition of

positive reinforcement, but with more refinement than ever.

Refined systems do not operate without fine tuning, and a global strategy for transition would require a lot of it. People could not be expected to buy exactly the proper proportion of goods and services, technology could not be expected to come up with a perfect solution every time and, most of all, the “laws of the market” were certainly not going to be enough to keep manpower at work and wealth productive. The State would have to help a little, and maybe to take some “affirmative action” to create work.

The quest for leisure was over. Would our society be able to rise to the new challenge ? Would we be able to swing our social objectives away from a quest for leisure and affluence and keep a straight face aiming at jobs, work, stress, and enough dissatisfaction at least to keep the wheels turning... ? Could we maintain the momentum until we would discover real new goals, and see the path to a real new Pot o’ Gold at the end of a new rainbow ?

The idea — until the “perfect slaves” would arrive — would be to try and keep the labour force at work without producing much more industrial goods... or anything else. Until we had the machines which could provide the people with the high services they wanted without toppling our wealth-based positive reinforcement structure, our production system would have to run idle or, to use a modern metaphor, to “go into orbit” and rotate quietly, sending down a constant output of goods for our needs, but without an embarrassing effort at the production of the services we really wanted.

Breakthroughs would happen by the grace of technology and education, but they would just trickle in at the convenient pace that — you guessed it! — would keep manpower at work and wealth productive. From the Seventies and on, this would mean no more increase of our standard of living; in terms of new goals, manpower and wealth would be sent to parking orbits of *null-production*, and it would look at time like our society was out of its collective mind, for we would not work to produce anymore but... **Produce to work!**



### III

#### THE NULL-P. ORBITS

*Produce to work! The ancestral “quest for leisure” had ended, and now it would be: anything for a job! All tricks for toil would be tried and then we would go for work without results, without purpose if need be, without even an effort, if it could be managed. To keep the labour force at work and wealth productive, we would send them in parking orbits of null-production... and wait for the Second Coming of the Machine: the perfect slaves.*

*Our society would take a first step towards “affirmative action” and it would be to create jobs. Until then, we had thought that Santa Claus could do the job and that giving money to the poor would be enough to keep demand effective; now it was obvious that, to keep*

*the wheels turning, it would be necessary to give money almost to everybody, to create more demand artificially, to go further than the profit motive and, for the sake of job-generating optimal stress, to pull a few fast ones, for their own good, on both investors and workers-consumers alike.*

*With good planning and a strong will to survive, manpower and wealth could make it in orbit until transition was over and re-entry possible without harm to the structure of power and the social order. Of course, many things could go wrong, the worst of which being that the capricious, reluctant consumer would refuse to be stressed optimally and would not buy the goods he would be offered. Should that be the case, the grand strategy would call for the reluctant consumer to be seduced, deceived... or raped.*

## **1. Courtship and deception**

In a fight or flight situation of Global Glut, the first reaction is to fight. Fight! Make the most of what you have, rake the bottom of the barrel. Would the Lord Consumer please consume! The Grand Strategy called first for maximum sales in the industrial sector, to create a demand for investments on available wealth, and to allow for the largest possible number of workers to remain in the industrial sector as long as possible. We would replace used assets, revamp their shape and put more glimmer to them, sell as much more of anything as we might possibly dump on the consumer. The behavior of consumers was too important to be left to chance, so the courtship began, with smooth talk and seduction.

*Seduction*

First, seduction. In the early Fifties, *Publicity*, which was already a well-known fact of life in America, really went to work. Billions were to be spent, apparently to convince the average buyer that Toothpaste # 1 was better than Toothpaste # 2, or that Soap A could really wash more than Soap B — which all seemed quite inconsequential — but in fact to convince people to buy a lot of toothpaste and soap, which was not superficial at all, but deadly serious for the economy! As serious as the sales of pop drinks, cereals, and all other types of processed food. “Processed” here is the key-word. It is not actually food which is promoted, but the processing, the all-important idea that machines can tamper with food, or anything else for that matter and make it much better.

Do not be so unpatriotic as to eat fruits and vegetables unless they have been properly processed! Do not drink orange juice unless it has been canned or frozen! There would be some publicity also in favour of fresh apples, bananas or what not, but the overwhelming majority of the publicity messages that seemed contradictory, on the surface, basically reinforced each other and began to sound like one great, continuous leitmotiv. “Buy what has been processed... and thus” — it said implicitly — “show support for the friendly Machine which in turn will create jobs”.

It was quite efficient. We may lament that the money spent on publicity was put to some other uses, but it did work some minor miracles. My favorite story about publicity has all the elements of a thriller; it is the Story of Superblade.

The little blue shaving blades were probably the first example of a victory of the disposable over the durable. When the first generation of blades came on the market — I mean those that your grandfather used instead of the murderous straight razor — they showed all the signs of bringing a genuine improvement of the human condition and conquered the market almost completely. Time went on, though, and at a point blue blades almost fell victim to a “hi-tech” development of the late Forties: the electric razor. The electric razor made the disposable blades look pedestrian; they were cheap and they didn’t buzz.

Then, some unknown genius realized that no dreams of Manhood were vested in the electric razor, and that it might be possible to stage a come-back for the little disposable blade, if only it could be made to look gracious again. The innate instinct of man to play with dangerous toys could be revived, if the blue blade was given more class, that is, if it would cost more money.

Make it expensive. Now, you cannot just increase the price of something; people are not dumb, not that dumb anyway, so something new appeared: Superblade. It was not a blade..., it was not a sword..., it was Superblade the faithful companion of the swash-buckling executive. It was much more expensive, it had real class... and it would last longer. It must have been quite a decision for the manufacturer of a product, for which the main sales pitch had been that it was disposable, to launch a publicity campaign that emphasized durability. This credibility gap disappeared, however, in an irresistible burst of flashing, and very virile sounding, steel. The quasi-permanent disposable blue blade came back and vanquished.



Then, it became unfashionable, of course, to abuse this quasi-permanency. Publicity would show the modern hero using his ten potential shaves in one great free-spending spree; then “double track” and, finally — (leaving aside some fancy marginal developments like “surgical steel”, chromium and platinum coatings) — the completely disposable razor, handle and all. Unless I am mistaken, the man-about-town who throws his double-track superblade in the basket, after using it once, has shaved himself perfectly 20 times over before going to work, which reminds me of the soldier who received a posthumous medal for “nine mortal wounds received in various actions” ... You can skin a cat many ways, but how many times ?

The next development will probably be the disposable electric razor to be thrown out after four months, and it will be proven, figures in hand, to be much cheaper than Superblade. When Superblade is almost dead, Superazor may grow gadgets, like small electro-magnets to draw the beard erect for a better shave, and it may become more expensive. After which it may begin to become more disposable... Then, why not propose a surgical-steel, straight blade “Daggerazor”, to get rid of this ugly five-o’clock shadow in front of one’s secretary and impress her with this new bit of machismo ? The cycle would then have been completed, and people would simply shave the way their great-grandfathers did, leaving the door open for a new Gillette.

There is no end to human creativity, be it in search of eternal truths or absolute trivia; publicity did miracles, from the Fifties onward, to convince consumers to buy, to spend and thus to support the industrial system.

### *Deception*

It was not enough though, and our society had to move from seduction, the friendly persuasion and brain-washing of publicity, to the second stage of the strategy: deception. We might say that outright deception began when it was realized that the best — and maybe the only — way to keep momentum in the sale of durables was to increase turnover, that is to produce goods that would deteriorate faster.

For millennia, Mankind had been looking for quality, affluence, leisure for the few and for all; now, we would behave as if we had a longing for poverty, a

yearning for the yokes of yore. More work was needed, so durables would be made more fragile and ephemeral on purpose. *Planned obsolescence* was the most gross, if not the most cynical, trick for toil and artificial consumption, the simplest way to work more and have less.

The best known and most rehashed examples of planned obsolescence are in the car industry. If all the cars built in America after the war had been built to last twenty years, there would soon have been more cars than people in the United States and production would have had to be interrupted a long time ago. “Twenty-years” cars could have been built; pre-war cars still roamed the streets of London in the Sixties, Volkswagen built a cheap, dependable, durable car until it flooded its own market and really embarrassed the neighbors, and Rolls-Royce, considering re-sale value, were probably always the best buy in the world. A Rolls in time would save nine ... if you could afford this type of bargain.

It was possible, but Detroit did not envisage cars that would last twenty years, and a production that would stabilize at a replacement rate of about 5% of the stock. This would have meant millions of unemployed in the automotive industry and its suppliers, and a major haven for investments would have been closed. Detroit planned cars that would become obsolete or would self-destruct within a couple of years, and a replacement rate more like 20%, even if that meant bringing the client back to the saleroom to buy a new model on credit, long before he was through with his previous obligations.

Detroit was not only allowed to think that way, but strongly encouraged to do so by the system, provided it would also, as a public service, keep as much manpower on payrolls in industrial production as was possible while continuing to make a profit. For two or three decades, the real purpose in the automotive industry would be not to produce cars, but to keep people busy making cars, with the result that millions of tons of steel and billions of hours of work were spent to produce exquisite disposable trash.

The turnover was gratuitous, since no development really more significant than the flashers occurred in the automotive industry after the automatic transmission — which was operational in the Forties. This was not for lack of imagination, but for the simple reason that, by that time, the automobile was already a well adapted and satisfactory means of transportation... except for economy and durability, of course.

The car industry is the classic example, but obsolescence was all-pervasive from the Fifties and on, as most everything became more modish and more fragile. Some of the best examples were in the field of the cheap semi-durable goods that could become

completely disposable. In some cases — (paper tissues to replace handkerchiefs, for instance) — it was certainly for the best; in some other cases it appears more dubious.

Take synthetic fibres for example. It may seem like pre-history to the younger generation, but there was a time, not so long ago, when most wives would mend socks for their husbands. It was definitely a labor-intensive activity, not very efficient, but also a concrete application of the principle that we must live on Buckminster Fuller's "Spaceship Earth", with a limited amount of resources that, one way or another, must be well used first and then recycled.

During the Second World War, people like paratroopers developed a marked dislike for mended equipment and a new thing called nylon was put to use. Nylon was really something! I still have a pair of nylon socks which I bought circa 1950; they are a rather sick grey and not very beautiful, but they are indestructible. When the new wonders were put on the market, the population was rapidly convinced that nylon was the thing. Not only was mending them unnecessary, but you hardly ever had to replace them: you went back to the store when you lost one. These socks were a real challenge to our economy. Quietly, over the years, they became much more beautiful and thinner of course..., and thinner. Now "nylon" socks are good for ten wears and when they go, they go. Forget about mending them!

To really understand what obsolescence has done to our economy, compare the bug-free quality and resilience of photocopying machines or of the traditional telephone sets, or of most anything which is usually leased from the manufacturer, to that of the durables usually bought, or rented from an interme-diary, like television sets or cars for instance.

For quite a while, we could have telephones that did not break because there was a huge market to be satisfied and, over decades, the company that leased the equipment could concentrate on improving real service rather than issuing new models. Recently though, it was realized that the technique had reached quasi-perfection, that there was little more left to be desired... and that the market was satisfied. The time was ripe for another genius of the Superblade variety to find out that telephones — not the real things which are telephones, but the pretty encasements — could be sold to the customers. Now, people are expected to change their telephone sets every time they change the wallpaper and, mark my words, they will soon begin to break. Progress, I suppose.

By all known criteria, seduction coupled with deception should have turned the trick. After all, you will never fill the bath if you do not insert the plug, you will never have a bank account if you spend as much as you earn, and the total material assets of our society should never become enough if we discard them at the same rhythm we produce them. Global Glut though, was stronger than we thought. The gains in productivity were such, that things could not be made badly enough to guarantee adequate turnover, for there was a limit to obsolescence. The threat that foreign competitors, working on cheaper labour, could produce and export to the U.S. sturdier cars, radios, televisions, etc., and steal away American effective demand for the benefit of their economy. Planned obsolescence was not enough... and risky

Manpower was fleeing to the third sector as fast as could be, we had done everything legit to titillate the appetite of the well fed consumer, but he was resisting courtship and deception, and becoming even more

reluctant. He was not playing his part, not buying enough. In the years that followed the implementation of planned obsolescence, the percentage of the labour force in the industrial sector did not stabilize at all but took a nose dive!

It seemed like the end of the line. No way we could keep the manpower at work if consumption of industrial goods did not increase. So, if the total private consumption of gadgets and durable goods could not be increased anymore and individuals could not be trusted to waste enough to keep the system running, then the State itself would have to become more active on the consumption side and to assume the leadership of the campaign for wastage. The stubborn customer would find out what it meant to resist Santa Claus.

## **2. The rape of the stubborn customer**

If customers would not buy enough of their own free will, the buying would be done for them and they would be sent the bill in the form of taxes. What polite seduction or even deceit had not achieved would be obtained from the consumer against his will: *rape* !Buy, but buy what ? Taxation was not a new phenomenon in the Fifties, but it was relatively recent and governments still needed an excuse to increase taxes: war, crisis, cataclysms...

The days had not arrived yet when deficit spending would be the rule and when governments would consider it their right and responsibility, not only to take from the rich to give to the poor, but also to sponsor corporations as well as individuals, destitute or wealthy alike, as would be necessary to maintain equilibrium. In the Fifties, when the need to increase production became acute, the Government still acted on

the belief that it needed to tax in order to spend, and that it needed a reason to tax. The reason for taxing and spending would be defence and military spending.

### *The perfect regulator*

Defence met perfectly the two basic criteria to play this role: it was completely Government-controlled, and it meant really huge expenditures. Furthermore, obsolescence is a virtue with military paraphernalia — as nothing but the best is deemed worthy to protect the country — and wastage is a blessing, since nobody is so eager to see the hardware put to use anyway. There are no limits to what may be spent on defence, since security depends entirely on subjective factors, and no problems of turnover, because everything that is produced can immediately be sent into the sky or buried into the ground.

Military production could be geared entirely to manpower requirements — as we saw them — and on the other aspects of our strategy for transition, so Defence was the perfect regulator that planners needed to control the economy. Through military spending, the Government could have both ends meet in production and consumption, no matter how irrational or frustrating the behavior of producers and consumers. Here was the source of an infinite demand for work and “productive” investments.

Concerning military spending, we must be very careful at this point to avoid the perennial controversy, between “doves” and “hawks”. Everybody want to see this country as well protected as it could, and agree on the need for some defence. From there on, opinions will diverge on two questions which should not be confused, for attitudes about defence are one thing and opinions

about the opportunity of military spending are something else altogether.

There are amongst us some “doves” who believe that we should put more trust in ourselves, have more faith in our foes, and maintain an “open hand” policy towards all, devoting a minimum of thoughts to such ugly things as guns, bombs and the like. There are also “hawks” who believe that we should be better prepared for bad faith, treachery and all these awful things that the Horrific Others are always prepared to do to Us. This is the controversy about Defence.

Defence is not the point we want to discuss here, because there are hawks in favour of savings who would prefer to guarantee the security of this country at 1/1000th the cost of the present military budget, if they could be satisfied that proper deterrence and retaliation power can be obtained at a cheaper price... While many doves favour spending in a good cause, and some might even be enthusiastic about a 500-billion, interest-free, “peace loan” to the U.S.S.R., all in a great spirit of love and friendship.

Military spending is not defence. It is well possible that the 200 billion-a-year and some that we spend on “Star War” schemes and extra atomic warheads be insufficient to protect this country adequately, as it is well possible that it be much too much. For all we know, we might enjoy better protection if we would concentrate on cheap biological welfare, if we would have the CIA organize “assassination teams” that would go undercover with the mission to kill, slowly and painfully, all the leaders of a country that would have declared war against us, or if we would simply exchange “hosts” with the Russians — the way the Romans used to do with their allies and foes alike — and receive as guests the children of members of the



Politburo and Commissars, while we would send a few thousands young Americans to put some life into “Moscow by night”. Maybe.

Defence has very little to do with the subject of military spending that we want to discuss here, because it is possible that we might meet all the objectives of defence taking an approach or designing options that would offer security at a much cheaper price. But, in the context of the present work crisis, any cheaper approach would betray the real purposes of military spending, which is easier to understand now that we have begun to think in terms of keeping manpower at work and wealth productive.

Our society’s strategy for transition required that manpower be kept at work and that wealth should yield a profit. It called also for the education and training of a growing number of scientists and technicians, who could expand the realm of machines and would someday extend the limits of the possible. These scientists and technicians had to be kept at work also, thinking, gaining experience.

Thinking about what ? They could not all be let loose in the production system, changing at random our ways to do things. Haphazard productivity gains, in this period of transition, would not be a blessing but would cause even more serious headaches. We were already changing our technology at the fastest pace compatible with social stability, and more innovations than could be absorbed might inadvertently destroy a very fragile balance. No use complicating the already difficult task of handling smoothly the flow of manpower from production to services, nor the even more demanding task of always keeping a haven where wealth might remain productive. With military spending, we would keep the extra brainpower “in orbit”, production-wise,

and the surplus ideas time-locked for later use, in “classified files” of the “restricted areas” of the military stockrooms. They would be exported in a way... to the Future. Think now, apply later, when we’d be out of orbit.

So, let us not confuse defence and military spending, for there may be many ways to protect America, but one way only that will, at the same time, provide employment for the common labour force... and save the present and prepare the future by keeping at work and out of mischief the hi-tech manpower in the fields of Electronics, Atomics, Energy, Aerospace, Computers, etc... offering also ideal investment opportunities for wealth, when it seems that there is none other left. This way is the way of the “200-billion a-year” military budget.

### *Rationale for evanescence*

“Spend 200 billion, send the bill”. Then, there is rape, and rape. The consumer was fascinated by the idea of sending a man to the Moon — (space exploration plays exactly the same role as military spending) — but he was vehemently opposed to dropping 100 billion worth and more of napalm and other unmentionable stuff on Viet-Nam, with thousands of Americans soldiers also losing their life in the process.

The consumer, in fact, reacted so negatively to this particular blunder that, at the end of the Sixties, he did not only prefer services to goods, but had turned quite allergic to investors, wealth, industrial values as a whole, all tricks for toil — whether they be attempts at seduction, deception or rape — and actually questioned from the word “go” all our society’s choices since the Second World War, including the strategy for transition

itself. The strategy was far from stupid, though. Considering the circumstances, it might even be said to be astute... but it was not so easy to explain.

How to explain to the common consumer that the “billions” spent on publicity are only conceptual schemes and bank notes, that is a happy mixture of paper and brain waves that would simply not be transmuted into wheat by some Power Divine to feed half of Africa ? Worse, how do you explain to a vociferous philosopher-about-human-nature that the 10-billion atomic sub-marines are nothing but piles of metal with a huge price-tag, a price tag that represents the human ingenuity that was used, not only to put it all together, but mainly to *think* and design all the components of the submarine, each of which components has peaceful uses ? How do you explain that not building the atomic submarine is not going to give us even one extra loaf of bread for the wretched of this Earth, even though a social convention might have us put a one-penny price tag on this loaf of bread ?

How do you explain that the real purpose of military spending is to gather all the brains and all the pieces of technology left over, *after* our society has produced all and everything it can absorb short of self-destruction, and that we put the brains to use building a submarine, not because there is a specific demand for subs, but because this is the way to develop creativity, to gain practice at thinking, and to keep our hand at it until the day we may safely move forward again without disrupting the employment and investment patterns ?

How do you explain that all the efforts that the traffic will allow are already being done to solve our real problems, that there is plenty of steel around to build all the agricultural tractors we need AND

submarines ? How do you explain that the problem of hunger, for instance, will be solved only when we can put together, *in the right proportion*, wealth and manpower not only with seed, land, machinery, fertilizer, transportation and storage facilities, but also with acceptable land-distribution schemes, export policies, vocational training, production planning, some intelligence and a lot of goodwill... and that it is already uncomfortably crowded there at the top, in the very small living space where the deciders have to think, decide and act for the best ? Hard to explain...

Before the consumer turned downright aggressive, the ultimate refinement was brought to the military spending approach. To avoid other Vietnam-type misunderstandings of the real purpose of it all, the policy became more and more to scratch projects before the hardware could become operational, developing prototypes that would be obsolete before mass production could begin. This way, almost as much money could be wasted and much less damage could be done. People could remain at work, in Texas or Washington, without the planners ever having to show a "result" for the expenses. With this, industrial production moved to a superior and seemingly final stage of its evolution: from obsolescence, it had reached *evanescence* and had ceased to exist at all.

When we would move out of transition, and be back on the road to new social objectives that would require the full use of our resources, "hawks" and "doves" would be asked to carry their controversy to other grounds, and to agree that there might be cheaper ways to protect this country. Until then, though, considering the enormous amount of investment capital flying around with no place to land, and all the manpower looking for jobs, there was no obvious

alternative to evanescent production. This way, we could put our best brains to work on ideas for the future and get rid as fast as possible of the dangerous by-products of their thinking process. It was not the end of the crisis, but military spending, more than any other single trick for toil, helped to create jobs, to place wealth in a quiet orbit and to make transition manageable.

However unpleasant to admit, rape did work. Whether we like it or not, the truth is that the “Spend 200 billion, send the bill” approach turned the trick. Unemployment was kept under reasonable control, there remained a demand for money, and what had looked like a rear guard battle to keep things in order in the industrial sector during the manpower’s flight to services was finally successful. Planners and Santa Claus had had their way after all; they could have a climax and relax.

### **3. Symbiosis**

Breathing time, but it might not be for long. The production of military hardware for employment and investment was bound to be challenged more and more vigorously, and it was positively the last frontier for industrial production, short of changes that would amount to a revolution. Services would now bear the full weight of the pressure for more jobs and the trek to the third sector would accelerate.

Yet, vast cohorts of “high professionals” were still a dream for the future; the manpower might picture itself en route to a white-shirt Promised Land, but the average manual worker of the Fifties displaced from industrial production had little professional skills to offer that might find takers on the market. We would

soon encounter a few logistics problems unless we found a niche for him.

*Greeting the prepaid labour force*

Society could simply not afford to turn all the little-educated displaced workers into “high professionals” at once, sending them to mingle freely with planners and other top-dogs in the lofty spheres above the Prestige Barrier. Untrained as they were, though, it would be politically and socially objectionable to have all of them congregate in “low” services, where they would, anyway, constitute an obstacle to the normal expansion of the machine.

A new haven would have to be found, between high and low services, where the overwhelming majority of workers displaced from the industrial production sector could find their place in the sun ... and work! After all, they would be have to be maintained anyway, wouldn't they ? It was unthinkable, in our society, that they be left without their share of the level of consumption income...

Remember the “level of consumption” income which must be in the buyers' hands if everything produced is to be sold at a profit and the system is to survive ? Since industrial production might level off but would not decline, this level of consumption income would not decline either, simply because machines would make workers redundant in the industrial sector. This income should at least remain constant, and it would be provided; the only question was: “Where would it come from” ?

Money might come from Santa Claus, of course, meaning that the displaced workers would go on collecting from transfer payments and produce nothing. In this case, the money they would receive would add up to the money earned by those who would still work to become the effective demand. Since in this option no more services would be produced, though, and services would therefore remain in short supply compared to the affluence in goods that we enjoyed, the price of services would tend to go sky-high and the machine owners would actually sponsor the emergence of a class of rich suppliers of services. Taking this option would mean renouncing the Grand Strategy.

Better, of course, if the money could come directly from the machine owners. Since the manpower was to be kept at work, ideally it is machine owners who would have to buy the rather thin services that most workers removed from industrial production could offer. If employers did hire them and if their services were bound to some goods that the consumer would buy, it would not only solve the payroll problem, but the displaced manpower could then produce at least a modicum of additional welfare for society .

So, the displaced workers who were trying to relocate on their own were a credit to Mankind, but it would be better if the migrating manpower would not wander too far away from the industrial sector. Needed more than “high professionals”, at that point in time, were workers who could infiltrate the production process offering services, make themselves handy and lovable so that “services” could merge solidly with industrial production and the secondary sector reach the point where it couldn’t live without services anymore. If you are skeptical about this type of love affairs, remember that there are actually, in nature, living

creatures which cannot live without each other. What we needed was this very type of integrating pattern, some sort of *symbiosis*.

The new entrants would have to be really lovable... Since no “machine-as-multiplier” would be involved in the production of their services, no significant part of the value of the work provided by these workers could be appropriated and thesaurized. Worse still, not only would the employers have to greet the new workers on a “non-profit” basis, but they would even have to put down the cash for their salaries out of the proceeds of accrued productivity in the machine-equipped sector of their operations!

Consequently, the best outcome machine owners as a class could expect, if displaced production workers were welcomed back in the production sector as workers in services, was that it might be possible to sell to the consumers “a bill of goods” that would include their services. In this case, employers would not make more profits but would at least come out even on the operation! Investors would really have to be played smoothly into finding some kind of interest in this type of proposition.

Yet, great love and symbiosis have their ways. The alternative was massive unemployment, and more of Santa Claus’ gratuities to maintain the demand effective would have to come from the product of the employers/investors’ taxes. So it was a great relief when some employers realized, as they tried as usual to compete and to strangle each others, that what was necessarily a non-profit venture for all the employers as a class could become a profit-making deal for an individual entrepreneur if handled properly. Machine owners found three ways to welcome back into the system, as workers in services, the workers expelled



from the production process. The first of these three ways was used mainly in sectors of production that machines controlled, or were about to control completely when Global Glut occurred. It consisted in *pegging men to machines*.

### ***Peg men to machines***

Keep close to the machines. The basic idea would be to make things easy for the consumer, to sell him “welfare” as more services, rather than more goods to add to his “wealth”. The services sold would not be “high” services but, to the contrary, services that machines were able, or about to be able to deliver. This way, the system would gain on two counts: employment would be created for the not-so-educated labour force that it was so hard to relocate, and human labour would test the ground for demand before investments were made on machines.

How do you “peg men to machines”? Take, for instance, a competitive market and a product which is relatively cheap to produce; add a little extra “service” of cheap labour to make the product more attractive. If the competitive edge he gains is worth the extra labour cost to the producer, jobs to provide this extra service will be created and the salaries paid willingly by the producer/employer.

Take for instance a cheap, raw, naked, dirty potato, and just wash it before you bring it to the side of the highway to try and sell it to passers-by. Because it is clean, chances are that it will sell better and fetch a higher price. If it does, every potato producer will soon have his potatoes washed and potato washers will find jobs... Until somebody invents and puts to use, to gain another advantage over competitors, a “potato-

washing” machine that does it cheaper than human labour. When this happens, “potato-washers” will go back on the labour market unemployed, but customers will now buy clean potatoes and will be ready to pay a little bit more for the privilege. Another step forward for the machines, but also jobs of not-so-cheap labour for operators of potato-washing machines and the supervisors of potato-washing operations.

Now, suppose you wrap and pack the potato ? Suppose you bring it to the market in town or that, from market to wholesalers and retailers, it ends up in the grocery store or the supermarket ? Suppose you peel it ? Can it ? Every time you add a new operation, you add a little to the initial low price of the potato and offer to the consumer something more for which he accepts to pay. You are not giving the consumer more “goods” for his money, you are giving him more “services”. You do not add to his wealth but to his welfare and he pays for it.

Do it smartly, and every basic commodity becomes more and more loaded with extra services, until it appears as a reasonable alternative to buy French Fried potatoes at the friendly family restaurant around the corner, since it is now only marginally more expensive than the clean, packed, etc., potato product at the grocery store. The next step is to call it *Pommes Frites*, and to buy the fried potato — which is basically one cent worth of potato and two cents worth of oil — for \$3.25 in a fancy Belgian restaurant. It’s basically the same product as the initial cheap, naked potato, but eat it slowly, for there is now a lot of “services” invested in those bites.

Before we denigrate the approach, we must realize that the extra \$ 3.23 of services does not go into the pocket of some capitalist exploiter, but it pays the

ticket to heaven of the great majority of the population which does not grow potatoes nor produce cooking oil anymore, but is still eager to eat French Fries and must have money to pay for it, if potatoes are still to be grown and oil to be refined.

More services are offered, more jobs are created, the Realm of Machine expands, and the price of services — the price of human labour — is included in the final price of the goods; a final price that benefits from all productivity gains, since machine-production is still its basic component. It is in each producer's interest to follow the trend, and services ooze in relentlessly until the employer who does not play the game is out, until it may become quite a feat for the consumer to be able to buy anything except a clean, peeled, packed, wrapped or canned potato... Remember Superblade. Where to-day can you get any blade which is not "super" and which is not packed with proper respect for its status ?

The thing snowballs, and the process of mechanization proceeds systematically. Peg services to goods, peg men to machines, and human labour is integrated smoothly into the machine-sector of the economy. Some human labour at least; it is often not the kind of labour we might have thought initially. It is cheap labour that comes in at first, but it stays only briefly, as the vanguard for more mechanization; eventually, it will prove more expensive than some new machine for which it has created a demand, and will be displaced to make room for more machines.

This is no surprise; it was clear, right from the start of the Industrial Revolution, that sooner or later machines would take over, one by one, all the repetitive jobs which, in fact, had men work *for* the machines. The really interesting point, in the "peg men to machines"

approach, though, is not the temporary demand for cheap labour. It is that a fraction of the jobs that are created seem immune from further onslaught by the machines.

We are not talking here about the machine-operators' jobs in the production sector. Operators work for the machines, and they are introduced in a process made for machines from which they will be expelled just like the "potato washers" before them, as soon as the machines are improved and make them expendable. We are talking about the human jobs which would not exist if machines were not around to mass produce something, jobs which seem to thrive on mechanization and to show *symbiosis* between Man and the Machine.

We can talk about symbiosis when the product from the machine has to bear the mark of a human intervantor's personality and the human intervention itself would be impossible, useless or at least essentially different without the machine. Anybody who is not an *accessory* to the machine, but whose job depends on a machine production process that would not go on without his own contribution, is in symbiosis with the machine.

The whole management of every company whose purpose is to machine-produce something is in symbiosis with the machine. The machines will not produce usefully if not managed, and this particular type of managers would have no *raison d'être* if machine-production would stop. Supervisors left on the job when potato-washers made way for potato-washing machines are in this type of relation with machines. Symbiosis also, all along the lengthening distribution line from the producer to the consumer; therefore there are opportunities not only to create management jobs, but also to respond to a demand for human labour in the process of

wholesaling, retailing, merchandising marketing, distributing, and generally selling the goods.

Peg men to machines and watch for symbiosis. In the short-term, as the Realm of Machine would expand, these jobs would be the only hope for full employment. It is not the machine-operators who would proliferate anymore, the way they had in the early industrial revolution, when the demand for goods looked insatiable, nor still the high professionals, but the *symbiots*, white-collar workers whose activity would be essential to a process but whose work would be productive and have significance only if there were machines somewhere busy producing something

### ***Men and machines***

The second approach to integration became popular when we began to move beyond the production of goods — of “wealth” — to the selling of services and the direct production of “welfares”. This we did as soon as growing affluence could convince us that the demand for some “mass consumption” services would generate a healthy profit both for a human and for a “machine partner” and its owner. You have not produced anything material after you have taken Mr. Smith from New York to Los Angeles, or Mr. Jones from London to Tokyo; yet, a need or a wish has been fulfilled; the service you offer to the buyer is something that makes him feel better, according to his own judgment of how or where he should be. You have produced and packaged more welfare for him.

In the beginning, the direct production of welfare took its models from the industrial system. Selling welfare, like selling goods was done with a machine, an operator on borrowed time and maybe, next to the

operator, other men or women pegged to machines. The plane, for instance, was a machine put at the disposal of the customer; the machine would provide the service and the pilot, as a “machine operator”, would simply be working for the plane — “*Just take us there safely, Captain X*” — until the day would come when people would feel comfortable and safe with an Automatic Pilot, and he could be replaced by a contraption (which / whom) might well then be nicknamed “John”, to have it/him look smart. To peg more men (women) to the machine, the system would also favour Air Hostesses over pre-packaged meals.

It did not take long for machine owners to realize, though, that selling welfare would be easier if service were more personalized. This opened the door to the second way to integrate workers back into production and another type of symbiosis. As a second step on the long road to “high services for all”, the objective became, in the Sixties to have humans work *with* rather than *for* the machines, and thus to achieve more intimate and more equal symbiosis.

The distinction, by the way, had nothing to do with prestige or qualifications, since the pilot had been definitely working for its airplane, while a gondolier in Venice (you are sooô.. cute, Gino!), could certainly be said to be in symbiosis with his “machine”! Put a motor to the boat, and neither gondolier nor gondola have the same meaning. To know whether or not the man works for or with the machine, see if the final product should owe anything to his *personality*

Personalized services, sold in “symbiotic packages” with the products of machines as multipliers, did add a new twist to the man-machine relation. It meant, however, the same intertwining between worker and machine that allowed the system to spread productivity

gains and to broaden the manpower base. The Hospitality Trade and the Tourist Industry are good examples of sectors where the demand for “welfare” allowed both a profit for investors in “machines” and the payment of salaries to human beings for the part of the work that machines alone couldn’t do.

It is possible to look at an hotel as a “machine to live in”. The customer’s bill will pay for such “goods” as the drinks, the food, furniture, and amortization of the hotel building itself... but will include salaries for waiters, hotel clerks, receptionists, telephone operators, hotel manager, Tour operator, etc... And it is the way these people will have performed their tasks, personally, that will make all the difference and have the customer decide whether he will be back or not.

People in this situation become equal partners in the symbiosis, which will be reflected in the respect they obtain and in the fact that the sum of their salaries will vastly exceed the cost of all the “goods” consumed, amortization cost of the building and equipment included. So, it is mainly “human labour” once again now, if Room Service will charge you over \$ 6.00 for *Pommes de terre au Gratin*, when you insist that the naked potato be escorted by five cents worth of cheese rather than two cents worth of oil.

### ***Peg machines to men***

Manpower was elbowing its way back smoothly. Simultaneously, if wealth was to remain the all-important basis of the power structure of a dynamic society, the other part of the strategy would have to be a success too. Machines would have not only to hold their own, but also to expand more in the sectors traditionally reserved to human labour, to become once again the

best answer to the consumer's new priorities. Machines would have to learn to do things they had not done before.

We could achieve this objective without damage to our employment policies if, rather than use human labour only to dress the all-important product in accessory services, or to share with the machine the responsibility for the client's welfare, we would turn the table and see the machine as a junior partner, enhancer of the quantity/quality of human services.

The third way to integrate workers back into the labour force would be to put machines at their disposal. Machines in this case could be only tools, mere amplifiers of human activity: think of an opera singer, who can take it or leave it when it comes to microphones and loudspeakers... But it could be also the beginning of a real "peg machines to men" approach, which could bring a higher level of symbiosis, closer to the dream of the "perfect machine".

Higher level symbiosis would occur when the machine also would be essential, but still, it is the human being, not the machine, who would be in the driver's seat. The next step in the Machine's progress would come through putting at people's disposal machines that would not only greatly enhance the value of their services, facilitate their work, or improve their results but become indispensable. Rock groups, for instance, are obviously in symbiosis with their equipment; a rock group would be a completely different phenomenon if it were deprived of its electronics and visuals. For the same reason, movie stars are in symbiosis with movie equipment.



Although theirs might be work basically fit only for human beings, chances were that people who could reach their best only with a machine by their side would simply desist from working in any way except in symbiosis with this machine. From this point on, it would be possible to get more symbiosis, simply by addiction. Symbiosis might creep up surreptitiously, in the hierarchy of services, and even pass the Prestige Barrier! Think about medicine becoming more and more dependant on the hardware of modern hospitals. Who would dare to-day undertake even a minor surgical intervention without the best equipment ?

Peg machines to men and push the frontier of the possible. Symbiosis would allow for Rock Music, a mixed blessing, but it would also make a many more things possible — and thus create more work than what we had thought. The day the “peg machines to men” approach would have made a “machine partner” a paying proposition in high level symbiosis, it would finally have made possible also, economically and politically, the development of high services in a way innocuous to the interest of the investors in machines and of the power structure. We would have found the “perfect slaves”.

We had these three types of symbiosis to integrate the workers in the service-orientated labour force and to promote the future of machines. Would it be enough to keep under control the trek to services and for enough jobs to be created ? Together with military spending that meant a permanent demand for wealth, could symbiosis keep the system alive until the “perfect slaves” would arrive ? The last word belonged not to the employers, who would hire symbiots if they had to in order to compete, but to the consumers; would they catch the “clean potato” habit ? They did; and then, to

the planners' pleasant surprise, it was discovered that symbiots were an extremely prolific breed.

### *The prolific symbiots*

The man in symbiosis with a machine becomes more and more dependant on "his" machine, and will see to it that it grows bigger, better, more complex, more expensive, and eventually creates the need for other machines, on each of which he will gladly become dependant also: machines have a way to proliferate. Even more wonderful for the planners, workers in symbiosis with machines will also multiply. Symbiosis creates a growing demand for machines, around each of which a growing number of symbiots will tend to gravitate, until the limit is reached of what the machine will support. What is the limit ? When one has grasped the implications of "effective demand" and of the "level of consumption income" it becomes rather obvious.

As long as there had been a growing demand for goods, sufficient to balance the productivity increases, workers could remain machine operators and their wages would grow to provide effective demand. With our needs satisfied though (and the production of goods remaining constant, as it should when needs are satisfied), further productivity gains could bring only mass unemployment... unless the threat was immediately countered by a new division of labour. The new division of labour would have a constant quantity of goods produced by machines and a dwindling minority of machine operators, while an overwhelming — and ever-growing! — majority of the working population would flee to services as "symbiots" to manage, supervise, sell and distribute, talk about the goods or

otherwise play with them, before they would finally reach the consumer.

Together, operators and symbiots would have to account for the same effective demand as if the operators were alone and the symbiots did not exist. Consequently, the total wages, of all symbiots and operators living off the production of all machines, would tend to equal the total wages which would be paid to all the workers who would be required to produce the same output without the use of the machines. Not the wages that would be paid if machines did not exist, mind you, but the inflated wages that reflect the fact that machines do exist and that there are lots of goods symbolized by the money of these wages.

Symbiosis was a necessity, and symbiots would begin to proliferate in industrial production, as organizers and administrators of the complex logistics of affluence. Symbiots could grow, multiply and proliferate in almost any environment and would necessitate no care at all. Because they are such a resilient breed, there would be in a spontaneous generation of symbiots as the trek to services gathered momentum, almost unnoticed however, because the continuous gains of productivity realized on production itself would hide a large part of the extra cost that symbiots added to the price of almost everything. The extra cost could be spread evenly across the system, and the general increase in prices dismissed as “inflation”.

We would have inflation, because we had to spread the real income of production on both operators and symbiots and make provisions also for the money-only profit of investors. We would also face what looked like stagnation, because needs were satisfied and we had no sensible reason to produce much more

goods. Inflation and stagnation together could read: *stagflation*, and the concept would become popular — although not properly explained and therefore not very instructive — in the Seventies.

There would be some other minor inconveniences to the proliferation of symbiots in our economy. For instance, productivity gains are often measured taking into account both “operators and symbiots”, rather than operators alone. These gains, therefore, would look much smaller than they were in reality — and smaller than those of other nations — which would have us appear a little inept and foolish. This was a small price to pay, however, for equilibrium and social peace... and we could always find solace in the fact that we were doing it in 8 hours-a-week, remember ? Considering the situation and the values at stake, the inconveniences were tolerable.

Welfare being qualitative, and the appetite for it practically infinite, it seemed that once the consumer had accepted to buy welfare packaged with goods, symbiosis, if need be, could keep all the manpower at work eternally around the machines in the production sector! It would be a continuous race though, in a state of optimal stress, between our talent to increase productivity and our imagination to provide services.

#### **4. O.T. in orbit**

Keep manpower at work. Technology really could increase productivity... ! As workers kept coming from production faster than bona fide symbiosis could fit them into the system, something more had to be found which would play immediately, for the displaced manpower, the role that military spending had played for wealth. It would be the labour force's turn now, to

be launched into some crazy orbits of null-production while our society would cure itself of its work addiction.

Occupational Therapy — (O.T.) — is a serious business. The basic idea, as applied in a great many clinics and hospitals, is that, in some cases, sick people get better when they are busy working at *anything* that keeps their mind off their problems. Sometimes, bits of cloth will be used as material, and though it seldom leads to the creation of models to challenge designers of high fashion, people in occupational therapy will learn to cut and sew and, in time, may show a flair for matching colors.

Well applied, occupational therapy may help people to develop their creativity and to gain practical skills. It is not necessary, for the therapy to be successful, that everything made in the wards of occupational therapy be a useful, finished product and should sell on the market; the real purposes are solace, and to acquire some experience and knowledge.

We were already doing it for scientists and the like in military research centers. Now, the common worker would join them in orbit, there to experience the madness and frustration of the myriad ways not to work all one should while at work, and not to produce all one could in production. Occupational therapy works... But when a whole society decides to take that line of thought and to put its labour force in O.T., it creates unusual situations. Faced with a diminishing demand for work in production that symbiosis would not compensate in full, the system took its leave from earthly sense and began to create jobs that just circled around real work, and at a safe distance from real production.

*The “quasi” orbits*

The first trial launches kept workers circling in orbits close to work reality. The attempts were successful, helped in no minor way by the pride of the workers themselves. Many, who otherwise might have been left without a leg to stand on when our production system moved into low gear, fought bravely on their own for the “honor” of work. Pride became a keyword for quasi-job creation.

First, the *quasi-professionals*. Some of the workers who had been displaced from the industrial sector, and who were not absorbed in well-structured services for immediate or eventual symbiosis, joined a crowd of self-employed, make-believe professionals. In that crowd were found salesmen working for commissions only in the most marginal territories, non-unionized repairmen working “on the black” without licence, therapists who had learned their trade through correspondence schools and played hide-and-seek with local by-laws, couples who operated a franchise on borrowed money, etc.

What they all had in common was that they worked on their own and were granted the honor to participate in the labour-force, apparently with a status similar to that of highly successful professional people, although we knew that there was not really a market to sustain their activities. The boom for quasi-professionals began in the Fifties; it is still with us although, as we shall see, the rules have changed quite a bit.

How are we to know whether a worker is a successful “high professional” or a poor soul in a quasi-job, who has no real alternative to transfer payments except to exploit himself for pride? There is one easy test. When the poor soul misses a day’s work, he is

worried and nobody else is; it is exactly the reverse for the successful professional. The work status of these quasi-professional workers is very marginal.

We might say that, in the global economy, the quasi-professionals have reached Poor Lazarus' objective: they may grab the crumbs that fall from the table of the rich... but nobody, though, will bother to bake a bigger cake for their needs. So, the more people in these self-employed activities, the less cake to eat for each of them. They have a marginal status because, working, they are denied nevertheless most of the advantages of work, even while they forfeit for the sake of pride their right to financial help from the community. Whether or not they should be considered as real members of the labour-force is open for discussion, but what we know for sure is that, if it were not for pride, our employment statistics would look much worse.

First quasi-professionals, then *quasi-employment*. As jobs became harder to get, strange distortions appeared. For instance, we had to grasp all the implications of part-time employment. The part-time work pattern, in itself, is not bad at all. For senior executives, doctors, lawyers and other high professionals on their way to retirement, for high-ranking consultants who are in such demand that they can fix their own working hours and conditions, it is a smart choice they can make. However, it is not socially acceptable to-day for anybody to follow this pattern too early in life, and much worse to be forced into a whole lifetime of part-time employment.

For most people, in to-day's framework, to have a part-time job is not really a choice. Adult males, at least, will generally accept part-time jobs only to "make do" while waiting for a steady, full-time, permanent job. The individual who works part-time because he

cannot get a full time job, is in some sort of limbo. He may do some really productive work, be really wanted and thus enjoy a better deal than the make-believe self-employed quasi-professional... but his situation follows the market's ups and downs — (he is either at the bottom or out!) — and enjoys little security. It is harder also to cheat on the welfare system when one has even a part-time employer.

Amongst part-time workers, there are however the lucky few who illustrate a totally different type of distortion: *seasonal workers*. The seasonal worker we are talking about is not the one who drifts from one seasonal work to another, like people working on cash crops: these are solidly domiciled in shabby self-employment. Here, we refer to individuals who devote themselves entirely to one vital occupation that happens to be seasonal. They seem to be exactly like other part-time workers, except that their cycles measure in months-by-year rather than in days-by-week or hours-by-day. In fact, it is a different situation altogether and, in this case, it is not the worker but the planner who has the problem.

Take agriculture. Workers in agriculture in Northern regions are out of work during a sizable part of the year, and are left with the choice either to increase their income, undertaking another professional activity during the dead season, or just to hibernate. If they are not very eager to find other job during the dead season, are they then “unemployed”... and should they be allowed to draw unemployment benefits while they are not really looking for work in a normal sense? If these seasonal workers are “unemployed” when they are not working, then they certainly have it made to collect unemployment benefits every year, steady as a



clock. Is it correct to have public funds pay for part of their normal annual income ?

Suppose now that they are *not* unemployed. Since nobody doing a vital job for society will live long on half-income, it is the whole of their annual income that will have to be derived from their seasonal activities and supported by the immediate buyers of the goods and services they produce. This seems fair, except that the value of each hour of their work is thus increased in direct proportion to the reduction in their working year. Is it fair to other workers that the work of the seasonal worker, because it is seasonal, be worth more ?

Before the days of Global Glut, it would have been a non-issue: if workers in agriculture had wanted more money, they could raise their prices — if the market would allow — or find a second job and work more. Not so now; there are no easy second jobs to find in an economy where there are hardly any spare “first jobs” around, and forget about raising prices: no government would tolerate a show of strength from the 4% of the workers who happen to feed us all, together with a significant part of the rest of the world. So it is the planner who has the problem.

His way to solve the problem is to create a never-never type of cozy orbit, further away from common sense work-reality, in which the State encourages surpluses — which takes away the terrifying bargaining power of the American “peasants” — and applies an intricate policy of subsidies to agribusiness that gives to the landowning agricultural worker all the advantages of being “unemployed” without the social stigma.

Same problem with workers in the tourist industry, the waiters, and all the others who hunt the tourist dollar, work for their tips and become some sort of self-

employed... and none the worse off at that. Same with professors, who negotiate high hourly rates and research money. It is the same problem, but there are different solutions according to what trump card each party holds up his sleeve.

If someone has the heart for it and a will to go for strong bargaining, seasonal work, for some lucky few, is not the worst orbit to circle in. Planners have a real problem, though, since whether it is gracious or shabby, whether it brings full or half-income, part-time work which does not result from the individual worker's choice, but from circumstances, is part of the crisis. It is a distortion, a bad case of mismanagement of our human resources.

Quasi-jobs created unfair and absurd situations right from the start, but it was just the beginning. The strategy to keep manpower at work at all cost would force us to launch workers to more eccentric orbits, further away from the reality of our needs... and we did. If for no other reasons than continuing motivation and not losing the trade, it was essential that displaced production workers be kept busy at something that was, or at least looked like useful work, although there might be no serious jobs or even quasi-jobs available. When we reached the point when even these became scarce, our society began to send workers to what can only be described as far-out orbits of "pseudo-work" and "pseudo-production"

### *The "pseudo" orbits*

The launching pad for the eccentric orbits of O.T. was "sub-employment", and it was a sad place to be. There began to congregate all the people who could do much better, people whose training, experience and aptitudes

would call for work at a job more productive than what the system was able to procure them. The problem of *overqualification* became rampant in our society, growing worse by the day as a result of the tremendous impulse given general and professional education.

Offering a man with a college education a job that requires primary school competence is not really employing that man: it is just inclusion by pride in the labour-force. It is a remedy against the most extreme negative impact of unemployment, a very crude form of occupational therapy. For most people there was not enough pride in it, so patients were launched on a trip to the far-out orbits where college education could become an essential pre-requisite for jobs that required no competence at all, and where procedures could become mandatory which would have no effect on production but would gratify the worker. Workers were sent further away from work-reality and deeper into nonsense.

Surplus workers who preferred to remain in the labour force rather than join the crowd of the unemployed were sent to circle into two far-out orbits. Orbit #1 would be for *pseudo-work*; people there would pretend to be working, while acting as sidewalk sightseers of the production going on. To the contrary, Orbit #2 would be the place for *pseudo-production*, in which workers could really work hard, but would not produce anything useful at all.

In Orbit #1, we would deal mostly with people who had a vested right in being full-status members of the labour force. Here, the trick for toil would be to use more manpower than would be required to achieve a given result. Usually, Labour, would take upon itself the responsibility to launch into Orbit #1 and, often enough, Unions were the immediate agents for implementation and allocation of pseudo-work. It would be

naive, however, to believe that pseudo-work could have been sold to us wholesale, the way it was, without the blessings of the whole technostucture. As a matter of fact, as we shall see later, even when Unions did not have the power to take the initiative of labour intensive employment, we had it coming to us just the same... and with a vengeance.

“Featherbedding” has been the most conspicuous example of pseudo-work employment. It happens mainly when jobs are kept alive after some technological improvements have made them superfluous. The archetypal example was the case of the “New Locomotive”, as the contraption was argued, *ad nauseam*, to require 3 rather than 2 operators. The money spent, on publicity alone, to convince the public that the third man in the cab was a “must”, might have gone a long way to turn the third man into a very highly skilled professional...

Sometimes, “simple” featherbedding would provide only for present employees to retain their jobs until retirement. Then, there was “compound featherbedding”, we could say, providing not only for the actual jobs to be saved, but exacting also from the employer a commitment to the eternal maintenance of the function itself. In this last case, even though the job would be rather obviously superfluous, the employer would have to replace the workers who retired, hiring and training new people to do the job.

Featherbedding still goes on, and workers that technology makes redundant are kept on the job because the worker does not want to lose his job, because the Unions do not want to lose a member nor a fight..., and because the employer does not really want the fight, since he will pass on the extra cost to the consumers anyway. Featherbedding is no great danger,

because it is so silly. Should it grow much, it would bring its own solution as bored workers would probably manage to bypass the rules, to divide the real work amongst themselves ... and to end up with a shorter working week.

Featherbedding even has its positive aspect: it introduces a *ritual* element in jobs that clarifies work's new function in society. No one challenges Religions' right, in setting up their ceremonials, to put four individuals where job analysis would show that one could be enough: Religions are entitled to symbolism and are not bound by the rules of efficiency. Featherbedding is a manifestation, for all to see, that work in the age of affluence is turning into a ceremony. The third man in the cab is going through the ritual of "going to work". He does not contribute to production, but he remains a provider, a member of the effective majority.

Pseudo-work may mean ritualistic fantasy, the last-ditch effort to maintain a way-of-life and old values that our affluence has eroded, the ultimate symbol of addiction and attachment to work for work's sake. But it is also a sin, a sin by omission or commission, against productivity. Featherbedding and the like are a sabotage of our production mechanisms. As such it is a nefarious habit, for there should be no place ever, in our production system, for any way in which to work except the most efficient. The danger of pseudo-work is that it conditions our behavior and responses to have us accept less than excellence as a rule.

Pseudo-work was not the end of the line, however. Stranger things yet would happen in Orbit #2... In Orbit #2 we find pseudo-production; not production without work, but work without any production worth mentioning. The first thing we must understand clearly, about pseudo-production, is that the

term “pseudo” does not apply to the work itself, and should not reflect on the individual concerned. Pseudo-production can be very tiring work indeed, and may imply long hours, dedication, and strenuous efforts: it is the result which is useless, or at least completely out of proportion to the efforts involved.

If you want to grasp the meaning of pseudo-production, think about your school days, about that beautiful spring afternoon that you had to spend writing one-hundred times over this particular page of Milton that you had failed to memorize, and the memory of which is now your best claim to classical culture. Think about convicts breaking rocks in the prison’s courtyard.... Wasn’t it a little far-fetched to ask from our society to accept pseudo-production on a massive scale ?

Pseudo-work could be acceptable under certain conditions: if Unions took the blame, if the cost increase could be passed to consumers, if the rules were in place to make sure that no employer could escape the pressure for employment to which his competitors would be submitted. But pseudo-production... Tough! As a matter of fact, the first cautious sectorial attempts were not very successful.

Take prefabrication. It was undoubtedly the best way to produce certain elements for the construction industry, and it imposed on the workers much less strenuous working conditions. It was so efficient, though, that it was feared it might carry the day and reduce employment. For a while, some union members in the construction industry were not allowed to accept work on a construction site, if some prefab elements were to be included in the building! It was a fair effort at pseudo-production, but there was cheating and it

made it hard to remain in business for contractors who played the game by the book.

So, just as the State had taken over the campaign for wastage, to save industrial production through military spending when private consumption had proven insufficient, so it was the State which would have to take the initiative of launching workers into Orbit #2. Not because the Government was particularly inept, or our lawmakers particularly stupid, but because it was what the system needed and, understandably enough, it was thought at the time that only the Government could afford pseudo-production on a large scale.

Pseudo-production was the thing to do; nevertheless, for a moment our society was in great danger, for the best place for pseudo-production was the Army, and a large Army adding up to huge military spending looked like an explosive combination. Thank Heavens, somebody thought about symbiots!

Do you remember ? *“Symbiots could proliferate in almost any environment and would necessitate no care at all...”*. If money was no object (and it was not), the Government could hire symbiots to *“manage, supervise, sell and distribute, talk about the goods or otherwise play with them...”* Hire a lot of them. No trouble at all; it would be enough not to weed the parasitic formations that had a tendency to grow on the core of even the most useful administrative functions to have them expand indefinitely...

Expand and grow until the “limit” was reached, until *“the total wages, of all symbiots and operators living off the production of all machines, would equal the total wages which would be paid to all the workers who would be required to produce the same output without the use of the machines...”* The salaries paid to the sum

of workers in these parasitic formations would add up to the salaries of operators and “good” symbiots, to constitute an effective demand that would reach the level of consumption and allow for production to be sold.

A perfect regulator. The equivalent, for the “man-power must flee” leg of the original dilemma, of what military spending had been for its “wealth must fight” aspect: a necessary evil, for which there did not seem to be an acceptable alternative, since the choice was between this or real huge unemployment. The State began to launch into Orbit #2, and it would be fundamentally a universe of paper. Just think about clerks filling and filing forms.

First, the State did it alone and civil servants proliferated. This created concern, for a free society should not rely on exponential growth of its bureaucracy to achieve equilibrium. Could part of the burden for pseudo-production be passed to the private sector ? Could a plethora of civil servants be matched by a plethora of office workers all around the system ? Government contractors could be strong-armed into hiring for full-employment, but who else ?

The system might tend towards equilibrium with the arrival of the parasitic symbiots, but not so each small production unit in which investors, operators and symbiots had to share, amongst themselves, as profits or salaries, the result which the machines would yield. Would not each investor resist to the utmost hiring parasitic symbiots in “his” production unit ? Would not machine operators heartily agree that parasites were stealing the product of “their” work ? How would individual employers, with individual interests and individual bottom-lines to care for, feel about giving tender loving care to parasitic symbiots living off the



production of the machines they owned ? How could they be convinced to hire ? It should have been hard enough to convince investors to accept symbiots in increasing number, and, worst, the parasitic variety. Actually, it proved to be no problem at all.

## **5. The epsilon drive**

More managers and clerks might be required, but each new addition to the payroll would still mean more overhead costs and less profits at the bottom line. The “laws of the market” and the profit motive in investors should have been quite sufficient to keep managerial and clerical personnel in any enterprise to the bare minimum. Yet, from the moment it really gathered momentum, it took no arm-twisting at all to have the private sector absorb even the superfluous manpower to provide services, and to do it almost as fast as it fled from the production sector. The waiting time was not much longer than what it took to switch from blue overalls to smart white collars and ties. What happened ?

### ***Bossing for fun***

Let us go back again to our old acquaintance, the Roman slave-owner. Well-bred Patricians did not usually carry whips: they had slave-drivers to do that. All through history, top-dogs of most civilized societies have kept a “buffer” between Wealth and the Labour Force, and it’s the buffer, slave-driver, non-commissioned officer, foreman in blue collar or manager in shirt and tie who does the whipping, yelling, shouting, or kicking around.

It may not be below all investors' dignity at all times to come around and talk down to the labour force, but it is not a common hazard. In day-to-day life, it is the managers and supervisors who do it in the name of the Boss. He, the manager, is the necessary link between the Will and Thought at the top and the Muscles and Action below. Managers are the last avatar of these "delegates" and "intermediaries" in the chain of command, through whom power flows from top to bottom, from patricians to slaves, or from top-dogs to high managers, to low managers and workers, in great bursts of positive or negative reinforcement.

Almost everybody prefers positive reinforcement, most of all bosses who may often show up to distribute the boons, bonuses and favours. When it comes to kicking though, nobody does it half as well — or takes half as much pleasure doing it — as a slave driver, supervisor, or any other link in the chain of command, since to have a Boss and to be personally kicked around is the best way to learn how to do it and also the surest way to ignite the nasty desire, present in all men at times, to have somebody else to kick around. Slave-drivers like to have slaves, and supervisors like to have people to supervise.

In his "Brave New World", Aldous Huxley describes a society where people are bred and conditioned to fit in five social strata labelled, in descending order, with the five first letters of the Greek alphabet, from Alpha to Epsilon. Alphas are the real thinkers, the dealers in abstract thoughts, while Epsilons do the menial tasks.

In a society based on advanced technology, most menial tasks could be performed by machines and "Epsilons" would not really be needed to open doors or carry bags on their backs; if epsilons would be bred, it

would be mainly to satisfy the base instinct in man to have something, or someone, on which or upon whom he can impose his will, be it a door that he slams, a mule that he beats or an underling that he gives orders to. This less than noble tendency in man to find gratification tossing things and people around is what we call the *Epsilon Drive*. It is a strong instinct.

Take the Army for instance, where the Colonel will have not only Captains and other officers, sergeants and a lot of soldiers who will carry out his orders, but also a Staff (“high professionals”), and orderlies (workers in “low” services) whose purpose in life it will be to satisfy the Colonel’s every whim. The Colonel’s epsilon drive is well taken care of: he may send his troops to march in battle, design grand strategies with his Staff and have his orderlies fetching the tea and shining his boots.

Suppose now that peace would strike, or that a new development in warfare would make it easy to win battles simply by pushing a button, and that it would become superfluous to have all those soldiers marching and waving the flag. What will the Colonel do? Chances are that, if he can help it, he will discharge his soldiers as slowly as possible and will try to convince the General — and the General will try to convince the Powers-that-be — that pushing buttons requires a much larger staff, and that all this extra tea, for all the extra staff-members, will require an awful lot of orderlies.

He will probably make his point, since the Commander-in-Chief faces the same situation and the Powers-that-be would all feel the same way if left without Staff and orderlies... and Colonels. So, on the way out of the barracks, the soldier who has left his gun in the rack is handed an apron and told to run “on the double” to the kitchen or the laundry. No more battles

may be won, but the Colonel will have more Staff and orderlies to boss around, which was the real reason he was trying to wage a war anyway. As old soldiers fade away, Staff and orderlies will become the Army, while the household routine and planning process will substitute for the real war and generate almost as much emotion.

The epsilon drive, “bossism” is you prefer, came into play the minute machines began to make a significant dent in manpower needs; it was the real reason behind all the excuses that were found to justify hiring more and more staff and orderlies — more managers and more clerks, using in that way most of the money that was freed up by productivity gains in the real production process.

It is not only that you cannot scold machines; you cannot even give tongue seriously to a machine operator! The machine operator has to follow the *technical imperative*, the orders and constraints imposed by the machine itself. Although he may, just may, still answer the boss politely, everyone knows that, finally, he will have to do whatever the machine dictates. Insofar as he knows what the machine wants, the blue collar gains independence from his supervisor whose whims become irrelevant. The worker is not working for his immediate supervisor anymore, he is not working for the employer: he is working for the machine.

Tragic! Not only were there less and less production “soldiers” to kick around, but even those who remained were becoming more and more impervious to serious kicking. This was leaving the Colonels and Generals of industry in a position where their epsilon drive might be frustrated. So, they hired more of the people who would be free from the technical imperative

and could be ordered around at will: middle-managers, junior managers, senior clerks, junior clerks..., anybody who would not report to the machine but would remain at the disposal of his immediate superior's fantasies. A demand for "orderlies", workers in "services"... Symbiots.

These could provide not exactly low services, not high services either, but services that could be tailored to the needs of job creation, since the real purpose of clerical and lower managerial jobs would be to give satisfaction to higher managers. Requirements for clerical and managerial jobs could be made to grow progressively, to accommodate a manpower that would be better and better educated, while the intricacies of modern business and production would create a demand for enough legitimate symbiots for an almost infinite number of parasitic symbiots to hide in the woodwork.

This, to everyone's satisfaction: the parasitic elements who would have a job, top-dogs who would have found an elegant way to keep manpower at work and to sustain effective demand, managers of all ranks and levels, most of whom would be gently kicked but would also have somebody to kick around. It was great, except that it might have lacked some class; the office might have kept the lackadaisical but roguish atmosphere of a saloon, with cigars, smoke and spittoons. Most of all, the inferior rank and file of the managerial class might have had to live with thwarted epsilon drives, if somebody had not thought and found the greatest breakthrough of all: Dames all around the office!

To introduce female secretaries in the process was a stroke of genius. It did not only bring class to the act and satisfy the social demand from women for a place in business life, it revealed the full possibilities of the epsilon drive for career planning purposes. Most of the

low-level male managers, not being issued from the leisure class, had not been trained or conditioned since youth to boss over anyone except women. They would feel more at ease, at the beginning, bossing over secretaries; then, gradually, they could gain experience and learn to boss over anybody.

Furthermore, even at the highest ranks of the hierarchy, top-dogs — already well endowed with a lot of people to boss around but a little short of time to impress the woman at home — were seen to find a special satisfaction in having, as a private secretary, a beautiful woman whom they could terrorize or gratify at will. Secretaries were an adjunct well worth the extra expenses

Secretaries were the epitome of the epsilon drive in action and they were to become the most important factor in the exodus of manpower from production to services. They were the cement that would glue together all managers and orderlies/clerks into a cohesive structure, and there would be a lot of them. In fact, most people do not realize that, when it came to creating jobs in the United States, between 1960 and 1980, it was 8 to 5 in favour of women.

### ***Over Charlie's head***

It is not hard to understand the willingness of managers to increase the number of their subordinates. The epsilon drive to start with, the gratifying presence of female employees in the office and then, of course, the inevitable readjustment of attitudes as it became fashionable and a concrete sign of power to have more and more employees. Staff growth would become the real objective of the power game in the world of managers, the real object of rivalry, the drive for more epsilons

practically replacing for managers the old drive for profits.

It is not surprising either that the system should tolerate and encourage the trend, since it solved the problem of keeping manpower at work, and it was in the interest of top-dogs as a whole. The real question, as we said before, was: how would it be possible to awake, in each individual top-dog, the desire to hire symbiots, a desire that would appear to be an instinct for self-sacrifice, even if it was in the interest of the leisure class as a whole ? Why should the owner of a profit-making company accept to reduce its own bottom line ? Why should an investor cast his bread upon this type of water ? The answer was nobody cares about the investor any more.

Yes, you have read correctly. After everything we have said about the power structure and top-dogs, we are stating quietly that nobody cares about the investor any more. *Investment* is vitally important, because it is wealth, it is the promise of fulfillment for unfulfilled desires and of accomplishment for individual goals, the symbol of power... But investors, as individuals, are uninteresting and do not have power, except in some rare cases in which they double up as managers. As Galbraith explained, it is now the “technostructure”, it is the managers who have the power.

Wealth is not power any more, but the Authority behind power, the legitimacy of power. Managers will act “in the best interest of shareholders” to plan the strategies of corporations, while civil servants will plan the strategies of the State “in the name of the People”, meaning taxpayers... but it is the managers and civil servants who will define what is good for the State *and* for G. M., and who will hire their eventual successors, in some sort of hereditary transmission of power not so

different from the way the Roman Emperors used to adopt their heirs presumptive.

Wealth in an industrial society is the ownership of the means of production; but power is their control, and control is now firmly in the hands of managers. The owners of wealth have turned into *Rois Fainéants*, the like of these ludicrous French kings who represented the legitimacy on the throne of France while majordomos, the *Maires du Palais*, really ran things.

These Champagne Charlies at Shareholders' meetings had better stay quiet. The rich and wealthy had been convinced first to renounce further increments to their wealth in order to keep a better hold on power; now, power itself had passed into the hands of workers: managers. Very highly paid and different workers of course, but had anybody thought that workers with power would not be different? Wealth, as an instrument of power, has become more and more symbolic. We have drifted very far indeed, from the "capitalistic" model of society.

Managers have the power, and are often wealthy enough, in their own right, to look almost like real top-dogs and to share some, but not all, of the usual interests of the investors. Meanwhile, wealth's purpose as "Authority" remains only to give legitimacy and continuity to the social order and the power structure. Small investors have no powers left at all in the present structure, and large investors have long passed the point beyond which ambition suggests giving priority to long-term goals. Goals like keeping manpower at work, making sure that there is enough effective demand... and keeping the managers happy. In this situation, the profit motive in the mind of investors proves to be no match at all for the epsilon drive, which is the personal,



actual, immediate, very real, day-to-day manifestation of the power of managers.

Once this potential stumbling block of the investor was out of the way, there was a pretty fair chance we might control the trek of manpower to services and survive transition. There was only one slight problem left to be solved: to convince workers to keep busy in parasitic symbiosis. Could we? Employers had been convinced to pay them for non-work, but could the workers take it? Machines were becoming so productive, that we might have to promote addiction to insatiable needs, and to create for a while jobs that would demand total commitment to unattainable goals and a complete dedication to the production of nothing. Could we pull off all brakes and expect workers to join with enthusiasm in this kind of nonsense? Suppose we started from evanescent production, moved one step further away from reality, and renounced even that old-fashioned concept of work as “an effort to obtain a result”...

## **6. Hyperjobs**

Keep manpower at work. If people work for an income, they respect wealth, social order, top-dogs and the power structure. They participate in society's goals, and have a feeling that they “belong”, which makes for good morale. They are also kept on their toes, ready to be called back to active duty when transition is over, when the system will recall Wealth and Work from their parking orbits and Man, the pugnacious animal, will be able to strive forward once again. Keep manpower at work, even if it is to blow smoke or pack thin air. It was agreed with employers, what would the workers say?

Obsolescence, military spending, symbiosis, occupational quasi and pseudo jobs, it would all keep going; but the whole structure should not be at the mercy of any Tom, Dick and Harry of a Mad Scientist who could invent, any day, some gimmick that would make obsolete overnight large segments of the labour force. Something final had to be added: the production of something so totally intangible and so divorced from real needs that, come what may, it would provide an infinite supply of jobs without disrupting investment patterns.

### ***The third orbit***

Parasitic symbiosis was the obvious answer, but what would the “pseudo symbiots” do that would keep them amused and would not frighten the horses ? How to achieve in fact workless pseudo-production ? How to have people eagerly join in — and enjoy — the production of nothing ? Easy, do as the electrons do... switch orbits!

Remember Orbits #1 and #2 of occupational therapy ? The secret for the workless production of “nothing” is to go to the extreme limit of pseudo-production, where absolutely no concrete result is left to obscure the vision of the pure at heart, and then to concentrate intensely on non-work, to picture yourself in Orbit #1 but without actually physically leaving Orbit #2...

There and then, you will feel a great bliss and materialize into Orbit #3, the strange dimension that offers the best of two worlds, and in which it is possible to find jobs of workless null-production that allow one to be “at work” though nothing is produced and one is not really working either: *hyperjobs*. Too esoteric ? So

is the dance of electrons to me! But follow closely, we will take you there in another way.

The problem with workers in pseudo-production is that they simply give up working when they realize that they are not producing anything, and that it then takes some convincing to bring them back to work. Like any other type of production, pseudo-production can be obtained by negative reinforcement: it is then punitive, sadistic or both. Modern jobs of pseudo-production are not the salt mines, however, and since the whole purpose of the exercise is to maintain the positive reinforcement approach in a free society, whips and sticks are obviously excluded from the start.

Looking closely at the rejection of the absurd by workers in pseudo-production, it is interesting to note, though, that the useless tasks to get away from which the workers in pseudo- production will go to some length and even defy coercion, are no more idiotic than the activities that people in pseudo-work will often choose to do, of their own free will, merely to feel alive. People in pseudo-work will do futile things as doodles or crosswords, and will go to about the same length to avoid boredom as their colleagues would to avoid pseudo-production. In fact, given a chance, some people in pseudo-work might even choose to do some of the things that workers in pseudo-production are trying to avoid!

Nonsense or futility as such are not fatal obstacles if there is a will to action. The human animal can spend a lot of energy without anything tangible to show for a result. Men will exert themselves, go to the North Pole, jump Niagara Falls... if they are allowed to do it as they please, when they please, and not to obey orders; then they call it “play” rather than work. The heart of the matter is that the task at hand be perceived as a self-

imposed challenge that one may accept of one's own free will and at one's own convenience.

You know the pre-war story of the Chinese banker who asked an American colleague why servants in America could not be trusted with such chores as golf and tennis? What if it were possible to have people "play" at the game of work? The third orbit could be a place to play at the game of work. It could not be just playing tennis, golf or anything of the sort, because Man is a proud animal that will not play at the game of work unless it looks at least like he is really producing something, but maybe a "game approach" was a clue to the solution.

### ***The Null-P. Game***

When men had been pegged to machines, as a vanguard for machines' expansion, experience had shown clearly that, after everything that could be mechanized had been mechanized, there always remained some "high" aspects of the tasks, always the same, that machines could not duplicate and that had to be kept for human labour when the other components of the job were entrusted to machines.

The jobs that were created in real symbiosis with the machines called upon the unique capacity of human beings to deal with these aspects, to which we can refer as the "high" or "i" factors of the jobs, because they imply:

interaction for communicating with others,  
imagination that brought creativity, and  
initiative that led to entrepreneurship.

What if it were possible to start from a freedom of choice and, from there on, to build activities of perfect null-production that would call upon these genuine human qualities that had proved irreplaceable? If it could be done, then, what would appear *externally* as null-production would call upon the uniqueness in each worker, and let him develop *internally* his own very personal framework within which he could compete, empathize, create and develop his personality at his own leisure. The problem of motivation would be solved. Not only would we be able to survive transition, but we would come down from orbit in due time on our two feet, with a highly motivated, very autonomous labour force, the only labour force needed in a machine-based society. People would not voluntarily work to produce nothing but, if certain conditions were met, they would join a self-development and self-realization *game* going on in a work environment. They would volunteer and rush for “hyperjobs”!

What should be the characteristics of a good hyperjob? Hyperjobs should inspire devotion and loyalty, yet be interchangeable enough not to interfere with labour mobility. They should look important and command respect, though they ought to have no real output. All should be glamorous, but colleagues are invidious animals for whom the boredom of their own tasks increases in proportion to the interest they see in other’s job... so each hyperjob should be bound to a “job” to share also a common denominator of tediousness that would make even the more menial sufferable.

Most of all, hyperjobs should allow for work at one’s own leisure. It looked complex but, as is so often the case with “perfect answers”, it developed almost automatically. The basic concept that made it possible has been beautifully explained by Northcote Parkinson:

«*work will expand to fill available time...*» People with time on their hands, within the framework of a job, could be said to be in “Parkinsonian leisure” and this leisure, like all leisure, brought creativity.

Just as managers, unrestrained, will follow their epsilon drive and hire as many people as they can, so workers, kept at work for seven or eight hours a day — to do a job that they could do in one if it were really urgent — will instinctively fill the available time and develop for themselves their own objectives and targets, find the means to achieve their own goals with the resources at their disposal, and even invent for themselves obstacles and deadlines. They will add to their job a dimension to their own liking and create work. They will design for themselves a hyperjob.

The worker in Parkinsonian leisure has limitations, but he has enough leeway to design his own hyperjob. His limitations are that he must interface with the environment in three directions. “Up”, he owes the system, represented by his immediate boss, the minimal output that represents his contribution to the real production process and to his boss’ personal goals; “down”, he must make sure, if he has any subordinates, that they receive the necessary instructions to bring their minimal contribution to the production process... and he may ask that they deliver also a little something more that will help *him* to realize *his* own pet personal project; “sideways”, he must relate adequately with his colleagues and peers, meaning he must make sure that his personal objectives do not interfere with theirs.

When this is done properly — and it should not take more than a small fraction of his time — the worker in Parkinsonian leisure, symbiot or parasite, is perfectly free to have his job expand “in depth”, to become a hyperjob to which he can really commit himself

wholeheartedly. He can add to it all the frills he wants, introduce all the complexity that he may find gratifying and explore all the detours he wants to explore, provided he delivers, at the end, the minimal output that is expected of him. Think about a river flowing in and out of your property; you may dam it, create pools and fountains, do whatever you like... just make sure that the river resumes its course in its normal bed, at a normal speed, before it flows out of your land. As long as it is yours, though, enjoy it!

Workers love and enjoy hyperjobs. They come early, they work overtime, they believe in what they do... which is, more often than not, almost entirely of their own design. To create a hyperjob for oneself, pushing aside the usual boring activities of a good symbiot or parasite, one needs only be on a payroll and be responsible for something. Anything.

The good symbiot will be asked: “should we invest”? Since he has been at it for a long time, he knows almost immediately whether the answer will be yes or no. Should the decision be a matter of life or death, if we were at war for instance, the answer could be available on the spot. It is not war though, it’s a game, the “null-p. game”, so the good symbiot may proceed with something really interesting.

Something like... look for basic information, analyze all the variables, identify and evaluate all the restraints and constraints, require expert advice, consult other interested parties, prepare a preliminary report, make a pre-feasibility study and a feasibility study, consult once again, reach a tentative decision, discuss it, write a report to justify it all, follow up on the report... who cares about the investment!

The good symbiot who advises on investment may also be a “boss”, in which case one of his subordinates may be assigned the task “look for basic information”, for example. This subordinate will then have an absolute right to define what information is needed, check sources and references, put together a team to collect first-hand data in the field, compare the validity of the information obtained with that of similar projects, prepare a report. Downstream, somebody will also have to implement this survey in the field, for which he will need interviewers who will be trained for fieldwork, by an expert on the “field” who will consult experts on training...

The investment under consideration might or might not have been obvious, the preliminaries may or may not have been useful, this is not the point. The important thing is that even though “bosses” may define general objectives, it is workers now, at all levels, who have the knowledge and who receive the mandate to define the means and the details, and who do so — (in variable proportion, depending on their power of decision) — with an eye on keeping their job interesting... and the other on keeping a “*steady pile*” on the corner of their desk.

Haven’t you ever wondered why it would take so long for standard forms — that it should take fifteen minutes to process — to move in and out of the desks of civil servants ? Why always those “4-to-6 weeks” delays ? If there were really much too many forms to fill, the delay would grow and become unbearable within days. If it remains the same, it is obviously because forms go out at about the same pace they come in, so why the backlog ? And why is it totally impossible to get rid of it once and for all ? The answer is that the worker feels secure and comfortable with a



steady pile of forms to fill on his desk, and that he adapts the cruising speed of his work routine so as to maintain that steady pile. I have seen, with my very own eyes, not once but often, Passport Officers who would simply not look at the first passenger at the counter before a dozen passengers were waiting in the line. Keep a steady pile....

It is not surprising that the worker should like to do so, but how can he get away with it so easily ? He has no problem at all doing so, because as long as he meets very low minimal standards, he is perfectly free to spend all the time he sees fit to handle each case. The worker can spend the overwhelming majority of his time on cases he considers “interesting”, and woe unto the interesting ones! With the Champagne Charlies safely out of the way and every manager above him immersed in his own hyperjob, every symbiot may behave as if he had a divine mission to figure out the square root of 2 to the umpteenth decimal, until he attains bliss or his conscience is totally at rest. And he does it at his leisure.

Hyperjobs are sets of quasi open-ended tasks, that the worker puts together almost at his complete discretion, and that he dispatches at his own leisure with few external constraints. It is now the most promising field for full-employment. It is a sound testing ground for creativity, of course, but it may also provide for initiative and entrepreneurship: design your own job and sell it to your boss... and compete with your colleagues for promotion. When the process is almost entirely internalized and the production itself merely an excuse, there is no reason work should not become everybody’s favorite pastime.

*Talking to one's own echo*

Work as an interesting pastime becomes a real possibility the moment provisions are made for *communication*. Feelings are important to human beings and, although the constant relation with colleagues will provide for competitiveness, a more formal network is somehow necessary for togetherness and sympathy, and to give it all a feeling of purpose. Communication was to become the trump suit in the null-p. game.

It takes two to communicate. Two or more... Someone talks, someone should at least pretend to be listening; phone, and someone has to answer; write a letter or a report, and in our society it will usually generate a response ( which, by the way is not the case in other cultures pegged more closely to necessity). The more you work at communication, the more work you generate, and you do not have ever to get closer to an answer, just deeper into the questions. The greatest thing of all about communication is that it may be the continuous reinvestment of what previous communication has already brought: it may become better and richer, more refined and more meaningful.... indefinitely.

You need be in no great rush to go cash the treasures of communication in the external world: you may simply enjoy them for self-development, or the sheer fun of conviviality. Amongst the communicators themselves, there are no more chances of getting to the end of a communication process than to have the last word with one's own echo; in terms of production, of course, nothing ever comes out of communication unless somebody decides to walk out of meetings and to engage in the more plebeian act of doing something. Therefore, communication cannot be matched as a perfect activity for null-production.

Most of all, when it came to communication, machines could really help. In the workshop, men were working more and more for the machines; in the office though, machines could really be useful to Man and bring him what he now needed most urgently: more work. Machines are the great multipliers and since communication creates work, *machines in the field of communication became multipliers of work.*

Machines can multiply the impact of everybody's communications, and thus generate work at an incredible rate. One man and a telephone can put in motion dozens upon dozens of people, assigning tasks and creating more responsibilities. Each action, its impact multiplied by communication devices, can now create a universe of possible reactions, within which each worker may have considerable freedom to choose to whom, and to which court he is going to bounce the ball back that will generate more communication, the thrilling exchange being only sporadically interrupted by action. Which file will be processed, which project will move forward, how long will it take... it all depends largely now on the personal interests of individual workers communicating for fun while working at hyperjobs of their own, so that what happens in null-p. is randomized, obeying the laws of statistics more than the will of any boss.

A final touch would be to give substance to the intangible process of communication. Here is when the ubiquitous secretary of epsilon-drive fame could come in real handy. A note book, a quill and a smile look innocuous enough, but when a million secretaries are handed typewriters and photocopying machines, it is the whole sector of services, including null-production, that vests a material form: paper. This, it seemed, was tying it all pleasantly together.

There is indefinite extension and unfathomable depth to what can be committed to paper. Papers can be filled, filed, shuffled around, people may share in their production and develop a feeling of communion, correct each other and compete, put down on paper the results of their meetings and meetings of minds, as well as all their creative ideas.

Then, there are possibilities without end to modify papers, as any new event makes more or less all the past obsolete and begs for everything to be rewritten. Opportunities abound without end also, to pass each bit of information from one piece of paper to another, to move the papers around, to multiply each scrap of paper and send it to teach all nations. Paper could be a flexible material support for communication without end and, preferably, without productive purpose, all handled by tactful females to smooth the rough edges of contact in the null-p. game.

Industrial production geared at replacement level, with a safety valve in military spending to keep wealth productive; workers reconverted in services as symbiots or parasitic elements, with a bright future in hyperjobs of their own, “communicating” and scribbling down for posterity the proceeds of meetings... With all the tricks for toil and hyperjobs to boot, manpower would be happy and at work, investors happy with symbolic wealth and Authority, while the real power would be exercised by “superworkers” called managers.

This is where we stood at the beginning of the Eighties, still alive, reasonably well, and protected from both “negative reinforcement” and anarchy. It looked like some luck and a little bit of tolerance from all, backed by a lot of ingenuity and shrewdness in our planners, had seen us safely across the worst days of transition. A new equilibrium had been found and we

had good reasons to be proud of the way the crisis had been handled. This is when we had to face the highest unemployment rate since the Great Depression, the highest inflation and interest rates in memory, and when our standard of living fell to ninth place amongst the nations of the world.

## **7. The last swing of the pendulum**

What happened ? We may say that it was the Arabs and the Oil, the price of Gold, the Common Market in Europe, or the Japanese being so smart. the Seventies were “interesting time”. We may pretend that is was a delayed effect of the Kennedy Era exuberance or of the Nixon Era embarrassment... The truth is probably that, once again, we became a little complacent and decided to cash in NOW on our prosperity. We decided to extend to many more the privileges of the rich. A time for distribution

### ***Party time***

Our way to distribute was “inflation financing”: PROGRESSIVE TAXATION cum INFLATION. What if you make 10% interest and a 10% inflation wipes away 10% of the purchasing value of your capital ? Well, in terms of “real” wealth, if you also happen to pay income tax on the interest you earned, you actively participate in the de-concentration of wealth: you have a negative “real yield” and you become poorer by the day. Most people would say this is what happened in the early Eighties; in fact, inconspicuous, the negative real yield had been with us for a decade already.

Traditionally, wealth distribution takes from the rich and gives to the poor. A peculiarity of inflation financing in the U.S. in the Seventies was that we were not taking wealth from the rich to give it to the poor, but to make things more cosy for our Middle-Class. Of course, enough money went the way of the poor to maintain the level of consumption income of the country..., but no more. No great social benefits accrued to the “losers”: inflation played straight into the “small winners’s” hand

Inflation profits debtors and owners of durable goods, most of all of real estate. There were winners in the corporate world, owners of fixed capital and debtors whose debt’s constant dollar value decreased with inflation. But the great winners of inflation financing were not the entrepreneurs; they were the common homeowners, the Middle-Class, the members of America’s effective majority of workers, at all levels, most of them alive and well in Suburbia, who owned \$5 trillion in real estate. The money value of this real estate increased with inflation, so each 1% increase in prices meant that society was making them a \$50 billion gift.

Homeowners gained two ways. First, the money value of their real estate increased with inflation, so that a 8% inflation, in any given year, increased by about \$400 billion the global market price of American homes, giving back to homeowners as a group, in capital gains, MORE THAN THEY HAD PAID IN INCOME TAX THAT SAME YEAR! Second, this 8% inflation reduced in the same proportion the constant dollar value of their huge outstanding mortgage debt; no mean gift, since it was of the same order of magnitude as the public debt itself.! To make it better

still, interest paid on his mortgage debt by the homeowner was tax-deductible!

So we used progressive income tax to collect what appeared to be a fair contribution from all, but then, through tax exemption on capital gains for homeowners and mortgage payment deductibility, we made sure that the effective majority of workers-homeowners were paying little more — or even less — than what they had been made to gain from inflation. The average homeowner was thus reimbursed in full of any contribution he had made to sponsor the Have-not's as consumers and to help maintain equilibrium.

### *Endangered species*

Handled that way, the distribution operation became quite lethal for capitalists. The homeowner had a free ride and money-wise was even getting richer, while we had a negative real yield prevail which favored debtors against investors and had the “paper capitalist” — those dealing in bonds, securities and credit instruments — support the whole burden of maintaining the consumption level income of the masses!

Take an investor in the \$75,000-plus income bracket in 1970. Not necessarily a tycoon, since chances are that you, personally, know at least a few taxpayers in this category (your physician, for instance, is a likely candidate). Suppose that this investor, single and mature, deciding that \$75,000 a year is enough to live on after all, saved and invested the whole “plus” from 1970 and on, to get richer as a good capitalist should. A good prospect for wealth accumulation, wasn't he ?

Certainly not if he decided to take the pure “capitalistic exploitation” path of all profits and no risks, as explained by Marxist mythology! Suppose he invested then in U.S. Government long-term bonds, continuously reinvesting thereafter his interest in the same “risk-free” securities. How rich, how fast did he get? Well, considering a marginal income tax rate for his income bracket which remained above 60% until recently, together with an inflation rate that took away 66 % of the value of his capital between 1970 and 1985, this cautious investor has seen his real wealth *declined* during these fifteen years.

In fact, the capitalist “exploiter”, by the combined effect of progressive taxation and inflation, has seen his wealth shrink an average 6% a year during the period. Merely to hold his own, from 1970 until 1985, he would have had to obtain an average return of 19% on his investment, year after year during this whole period: about double the U.S. Treasury Bonds’ yield. To make this kind of return and grow, the investor would have had to be more than a “capitalist”; he would have had to be taking risks and to become quite a successful “entrepreneur”.

What was the impact of this situation on top-dogs as a class? Let’s take a broader view. In 1929, before the death of Capitalism as a system, the “Top One Percent” of the taxpayers accounted for roughly 40% of the wealth in the U.S. Then, came a slow decline, gathering momentum from time to time. Between 1972 and 1976, in just four years, their net worth declined by 32 billion while the gross personal assets of all persons in the U.S. jumped by 1.3 trillion! In 1985, the Top One Percent’s percentage of the national wealth was down to 15%...



Doesn't something strike you as different from the classic "capitalistic exploitation" model ? Or from the converse model of socialist redistribution for that matter ? In the original American model of the Seventies, we were quietly confiscating the wealth of the rich, without seriously improving the condition of the real poor amongst us. It was distribution on a grand scale, for the benefit of the middle-class effective majority only. It was also a great potlash, begging for a hangover.

### ***The Reagan Reaction***

It became obvious at the end of the Seventies that, unless we would slow down and monitor more carefully the not-so-slow confiscation of their wealth, Capitalists as we had known them would be totally extinct within one generation. Which was not what the American people had in mind

First, because we did not want wealth to disappear as the motivator and symbol of authority, nor risk-capital for entrepreneurship to be limited to what civil servants would agree upon in committees. We were far from sure that a Swedish model would provide us with the dynamism we wanted in our society. Second, because, as this particular breed of sheep would become scarce, we felt that it might be necessary to begin shearing less discriminably to compensate for the dwindling number of wealthy top-dogs on which we could prey, and so to redefine progressively our standards of wealth; there was a definite fear that each strata in its turn might be getting the axe.

The Reagan Presidency's mandate, coming as it did while American hostages were held in Iran, was probably first to give us back our pride. Immediately

after, though, came the priority to stop the confiscation process. President Reagan undoubtedly received the mandate to give back some riches to the rich and the basic idea was clear from the start. The confiscation would have to become more extreme, though, before the pendulum would react and swing.

Giving to the rich is a purpose which is most simply achieved lowering the taxes or increasing the interest rates. Preferably raising the interest rates, which is less obvious. Attempts at tinkering with interest rates, though, to the Reaganian economists' great dismay, just made things worst. It stopped entrepreneurs dead in their track and created unemployment, as could be expected, but it did not stop inflation. It fed inflation.

Which in retrospect is not surprising, since the root of the problem was not in industry but in real estate, and no homeowner in his right mind could be convinced, after 30 years of straight growth, that home owning was not the best path to wealth. Higher interest rates would be tough, but the average homeowner could take it in stride and wait for the profit to come. Home-owning America was not one shaky entrepreneur; it was millions of sturdy, stolid, small decision-makers... who had trillions of dollars in equity to back their stand. They could out-wait the State itself !

Homeowners took in stride 15%, 20% interest rates and waited. Few bought houses but few were forced to sell, few lost. Most made a pile of money when they sold their property later on, at a profit. Inflation zoomed, since higher interest rates meant more money for the rich which had to come from somewhere. If it was not from the home owning middle-class — and the poor having none, since the level of consumption has to be maintained — it could come only from Government deficits. It did.

Not nearly enough, though, at the time to prevent the capital owners from taking their worst beating ever. To understand what went on, let's avoid obfuscation and concentrate on few figures. The key figures to scrutinize are the "net interest" paid in a year (as a share of the National Income), the "credit market debt outstanding" (for the global use of which wealth such interest can be considered to have been paid), ... and inflation, which reduces the constant-dollar value of this credit market debt as well as the real wealth of the creditors. This is not a perfect representation of reality, of course; but the relation between these figures is a decent estimator of what went on.

In 1980, with net interest reported at 192 billion, a credit market debt of \$4.68 trillion and a 13.5% increase in Consumers' prices, "Capitalists", through inflation, can be said to have picked up a bill for \$440 billion (the equivalent of 76.3% of the \$632 billion Federal Budget!). In 1981, the year of the highest interest rates, net interest payments accounted for \$241 billion of a National Income of \$2.36 trillion; a high proportion that reflected the 16%-plus interest rates of the market. Concentration of wealth ? Not a chance! If we compare this figure of \$241 billion to the \$5.17 trillion credit market debt outstanding that year — together with a 10.4% increase in consumers' prices that wiped away some \$520 billion off the real value of this amount — the money holders' position appears much less comfortable: the treadmill was taking them back more than twice as fast as they could run....

From 1978 to 1982, looking at the global net income from interest, the credit market debt and inflation, we have lived with the equivalent of an average 6 % tax on capital in the "capitalistic" U.S ! Throwing the towel and stopping all pretense, the

Reagan Government finally cut by about half the taxes of the rich, accepting an ever-growing deficit, and accepting to build our future with borrowed money... and borrowed time.

The Reagan Presidency, though, in a way, has filled its mandate. It can be credited with having held the “decadence” bomb in check: it is easier to stand proud in 1986 than in the days of the hostages in Tehran. Also, the days of the confiscatory income tax are now over, interest rates are down and so is inflation. The pendulum has swung back once again, and it is now possible once again to grow rich fast, honestly in America.

Much easier also, unfortunately, to get poor, to be destitute, to be excluded from it all. The time-bomb from below, the revolt of those who have nothing to lose, is ticking faster. We will have more frustration, more “marginalization”, more vandalism, more terrorism, more violence and criminality, more unhappiness until those who are excluded from our society manage to swing the pendulum back again... or until a different approach altogether is applied.

The time-bomb from above is ticking much faster also, notwithstanding the present jubilation in the Upper Kennels. The public debt has increased by 80% during the last five years, and should now double about every 6 or 7 years. Until this particular bomb explodes. Until we go for one Big Bang against the convenient Hordes of the East or manage to keep the wheels in motion at a bargain price, in a myriad skirmishes with the less formidable Tribes of the South, “bargain price” in this context meaning the loss of many of their lives and rather few of ours.

This is where we stand to-day, two years away from the end of the Reagan Presidency. The time-bombs are ticking so fast for the trend of the Reagan Reaction to be pursued much longer. Will we live a counter-reaction ? There are reasons to believe that this was the last swing of the old left-right pendulum and that to-morrow may bring something quite different.

## **8. Helots from cybernia**

Lingering threats have gathered more momentum in recent years, and what has been a perverse crisis from the start looks now more alarming than ever... Let us summarize the situation. The Age of Toil ended some forty years ago, when the labour force in production began its terminal decline, right in the middle of an economic boom and without any harm to our prosperity. This meant that material needs were globally satisfied in the Western Industrial Nations and that our society would find new goals. The new demand of the population, the thirst for goods being satisfied, was for the “high services”. Services that machines then were unable to provide.

A transition period would be necessary for society to take that new tack. The social order of our society — indeed of our whole civilization! — rested on wealth invested in machines. A power structure based on the production of industrial goods could not satisfy a demand for high services, unless *machines* representing wealth were to remain an essential factor of production of these services, lest the whole system disintegrate and positive reinforcement be replaced by tyranny or anarchy.

In the Forties, machines as essential partners to men in the production of high services (“perfect slaves”) were just a sci-fi dream. Until they would become a reality, more high services could be produced the old way, but it would not really satisfy the demand, they would remain scarce, and too many efforts in that direction might even defeat the final purpose of symbiosis between Man and Machine for their production.

Therefore, until the perfect slaves would arrive, there would be a lull in the demand for work and there wouldn’t be much real use either for all the wealth that had accumulated. The strategy to cope with this situation would be to do the utmost to keep manpower at work and wealth productive at null-production, “in orbit”, so to say, busy, but not accomplishing a fraction of what might have been possible, if it had been our objective to produce.

It was done with considerable success, but transition could be only temporary, and with manpower and wealth orbiting in null-production for the last 40 years, we have accumulated a backlog of nagging problems: a large portion of the population is alienated from our social goals, money rests on a very shaky base... and the “old spirit” is ebbing away. Anyone of these three threats can mean catastrophe, until the day we accept to jump out of the null-p. orbits, and manage to land on our feet in the Age of Creativity.

Alienation and Revolt, Bankruptcy and War... and, most of all, Decadence... We must be aware of the fact that our standard of living is not improving at all but has remained stagnant for the last 15 years. Decadence, but also most of our other problems are related to the fact that work is on the way out, and these

problems will all get worse as jobs disappear. Time-bombs ticking...

We did a good job to smooth transition, but it is now urgent to bring wealth and manpower down to earth, for the time-bombs are ticking fast. Consequently, since the transition began when people placed a “tall order” for services, the real question to-day is whether or not we will soon have the “perfect slaves” that will let us jump into the new Age.

If we have the perfect slaves in time, all the human “i” factors to which we referred earlier will develop in symbiosis with machines that will represent “wealth”; wealth will remain productive, making it possible to fit work, ingenuity and creativity in a stable social framework. If we do not have the perfect slaves in time, if machines do not get smart enough to allow for a multiplying effect in high services pretty soon, then work, more than ever, will be for the few... and there are these time-bombs ticking.

Disquieting ? Rejoice people, for we have made it! Right when it seemed to become a toss-up whether our society would self-destruct with the bangs of war and revolution, or quietly go with the whimper of decadence, we made it! We have found these perfect slaves that we were looking for to make re-entry acceptable: Helots are here

In Ancient Greece, Spartans had a curious breed of slaves that gave them an advantage over other Greeks: Helots. They were not real slaves; they were vastly more intelligent than horses or Barbarians and could even speak Greek. They were more than biomachines — terminating one was called “killing” — but they had somehow less rights than real human beings. Spartans loved Helots, because they could pass

over to them every chore, including administrative chores that required some brains, and spend all their time getting tough and waging war against their neighbors, which is what Spartans really liked to do.

From the heathen land of Cybernia, we now have gained access to a new breed of slaves: Helots, robots, automata that merge the muscles of machines and the brains of computers and can really handle high services. Not all high services, not yet, but enough to make the costly robot a worthy multiplier of many high services, and enough to make Capital an essential factor of production of enough high services for our social structure based on wealth not to disintegrate. This ends transition, and manpower and wealth can now prepare for re-entry; but re-entry in a new world, with *new ways to work and new ways to rule*.

First, since wealth can now be diverted massively to the sector of services, we must suffer no more constraints in consolidating industrial production. We must come down from orbit and do to-day, for industry, what we did for agriculture 40 years ago. Industrial production in America accounts now for the same percentage of manpower (18%) as did agriculture at the beginning of the Forties; 15 years later, this percentage in agriculture was down to 10%, now it is less than 4% and still diminishing. As a consequence of this mechanization, the major economic strength of the U.S. since the last World War has not been high-tech production but simply the extraordinary productivity of its agriculture!

Unless we accept once again to play the card of productivity without constraints, and to do it NOW in the whole industrial sector, "helotizing" (robotizing) our industry, high standards of living, in a generation,



will not be in North America but in East Asia, from Korea to Singapore.

Second, get people to participate. As we move out of transition, after millennia of work that were a long quest for leisure and a brief interlude during which work was artificially made desirable, the labour force will find no dearth of work to do: we have other needs to satisfy, which have been neglected and must now become priorities. The new activities however will not mean “work” in the manner we have been accustomed to think of work... and they will not be “jobs”!

There are above the Prestige Barrier, needs to be satisfied and wishes to be fulfilled, whereof we are not even conscious, because we have been conditioned to feel that their satisfaction was less important than the production of goods, that providing them would be too time-consuming for anybody to expect society would do it, or that they required so much dedication that the initiative was better left with individuals.

In fact, the main reason these needs were ignored was that the proper answer for them did not fit the framework of industrial society: it called upon the “i” factors — *interaction, initiative and imagination* — more than the standard jobs would allow... and it is “jobs” that were needed, jobs that linked workers to machines and to a wealth-based power structure. But now, the day of these exclusively human “i” factors has come.

Because the Toil Age is over and that jobs will not be back, it does not mean that our society will grind to a halt. It will catch its second breath and will strive once again towards more worthy objectives. The old flame will be rekindled, if we adapt and get some simple facts through our stubborn brains: work is not a

blessing, it is a curse; it is a social obligation for all, not the privilege of the few; there will be less and less of the type of work we have known and we should welcome this trend; from now on, we should just work to produce, never “produce to work” anymore.

Most of all, we must recognize also that the WINs have achieved Plenty. The essential difference today, between us and the rest of the world, may well be that we do not expect more happiness to spring forth from our assembly lines and arrow-diagrams. Our civilization knows, and most of all our YOUTH knows, that the answer to our philosophical Angst about the purpose of life does not depend on a further increase in material well-being. So we better adapt fast, because the new challenge, in the coming Age of Creativity, will not be to have everybody working but everybody thinking... and this is a brand new game.

It is the moment of truth for Homo Sapiens. Civilization was born of “leisure for the few” and unfortunately grew out of the misery of most men. Our society’s responsibility, now that circumstances have freed us from the burden of toil, is to take the necessary steps to liberate the creativity of everybody in our affluent society and to accept the challenge to think. It is now Goodbye, Homo Faber and a chance for Homo Sapiens, but we need new rules for the new game.

# **B O O K   T W O**

## **NEW RULES FOR A NEW GAME**



## INTRODUCTION

*New rules for a new game... but rules are not first designed and then applied: they stem from the reality of the game itself. Necessity imposes the rules to which we must adapt and, to begin with, the fact that rules and rulers are needed. It is within the general framework imposed by necessity that we bear and grunt and fix up, to cope with particular circumstances, the specific sets of rules which we like best and, to begin with, those that allow us more freedom: people do not really like to take orders.*

*"Rules of the game" are the expression of an effective majority of the group's agreement on some goals and means, a complex system of "checks and balances" that enshrines the rights and duties of all and clarifies who is who in the pecking order. Goals must reflect what at least an effective majority of the people consider their priorities. If these goals are to be attained, a distinct effective majority - that may consist at times of very different people! - must also agree on the means and on the methods of reinforcement that will be used, these being more or less stringent depending on how*

*broad the base for power and how general the agreement on the goals.*

*Circumstances, with time, will change. New threats will appear, old needs will be satisfied, priorities will be modified and majorities will disintegrate to make room for others. As situations evolve, the rules must be revised so they will obey necessity and reflect the balance of power as it is. If they do not, Man the Rebellious Animal is sure to take advantage of the situation to challenge the faltering structure of power and topple it.*

*Political events play a part in this evolution but, most of all, it is technology that changes circumstances. Each new tool placed in our hand irresistibly imposes a new way of doing things, a "technological imperative" that modifies the relative importance we grant to each of our daily tasks and changes our corresponding expectations. Therefore, significant technological breakthroughs tend to focus collective attention on some new priorities and to give the impression that the whole structure of power in place is obsolete.*

*It may appear to be obsolete because it does not address the right problems, nor wave the proper flags anymore, but the truth is that the power structure has become obsolete, to the ingrate people, precisely because the problem that it was this particular type of top-dogs' mission to solve has been solved effectively. Ingratitude notwithstanding, each new tool brings a small change in the existing pecking order and major new technological imperatives may call for complete new social contracts to be designed and applied.*

*When this happens, effective majorities crack, chains of command lose their credibility, the old reinforcement techniques prove ineffective and the profiles*

*of top-dogs in place do not fit anymore. A new effective majority's image begins to shape of the leadership imposed by the new priorities. The social structure appears inadequate and, one day, a final technological "straw" breaks the balance of power and this particular camel's back. We may safely guess that fire, metals, horses, the wheel...all brought turmoil and shook existing social structures.*

*Peanuts, however, were all these changes compared to the impact of machines! Since getting material commodities had always been the greatest pack-hunt of them all and the prime reason for leadership, so much so that even warfare, to a point, had been accessory to it, nothing could ever have been so disruptive for social order as the advent of machines that put affluence within reach.*

*When affluence arrived, it was inevitable that greater efforts than ever would be necessary if Pandemonium were not to break loose. It is to smooth this impact of machines and avoid turmoil that we have fought, four-decades long, to "keep manpower at work and wealth productive". It has been done, until now, with remarkable success, but the time has come to gaze once again into the crystal ball.*

*What are the new "circumstances", the new priorities? How will they reflect on the profile of top-dogs and on the behavior of underdogs? On the criteria for membership in the effective majority, on the chain of command, the common reinforcement techniques and our institutions? What does the situation impose now? What kind of social contract will we get?*

*When the winds of change are felt and the structure begins to topple, Utopias are designed by the scores... and usually miss the point. The greatest flaw, in*

*all Utopias, is not ignorance of the facts, nor logical inconsistencies, but wishful thinking about human nature. Civilization is the end result of ages of efforts to move away from whips and clubs and towards subtler means of enforcing the will of the strong upon the weak. It is naive to believe that the rules of any hand played at the "Society" game will overrule this basic impulse of the strong to prevail: this is a rule of the "Life" game itself.*

*Social progress, therefore, is something good that happens quite inadvertently, while top-dogs look for better means to transform their victims into consenting, and therefore less troublesome suckers. With positive reinforcement, the ruling process is internalized; it becomes all smiles and constant supervision becomes unnecessary. It is not intrinsically nicer though, to keep people continuously dissatisfied and running after reward... than doing the best you can for them all of the time and punching them occasionally when they misbehave; it simply makes the process more efficient.*

*Although, history has proven that ethics and morality are weak assumptions — because they tend to shatter when confronted with selfishness — and that all crimes and abominations will be committed when men see no other way to achieve their purpose, Utopians still seem to feel better inside when they take ethics as the cause rather than as one of the consequences of circumstances; as a result, they usually end up with pious wishes rather than an accurate vision of things to come.*

*Let's try to do it another way... We will assume that Human Nature's first reaction, in all circumstances, is to pull the rug..and that fairness will seldom occur, in social affairs, unless it happens to be in the path of converging — and powerful enough — self-*



*interests. This approach will make soothsaying more comfortable, both for armchair and "practising" Utopians the latter, try as they may, having sometimes to bear the responsibility of their decisions.*

*For armchair Utopians, it will be safer to rely on the intrinsic logic of circumstances and to guess that everything egoistic will be tried, before altruism is imposed by necessity and people realize, with mixed feelings, that they are condemned by some imperative to the right approach which happens to be fair, good and even beautiful.*

*For practising Utopians, it will be less heartbreaking and more efficient to identify and encourage the trends that will make virtue convenient and, if possible, inescapable, spending their best efforts to prepare deals that will fit within the supporting framework of the rules of necessity.*



# I

## RULES OF NECESSITY

*It is "necessity" and egoism that explain the past, from the equalizing role of machines to the aberrant behavior of "tricks for toil" and "hyperjobs"; let's use necessity also as the crystal ball to project the future. The "rules of necessity" are the constraints and trends imposed by the technological imperatives: what will respect these constraints, follow these trends and go with the flow will succeed; what goes against them will fail.*

*Here, we will see the consequences of the new "technological imperative" as the necessary framework on which a new social contract should be built; in following Parts II and III, we will see what man-made rules can be made, within this framework imposed by circumstances, to readjust our ways in respect of work, employment, wealth and production and to provide society with a structure that will reflect the new balance of power.*

*Fortunately, there is good news glowing in the crystal ball of necessity. You know the Negro Spiritual about all these bones that connect to each other? Now, there is a new technological imperative that will bring*

*creativity, that will bring autonomy, that will bring participation, more equality amongst men and a new brotherhood....and this will bring more freedom and interdependence, from which will stem the need for more solidarity, more complementarity, and a democracy based on consensus and even benevolence...But there will be the dark side of each one of these blessings, of course.*

### **1. The creative imperative**

Can we see the new "technological imperative" which is about to impose the new "rules of the game", and what these rules will be? The "perfect slaves", of course! "Helots" are here, and at this point in time it is the Helots that express necessity. Good news, for just as machines necessarily brought greater equality, Helots now bring **creativity** and its consequences. Creativity in the labour force is what we always wanted, but now it is not a pious wish anymore; it is not only possible but inevitable — an "imperative". And the creative imperative will change our whole social structure.

With Helots, our ways of working will have to be revised drastically and this, in turn, will modify the roles of wealth and production in the system. New ways of working, and then to own, will mean significant changes in the pecking order and a new social contract will emerge to reflect these changes.

First, new ways of working. Now that we have the perfect slaves we were looking for, the first thing we will have to cope with will be a drastic, irreversible and accelerating trend towards a new division of labour; a new division of labour between Man and Machine. We must now realize that, with Helots from Cybernia in the

picture, most of what we used to call "work" will tend to disappear.

### *The unprogrammable*

"Work", from now on, will come to consist only of activities which are not "programmed" and, as evolving technology and rising labour costs will gnaw constantly at the dwindling core of activities that will remain unprogrammed, we will soon reach the point where the only work not programmed will be that which is "unprogrammable". We had better begin to think in those terms "programmable" and "unprogrammable" right now, because other distinctions such as secondary and tertiary sectors, crafts and careers, professions and trades, etc...will become quite irrelevant.

What is programmable ?If we want a computer to move from point A to point B, along a logical sequence of operations, we may define a relationship between A and B and determine in which conditions passage from A to B is going to take place. Primitive computers required the relation to be defined step-by-step but, more and more, we may merely state the "questions", the possible "answers", and the criteria for choice, letting the computer find its path and develop its own algorithms, using the "knowledge" of its own memory banks.

A human being too can use his knowledge, think along predetermined paths, and achieve results in a "questions-answers-and-criteria" fashion.It is not so easy for human beings to do it, though, because they have to deal with some interferences, like emotions.When a man succeeds in doing it, it is regarded very highly in our society; we say that he is thinking "logically" and a man who can usually think logically

is said to be "intelligent". It is an axiom that computers are not "intelligent"; nevertheless, a large part of intelligence tests consists in assessing the capacity to think "logically", fast and accurately.... and a properly programmed computer will go through intelligence tests faster and more accurately than any man.

Everything which is repetitive, linear, sequential, anything that can be fully described in detail and fitted into a decision tree can be programmed. All activities which can be reduced to logical sequences of operations, or to "questions-answers-and-criteria" patterns, can now be planned by computers — call them "intelligent" or not — and once the tasks have been planned, most of the operations that constitute our productive process can be performed by robots linked to computers.

Once this planning and linking has been done, the machine will do the job better than a man, will do it faster and will make no mistakes. Now... and forever, because after Helots have been installed and have taken over, they can repeat the same process *ad infinitum*; further human intervention in production being required, thereafter, only when unforeseen problems arise or to look forward for that "ideal" solution that, somehow, will always escape us. We may fight a rear guard action against Helots for social or political reasons, but some day "all work will be done that way". Very soon.

Insofar as work for human beings is concerned, if you can describe it perfectly, in detail, it is probably already obsolete. The "unprogrammable", in production, consists in setting right the questions, answers and criteria and nothing more; the rest is for the machines. As Helots will chase workers from their last traditional jobs and make away, once for all, with the burden of toil, we will have to render unto Man what

belongs to Man... and unto the Machine what belongs to the Machine. Workers will have to withdraw from programmable tasks, and work for human beings will be reduced to its creative aspects. This is the Rule of Creativity that we will have to obey.

Obedience will demand some effort, because strange things will happen on the labour market when workers are displaced from programmable to unprogrammable activities. When the question is asked: "is it really unprogrammable?" — and other criteria by which it used to be decided that an activity stood above or below the Prestige Barrier are perceived to be obsolete — many professions which used to carry prestige may appear to be no more than collections of tasks fit for machines. In these professions, whether or not we drag our feet and try not to obey, jobs will not be back: activities will be programmed once, and Helots will repeat them.

In other professions, even in professions which are basically unprogrammable, hell may break loose when the cleavage becomes obvious between, on the one hand, the subsidiary tasks that were thought to be the essential components of the "job" — but actually interfered with the real professional purpose! — and, on the other hand, the necessary, creative, human and very often neglected unprogrammable aspects. We will meet with resistance at first; but, sooner or later, programmable tasks will be identified, programmed, and given to Helots. It is on the neglected "human" aspects — think of *i* factors — that we will have to concentrate all our energy, if we really want to go back to work.

Let's take diagnosis in medicine as a good example of what a programmable task might be within the scope of an unprogrammable avocation. Symptoms are facts, whether they are expressed by the patient or

appear as the results of tests. Properly programmed, a computer, fed with these symptoms and the medical history of the patient, will arrive instantly at a set of diagnoses, will give the probability of each, and will even recommend treatment.

Good. It should not be the doctor's task to rake his brain, trying to remember if the coincidence of some minor symptoms increases significantly the possibility that the patient might suffer from some rare illness. The machine can do that faster and better than any man. Considering the information from the computer and the other aspects of the case that cannot be programmed — not excluding such circumstances as hysteria in the patient or gross malfunction of the machine — it is the human being though, the doctor, that should always take the final decision

Same thing in the courthouse. It takes a mature human being to accept the facts and weigh their credibility; but, once the accepted facts are fed into the machine, the "Law", as it applies in the case, considering all judicial precedents and written rules, can be made to emerge from the machine instantaneously and without bias. It is then a human function, of course, to temper law with clemency, or to decide that the case is so significantly different from all previous cases that precedents should not apply. Examples like that could be given indefinitely, gleaned from each profession.

### *Upgrading to level*

Peg machines to men.... and let work for human beings be reduced to its creative, unprogrammable components. We may resist the creative imperative, but not for long. Not only will every task that is repetitive, boring, dangerous, menial be done by Helots/robots, but



every bit of work also will disappear that does not call upon one of these three **i** factors: *Imagination, Interaction and Initiative*. All the jobs that do not require entrepreneurship, creativity or feelings will disappear.

Which is precisely what scares the wits out of some of our planners. What about the threat from "third-class", of mass unemployment, alienation, and passive or even active revolt? As we face new ways of working, what about this majority of the workers who presently do not use **i** factors in their jobs? If you are familiar with pulp sci-fi magazines, you know, after all, what to expect from robots, Helots, or by any other names they be called: good robots deliver us from the bug-eyed monsters... but bad robots make workers expendable.

You may stop worrying about the apocalyptic extermination of the "useless" labour force dear to science fiction. To the contrary, the worker-friendly Helots from Cybernia — which at times look like bug-eye monsters themselves — are about to do their worker friends two good turns in a row. First, they will wake them up to creativity; then, they will make everyone of them, not only useful once again, but irreplaceable.

To begin with, workers chased out of the shops and into offices — or office-like shops — will be happy to discover that Helots, in the office, do not only increase the output but also create, simultaneously, a huge demand for human labour at a "higher level", above the Prestige Barrier. What's the use, for instance, of one hundred statistical series to really "grasp the essence" of a situation... unless you put to work immediately, analyzing and interpreting the new data, many more people as were busied before plotting the one and only graph on which you had to rely?

This analysis and interpretation of the one hundred series will be done also with the help of Helots, of course; but ,when it comes to these "higher level" applications where they enhance the *quality* of human labour, Helots prove to be useless save in symbiosis with human i factors. You remember the impact of "communication" in the office ?It is a multiplier of work. Like anyone who has tried to cut expenses using computers has found out, Helots in the office displace, but seldom replace men. Helots will generate a lot of work!

Mostly useless of course... Who in his right mind wants to pay people to peruse one hundred statistical series to "grasp the essence" of a situation, when one graph was enough a fortnight ago ?Only "*Epsilonasis*", and a relentless political will to keep demand effective, will save the day.The day will be saved, however, for we will have both this strange illness and the will.Helots will not free us from the constraints of effective demand, nor will they cure us from the epsilon-drive....

Does it mean that, with Helots and the creative imperative, we are about to attain a higher level of nonsense in non-work and null-production ?The bad news is "yes, for a while". Yes for a while, because we face the problem of making repairs to the whole production system, a system that obviously cannot be shut-down for the duration.Orbits #1 and #2 will not be closed immediately, null-p. jobs will not disappear on the spot, and we will still be "producing to work"... for a while.The first impact of the Helots' takeover will not be to eliminate all non-work but to make it less tedious and some of it — alas! — even more inconsequential.

The boring repetitive null-p. jobs *in production*— in offices as in the shops — will fade away, because they too now, will either be done by Helots... or suppressed. Nobody will ever be bored to death again with repetitive gestures or plotting that graph long-hand; it is one of the greatest thing of all about Helots that, in production, they totally fill the space for tedium. On the other hand, jobs that are the answer to a need for image and have little to do with production, pure prestige functions which depend on human presence because human work is so ostentatiously expensive — the like of sartorial doormen and "one-call-a-day" receptionists — will persist and even proliferate, since they call upon "interaction".

The good news is that the null-p. nonsense will not last long. Over the last forty years or so, a large part of our production has been worthless, an even larger part of the work that has been done was useless and, to put it bluntly, we could have dispensed with a significant number of the workers except as consumers. Workers were kept as "Epsilons", to work for the machines... and then to consume, thus vouching for the value of the fixed capital invested in machines.

The creative imperative will change this situation once for all. Significance will be brought back to the workers' activity as soon as symbiosis is achieved, matching human creativity with the multiplying effect of the machines, and the labour force will crash in force the Prestige Barrier. Of course, there is no way the Helot-assisted production system will provide significant jobs for more than a small fraction of the labour force. The "re-conquest" of the value and dignity of work will come with the happy conclusion of a two-pronged attack, the first of which only will concern "jobs" and take place within the employment structure.

Within the job framework itself, it will happen only for the chosen few assigned to symbiotic tasks calling upon more and more specialized knowledge. These chosen few will become "professionals", and since it is symbiosis in its "peg machines to men" aspect that will become dominant, these worker's personality will soon begin to play a role in shaping the final product, making them substitutable at a cost, maybe, but fundamentally *irreplaceable*.

Even to-day, there are examples of "irreplaceable" workers around. Think about the restaurants whose fortunes rest on their Chef or Maitre d', for instance... The number of these irreplaceable workers shall increase with symbiosis, which at the beginning at least will be perceived as a welcome social change: in more and more cases, it is the worker rather than the machine who will become once again the most considered factor in production. This should come as no surprise.

### ***Time to think***

No surprise if some professionalized workers gain in status. The surprise will be the improvement in status brought by Helots to others, to the "less-than-useful", the eminently "replaceable" workers in the job framework; because they too, through a detour, will inevitably be upgraded to **i** level also. Helots will wake *all* workers to creativity, because although every bit of work may not immediately become useful, Helots whenever they are installed will always provide their workers friends with leisure and therefore with time to think.

It is possible to design a useless unprogrammable task— and to analyze data in excess of what the situation and decisions at hand warrant is as good an

example as any !— but such a task, however futile, will still remain by definition something that a machine cannot do; it will either be creative or provide time to think...and, with thought, significance will grow in the most unexpected situations.

We could even say that, the more "useless" the formal objectives set for unprogrammable work, the more open-ended this work will be, the less constraints on free thinking. Helots will impose tasks that must at least *look* creative, and this will be a definite improvement over the repetitive, hypnotic 1-h.p. job of the Machine Age. It will also make the conditions right for every worker not fully busy with useful symbiotic tasks to access Parkinsonian leisure, to take time to think, and to consider jumping into his own hyperjob.

What's wrong with hyperjobs, by the way ? The trouble with hyperjobs to-day is simply that, socially and production-wise, they are useless: a misguided energy, bound to Civil Service or Industrial Production as an expedient, and which is lost in the great Nowhere. Except for that, nothing is wrong with hyperjobs, just the contrary. Nothing wrong with people working at their own leisure, with a minimum of instructions and controls, self-motivated by a drive for achievement and recognition, with no needs for either extra sticks or carrots.

If we could use the hyperjob approach, and fit a growing part — and maybe eventually all — of human labour in that same framework that proved so satisfying for managers in the technostucture, if we only could bring out the same dedication in all workers and apply the resulting efforts to the satisfaction of the needs of society, we would have it made.

And this is precisely the opportunity that we will be offered, when work as we have known it will fade away, when the workers will begin to turn into professionals to reflect the requirements of unprogrammable activity, and when those to whom the production system will not have entrusted symbiotic functions and who will not have been granted professional status in the job framework will realize that they, too, must develop their innate *i* factors, but cannot do it within the scope of their jobs.

As Helots will restrict human work to its creative aspects, while the need to maintain a level of consumption income will forbid that employment in the job framework be reduced to our real manpower needs, pseudo-production in Orbit #2 will slowly disappear, while pseudo-work in Orbit #1 will become even more open-ended, broadening the path to Orbit #3. Parkinsonian leisure will become accessible not only to managers and deciders, but to the rank and file of symbiots, to the mass of the new professional workers.

Accessible, yes, but there are good reasons to believe that professional workers, with plenty of free time on their hands and Helots to boost, will not think about "hyperjobs" but rather about work, and about new ways to reintroduce significance in their work life. There is a major difference, you see, between the situation of the new class of professional workers in leisure at work and what is now the situation of managers flying into hyperjobs: managers have very little to "manage" outside the employment structure, but there will be a booming demand for the services that the professionals can offer on the free market.

The moment the professional workers access Parkinsonian leisure is when the second thrust of the two-pronged "re-conquest" of the labour market by the

labour force will occur. Most professional workers, freed by Helots from "tasks for machines", upgraded to **i** level and granted Parkinsonian leisure, will not fly into an hyperjob but will rather become available to satisfy the demand for intangibles, in their "spare time". In the proper hands equipped with the proper tools, Parkinsonian leisure can give birth to constructive schemes.

These schemes, however, being conceived under the same conditions of freedom and motivation as the egotistical and useless hyperjobs, will not only be constructive but will mean as much as hyperjobs in terms of commitment. Workers will begin, on their own, to cater to needs previously unsatisfied, self-satisfied, or even unidentified. The Parkinsonian leisure of the professional workers will meet the huge demand for intangibles and generate a lot of work. We should, however, look forward to it as an occasion for "manpower participation" rather than employment, because this activity is more than likely than not to take place outside or at least beside the restrictive employment structure... and it will not mean jobs. Creativity leads to a second rule of necessity: **autonomy**

## **2. Gambit on leisure**

Jobs are going, going, gone... and will not be back. "Work", however, will of course stay with us. People are often inclined to believe that the more mechanized, computerized and robotized our society will become, the less work and effort will be required to attain our objectives. It seems obvious, but it is a total fallacy, because our new objectives, when we define them, will be as hard as ever to obtain.

Hopefully we, as a society, will choose also to work as hard as ever, because one of the reasons we are leaving the null-p. orbit with some urgency is to get back to work before some friendly neighbor societies zoom ahead of us. We need work, and work will stay with us... but jobs will never be back. The job framework is dead.

The Rule of Autonomy means that self-employment is the way of the future. We can get on with the work at hand, and obtain from workers the hyperjob-style motivation we will need to move ahead in the Age of Creativity, only if we accept "professionalization" and promote a new framework of self-employment for human work-activities. We must take a *"gambit on leisure "*

Leisure, in its most obvious connotation, could mean that we all go to the beach. The leisure we have in mind here, though, is not collective farniente but a more subtle twist to the work game: acceptance that what "work-for-man" remains to be done in our society, in the fields of Education, Culture, Health, Research and other services, simply does not fit the current job framework and will have to be done "at one's leisure", the way of high professionals...and hyperjobs.

Why will work, in the Age of Creativity, necessarily have to be done at one's own leisure ? Because our material needs have been fulfilled to the point where further improvement to our welfare cannot come anymore from the repetition of previous production models. Evolution, now, begs for creative inquisitiveness; the ingenuity and motivation needed to identify as well as satisfy the demand for intangibles does not fit the job framework. More basic still, because the very nature of the human work we still require now makes



the actual job framework obsolete. For this type of work, it is cumbersome and uncompetitive.

Thought is the greatest of multipliers. Even to-day, more and more people are getting paid for "thinking"... but nothing can replace leisure as a proper environment for original thinking. It's been told often how great men have discovered the solutions to problems while they were dreaming: we have reached the point where we, as human beings, must all have time enough to dream.

The leisure gambit is not a revolution but a normal step in human evolution, the ineluctable conclusion of the Industrial Age. Creativity has made "jobs" irremediably obsolete and we will go beyond the employment structure we have inherited from the early Industrial Age. Professionalization will grow and permeate the whole labour market.

### ***Beyond the gum-drop framework***

The fundamental reason that jobs will be replaced by self-employment is that the job framework is not adequate for the kind of work we need in the future. What is a "job"? It is a work-package that can be sold as a commodity; the objectives of a job must be known, its targets pre-determined, and its execution planned in detail.

"Work-as-a-commodity", like any other commodity, must be subject to some kind of quality control that should be easy to apply, if the employer is to take into account productivity, figure out his costs, fix his selling prices, project his profit and behave like a good manager. A job must have precise standards of performance and, to have practical meaning, these standards somehow must be quantified: your job is to

produce this much of this, or that many of these, each item in turn being a proper object for quality control.

When producing goods, standards of performance are a proper tool for control. You should do your job in a given time frame, for a given price. It is reasonable to expect that a change in the quantity and quality of the "work/input" will also reflect measurably on the quantity and quality of the "product/output", so the employer may check the output of the workers, and pass judgment on the work performance: just count the gum-drops every day and, for good measure, chew one once in a while.

In a job, get it right once, then right always, since the best way to do the job and produce more gum-drops soon becomes known and the repetition of the most efficient behavior becomes the rule. Don't think, don't feel, don't relate... Just do the job! A well-planned job should eliminate the *i* factors, because they mean unnecessary risks and delays in mass-production. Jobs, during the Industrial Age, could provide the perfect framework for the repetitive activities of a great number of interchangeable workers toiling as servants to the machines. It is a very efficient way to produce, if you and I produce shoes or gum-drops.

As demand for production in the industrial sector was satisfied and more services were required above the Prestige Barrier, though, systems had to be developed to provide these service, and jobs were created, within these new systems, just as if they had been an extension of the industrial framework. To-day, with much more jobs of "services" than jobs of "production" on the labour market and this creates a problem.

The problem is that *the job framework is not adequate for services*. When we began providing services to the population on a large scale, concepts like control and performance became fluid. The real objectives could not be predetermined, the way they had been in the industrial sector. Just try to eliminate the **i** factors in services and trouble begins, because the real goal of "services" is not the visible production of this or that, but the client's final satisfaction. Since we are in no position to count and chew all these intangible services, how will we measure productivity in procuring final satisfaction? How will we control their production?

We may ask, or presume that final satisfaction will be related to the occurrence of some external event, of some tangible result that can be identified and measured; but this, in daily practice, is a dubious proposition. We may very well achieve the symbolic tangible results in a way that will leave the customer quite unhappy and will thus defeat the original purpose...., we may use unknowingly so much of the worker's inner resources to obtain the result that it is not cost effective...., we may induce great temporary "satisfaction" in a misinformed manic client, "dissatisfaction" in his misinformed depressive neighbor, and inadvertently ruin long-term goals for immediate small profits, in a way that was not possible when the target was simply to produce more and better shoes or gum-drops.

How to control is a problem; but, even more important is the problem of who will control? The worker in a job, if he thinks at all about evaluation, thinks of his boss' opinion... and knows that his boss evaluates him most of all in terms of tangible, immediate results. It is incidentally only that he will receive good or bad marks in terms of the end-user's

final satisfaction; yet, this is the criterion that should really matter. The reason a job is inadequate for services is that, in a job framework, *the direct control link is broken between the providers and the recipients of services.*

Finally, what will we control? When standards for evaluating the worker's performance are applied to jobs in services, the only aspects of the job that are evaluated accurately are the immediate, tangible, quantifiable results. Unfortunately, most of all in fields like medicine or management, these happen precisely to be the programmable aspects of the activity! The essence of the services which the consumer wants — the Initiative, Imagination and Interaction (like sympathy!) which would procure him real satisfaction — are left out and even eventually neglected, because these cannot be measured until it is too late for job evaluation of the worker's output by his supervisor, and so are often not even considered to be a real part of the "job".

We may well treat patients in factory-like hospitals, teach and train children in factory-like schools, but statistics and diplomas do not mean that patients and students — or the population as a whole — are happy with the present medical and educational systems, nor that these "services", medicine and education, are really the best that we could have if our society really cared as much as it should.

Because it is impossible to plan a smile, and that 9-to-5 sympathy is not really what the child in school or the terminal patient wants, their needs are unsatisfied and will remain so in the factory-like, jobs-staffed schools and hospitals, until we realize that there is no all-purpose critical path to achieve the unprogrammable, and that a gum-drop efficient job frame-

work does not necessarily work well to provide services.

What's so obviously true in the fields of Health and Education is true also for all creative activities. True for every significant bit of work that will still be needed after Helots have taken over. The requirements of unprogrammable activities, specifically the necessary reliance on *i* factors, oppose the use of strict controls, and workers who must rely on intensive application of these factors cannot perform adequately in a job framework. They need more autonomy and their increased bargaining power will get them the autonomy they need.

Therefore, the way to solve the employment problem is *notto* try to create more "jobs" that will straight-jacket people in a framework fit for other purposes, and bound in which they will have to fight a losing battle to express feelings, creativity and entrepreneurship . The way is not for "more jobs", and it is safe to assume that, from now on, "jobs" as we have known them will represent a diminishing part of society's productive activities, that each job will not be so time consuming... and that the "job" will not be at the core of productive life as it has been in the past.

Whatever the nature of the tasks that will be designed from now on to satisfy our needs, they will have to take into account the new Rule of Autonomy and to fit into a new framework for creativity. The way out of our present problems is not "more jobs", it is growing professionalism in and out of the employment structure.

*Lone Worker in the outside*

It will be mostly "out". Because the creative imperative may have those who remain in the employment structure become more professional, more mobile and independent, it may bring about increased autonomy for them at all decision levels to reflect this new situation, but these advantages will be as nothing compared to the great opportunities that will be offered to the professional workers "outside" the job framework.

A gambit on leisure means more than renouncing the gum-drop framework for services, more than the professionalization of a large segment of those who remain within the employment structure; it means self-employment as the rule rather than the exception. Many workers, indeed, will not only push the traditional production system towards creativity from within, but will decide to compete with it from the outside.

Because machines have already made all the rest trivial, the hottest demand on the market, even to-day, is not for what behemoth machine-tools can produce; it is for the delivery of "symbiotic" services that Helots, at last, are now about to make plentiful. The bonanza is in "high services", of course, but also in what used to be the turf of "quasi-jobs" holders. It is more than a publicity stunt, when chairmen of fast-food franchising chains resign to operate franchises of their own!

The juicy profit margins, now, exist in the booming market for services high and low and all intangibles. The race to corner this market is already on amongst to-day's corporate giants; just look around and see all of them switching priority from hardware to software as fast as the traffic will allow. For about the last two centuries, "BIG" in production held all the

trumps; so we might have expected Big Business to be alone in this race; To-day, though, the Rule of Creativity has turned the table. There is a new dark horse in that race.

In the market for these services that a man with his Helot can produce, the new ways of working tip the scales against the giants of industry in favor of any competent self-employed professional working on his own outside the employment structure. The production system will evolve and try to adapt to the demand for intangibles; but, to recoup their investments in industrial production, giants will have to do it slowly... and it will be much too slowly! The workers themselves, working on their own, will get at this new demand long before the system does!

The workers exiled in null-p. will come back with a sweet vengeance, joined by those who will renounce employment out of sheer boredom, and they will all begin to work on their own as technicians, repairmen, salesmen, therapists, middlemen, tutors, advisers, consultants, counsellors, guides, experts and helpers at anything, from living to loving, to getting to Heaven. They will be a formidable threat, but the system must expect a more devastating punch still, far below the belt, when Helots begin to multiply.

When the average worker will realize that he is slipping into Parkinsonian leisure, it is illusory to believe that he will sit dumbly by his Helot and daydream. Bet that he will rise to the challenge, jumping into his own hyperjob or, more probably, working on the side. More competitive by far than the traditional self-employed, the employees in Parkinsonian leisure themselves, in their spare time — and even on the job as much as they dare! — will begin to devote most of their energy and "leisure" providing

professional services that they will sell. They will compete with the system and win, cornering the market for software and grabbing, before their employers do, an increasing share of the market for the unprogrammable services and intangibles. When the race really gets into the final stretch, put your bet on Lone Worker and watch it coming in on the outside...

The question is not whether workers will do it, they already do whenever they have a chance. Workers are craving to fill their leisure: they always do... The question is whether we, as a society, will accept the challenge to let people fill their leisure with constructive work rather than trivia. This may not be that easy to accept, because it will close the avenue for expansion of the present production system. Our decision will be known as we redefine our position on work "on the side" and accept or condemn work after hours: *moonlighting*.

A gambit on leisure will mean removing the taboos against work after hours and lifting the ban against moonlighting, accepting that those who will remain captives of the job framework do creative work side by side with their traditional jobs. We cannot accept that they operate their own business on their employers' time, of course, but we must agree that they do what they like on their own free time, "at their leisure". As a consequence, contracting rather than hiring will become the reasonable first choice of wary employers. More work, less jobs.

If we favor creative work on the side, both for people in the job framework and, as we shall see later, for all the transfer payment recipients, you can trust growing affluence together with a reduced workload to lead workers, at their own leisure, in productive activities that will both increase global welfare and match



their aspirations. Give people security with leisure, leave them free to obey the new Rule of Autonomy and they will all do it: we will flow smoothly from the job framework into a framework for creativity. The creative imperative will have brought not farniente, but entrepreneurship.

On the other hand, if we go on prohibiting or actively discouraging work on the side work to protect the job framework, what can we expect the workers to do in their free time but to fly to hyperjobs for a while... and then to throw in the towel ? Resist the Rule of Autonomy, and Helots will bring despair, not only to unemployed workers who will feel the dice are loaded so heavily against a return to productive employment that they will not even try anymore, but also to an increasing number of people who will drop out and to those still employed who will do a bare minimum of work and slowly withdraw from it all.

Our society of positive reinforcement and affluence has few credible threats to wave and few promises of more bounty to make. Work without sticks and for intangible carrots is a risky proposition... unless you can rely on ambition. If nonsense prevails and the door to entrepreneurship — including "moon-lighting" — is not at least left ajar, what will fuel the drive towards creativity ? Workers will have the time, but will they have the "dream" ?

The way out of our present problems is to design a new framework for creativity. We must monitor autonomy, and regulate the phenomenon of moon-lighting, rather than prohibit it or let it go wild, allowing the very same working conditions (financial security with leisure) which have led to hyperjobs for the few in some sectors to apply, now, to the whole labour

force. Productive leisure must become a normal part of the working life of **all** workers.

### 3. Shoulders to the wheels

When we do take the gambit on leisure, we will be in for a happy surprise from the new imperative. An immediate consequence of the Rule of Autonomy will be to take away the fake glamor of work in the job framework and to spur a drive towards a better work distribution. If the name of the game is to work less in the job framework — and more outside or alongside it — than let it be as little as possible. Let's share the load and have all shoulders to the wheel.

As we obey the creative imperative and take a gambit on leisure, we will abide also by another of the rules of necessity: **participation**. We will welcome back to the labour force, not only the unemployed, not only the male "providers", but the "outsiders", the Do-not's and all the sightseers of production. Paradoxically, our decision for leisure will turn into something else we need: a decision in favour of work for all.

#### *Return of the outsiders*

In these last days of the Industrial Era, when the first goal of work gradually becomes the distribution of a "well earned" income for consumption rather than production itself, jobs are "work packages" which it is simpler and more profitable to grant to the "fittest", leaving with the "providers" the responsibility to care for the non-participants. Like the business about "hanging one admiral to give heart to the others", even modest participants are made to feel "privileged" and thus to feel as junior partners in what, with their

acquiescence, remain still an effective majority of workers.

With a gambit on leisure, we open the door to universal entrepreneurship and the effective majority opens up also, since all will be welcome to use their talents and energy to upgrade their third-class tickets and join the labour force effective majority, without any need for the blessing of any employer. Even more important, nobody will have an interest in trimming down this type of labour force, so there will be no hidden obstacles to increased participation. We will come back to common sense.

Leisure is the basic impulse. Common sense will have us switch joyfully from the "same-work-for-less" course that is convenient in job production to a "less-work-for-all" approach, better adapted to the production of services. Better adapted because, in the field of services, where quality is of the essence, Parkinson's principle may become highly positive and formal work may be spread very thin. Wouldn't you like to have a doctor who would let the motherly care he gives *you* "expand to fill his available time..." ?

The more autonomous workers to share the load, the better: everybody loves leisure. This is when "losers" are strongly invited to join back the labour force once again and to put their shoulder to the wheel. The minute work is not considered a privilege anymore, it is hastily agreed that some work is a social obligation for everybody and that each individual, within the scope of his abilities, should comply with his obligation to work and participate in the production process.

Nobody wants oldsters moving furniture or kids back down the mine shafts, but work, in the Age of Creativity, is something else. Work may be bad for your health and, in large dose, even kill you somewhat faster, but it provides a feeling of purpose and belonging. It is particularly useful at the beginning and at the end of a career, when one is still in doubt about his or her maturity, or anxious about old age.

So, welcome to 60-year old Auntie Anna and her periodical lumbagos. Let us not fool ourselves about the "privilege" of retirement; the only reason any senior citizen has been retired was that we had no room to accept the outsiders as Do's in the labour force. Senior citizens should move out gradually out of the labour force and retire when they feel like it. Welcome, also, to 16-year old mischievous little boy Jimmy. Let us not fool ourselves either with tales about the innocence of youth. True, teenagers in the labour force would mature earlier — like an only child matures earlier, because he spends more time in the company of adults — but little harm done!

True, Thank God! This way, we might, just might, maintain with the growing generation a link which is now obviously breaking down. If things do not change, the Baby Boom generation, holding to jobs for dear life with the advantage of both position and number, will finally pass the torch, two or three decades hence, to a generation which will have had little experience of responsibility, and a significant proportion whereof shall never even have had a professional life at all !

Having teenagers in the labour force, by the way, should not mean less education but simply a better spread of the educational process over the entire active life. We would have continuous education, the way almost everybody agree it should be. Youth should be

integrated into the labour force progressively; first one day a-week, then two, and so on, until the new entrants participate in the labour force the same as all other workers, i.e. with a lot of leisure this time in between tasks.

Then women, of course, and full acceptance of women in the labour force should come together with the recognition of all the extra and uncompensated work they already do out of the job framework, like housekeeping and pre-school education. We will welcome back, also, all other victims of the "ways of injustice", we will welcome all our outsiders to share the load, the outsiders and the "Epsilons" too...

### *Last days of the Epsilons*

We referred earlier to Aldous Huxley's "Brave New World", the society that bred castes of people, from Alphas to Epsilons. Alphas are thinkers, Epsilons do the menial tasks and are conditioned to like it. Who amongst us would not be horrified at the idea of breeding Epsilons? And yet... let us put ash upon our head and repent, because we have been doing something even more painful to the victims than breeding Epsilons: we have been using Alphas as Epsilons until they feel and act like Epsilons. Who are the Epsilons amongst us? Epsilons are all those, in our society, who cannot work as creators, entrepreneurs or communicators. They are those who slave for the machines and who are not allowed in their professional life to think like human beings.

Look at the young workers now, as they move out of school, college or university, after years of potentially active life during which they have had little exposure to work. They feel and have been made to be-

lieve that their education is a passport to productive employment. They have not been bred as such but, within the limits of their individual intellectual abilities, they all have been prepared and conditioned to be Alphas. They have learnt to associate concepts, they have been taught to be thinkers.

The labour market they find is not made for thinkers, though. In the complex production system of the Late Machine Age, there is still very little leeway for imagination at the execution level. Work is for result, one way is known to bring the best results, and the rule is not to find solutions but to learn solutions and apply them. Jobs are dull, and must be dull and unimaginative: they are made for machines.

The youth entering the labour force has been educated like a human being, but he cannot use his creativity at all. He is caught in an aimless, permanent, eyeball-to-eyeball relationship with Big Brother, for he has no means to personalize his job except by putting pictures of his wife and kids on the wall. The production system is like a circle, where all creativity is concentrated on the circumference, for expansion, by the few who think, while the inside is a network of repetitive activities that could now be left to Helots. For the human being who is trapped inside the circle, with no access to the circumference, that part of life we call "work" has become meaningless.

Not only is the young worker unprepared for the dullness of his job, but he soon realizes that he has received little real training and does not have a clue about how "jobs" are performed. He must be "re-educated" before he becomes even an effective Epsilon. Workers, they say, are "alienated".... Is it not a worse social behavior still than that of Huxley's *Brave New World*, not to proscribe Alpha status from birth,

but rather to encourage it through education... and then to take it away at the hiring gate or allow it to be lost through misuse ?How do we bring our Epsilons back to the fold and create the human brotherhood we want ?

Planners and far-seeing economists are well aware of the problem and often react with the sanctimonious and quite asinine advice to modify our evil ways to work and produce.We hear about the bliss of the worker who identified with his job in the "good ol' days", we are told that work has become meaningless because it has been broken into bits and that we could solve the problem byturning away from machines and assembly lines.This is nonsense.The way we produce is the way we get the most production for the least effort, and this is how it should be. The modern worker, even in insufferable boredom, has no intention to go back to the ancestral picks and shovels.

When this is fully realized and the "back-to-toil" door is mercifully closed, dissatisfaction with the system begins to manifest itself through insidious attacks on an educational system that deals in abstractions rather than know-how and "makes for restless labour..."This reaction is not only asinine but dangerous, because it might alienate workers from education as well, right at the time when we need more education than ever. Of course there is little training in our educational system and education, *per se* , does not lead to employment!Why should we educate people to replace the machines ?Education is to lead workers to the circumference, to creativity.Education is to prepare Alphas/thinkers, and this also is the way it should be.

What then should be the solution to the alienation of workers ?It is certainly not to "yearn for the yokes of yore" and to sin against productivity trying to "humanize" jobs for machines; nor will it be found wa-

tering down school curricula or limiting access to education. The right solution is to keep the jobs in bits, like they should be, rendering into the Machine what belongs to the machines, but to keep educated human beings as far away as possible from these jobs for machines and to create a framework in which men will work only at the type of work that only men can do.

This is precisely the sensible choice that the leisure gambit offers, and it is the choice that we are going to make, because nobody has an interest in closing down the schools and increasing unemployment, nor in reducing the productivity of assembly lines and having us all buy Japanese. We will take the leisure gambit, because a computerized and robotized society allows for little use of Epsilons to satisfy the nasty human habit of having someone to push around. It may not eradicate the Epsilon drive altogether, but it makes the vice increasingly costly to satisfy....

We will take the leisure gambit, and move from employment in the job framework to self-employment and entrepreneurship for the same reasons that had the Romans renounce slavery and adopt serfdom. Not only will it solve the pressing problems of "unemployment" and of the "alienation of workers", but it will also vastly increase our efficiency as a society. Since there is no limit to the desire *notto* work, taking the leisure gambit will necessarily create an infinite demand for participation: we will welcome all the outsiders to come and push at the wheel.

They will have to push for real though... We will desist from giving men jobs made for machines, but we will renounce, by the same occasion, "work as a privilege", "null-p", and all the tricks for toil. We will try to get everybody out of Epsilonhood as soon as possible because, in a creative society, we will need



only work that will suit the talents of Homo Sapiens and workers able to offer *i* factors. We will need only Alphas.

### ***The Alpha Brotherhood***

Which raises the most important question of all. When we take the gambit on leisure, we will certainly want to share the workload as much as we can, and try to make room for all the help we can get. Can we make this decision effective though? Suppose we design and put into place this new framework for work based on entrepreneurship; is it realistic, in tomorrow's high-tech labour market and within this type of framework, to expect all those we want to welcome back, to come back and offer a worthy contribution to our collective efforts?

Is it a dream or a distinct possibility that *everyone* might put his shoulder to the wheel? Can we safely trust that this move will mean equality and freedom for all and the general participation of everybody in the productive process... Or should we worry lest we perpetuate a society in which fewer and fewer Do's may have to support a growing number of pseudo entrepreneurial and self-styled "professional" Do-not's? Can we integrate Epsilons productively in society, or will "only Alphas" take on the ominous meaning of the continuous elimination from the labour force of everybody except the "fittest", as planners or hazard will define fitness?

We will integrate our Epsilons if — and only if — we can turn them back into Alphas, that is, transform our repetitive doers in original thinkers and doers of unprogrammable tasks. Let's see what these tasks will

be and whether there will be work for all of us to share, now that the Age of Toil is over.

Let's realize, to begin with, that access to productive activities in the future, starting right now, will not depend fundamentally on knowledge, since the most knowledgeable man on Earth can know but a small fraction of what can be put into the memory of a computer. Nor on "intelligence" as popularly described, since logical thinking is the strong point of Helots and computers, but on "something else". What is this "something else" and who has it? Think about the three **i** factors: it will not be one, but many things. We will inevitably have to replace the present unidimensional "brains + grades" avenue to social usefulness and consequent social recognition by a multidimensional approach to work assignation.

As a first avenue, let's look at the market for brains. What will be the future's substitutes for to-day's whiz-kids? We do not know, but we have a few clues. For example, the human mind can think logically, but it may also, through links which are not at all evident and in a way that we are far from understanding precisely — (since our knowledge of the brain might compare to our knowledge of physics five hundred years ago) — jump from one idea to an indefinite number of seemingly unrelated thoughts: the human mind appears to be "omnidirectional".

Call it creativity, imagination or what-not, this capacity to discover new paths amongst seemingly unrelated concepts is, up until now, unprogrammable: no Helot from Cybernia can do this trick. To possess this human talent to work in omnidirectional mode is to be in a class apart and above from Helots, and thus to qualify as an Alpha. How rare is it?

For some time now, scientists have studied an interesting phenomenon. The brain emits continuously a variety of waves, the nature of which we do not know much about, but that show on the electro-encephalograph and have been designated also — (quite unimaginative these scientists!) — by letters of the Greek alphabet. It has been found, for instance that when the human mind is thinking logically, even at such a basic level as trying to solve simple arithmetical problems, the brain will emit "beta waves". If a man does not think "logically", though, but lets his mind wander in free-association mode, in the omnidirectional manner which a computer cannot emulate, the EEG shows a different set of waves called — (yes, you guessed it..!): "**alpha** waves". Subjects in experimentation, when they emit alpha waves, usually equate their feelings with bliss ....

It does not mean, mind you, that anything very constructive happens when people produce alpha waves, but simply that everybody, at times, thinks "omni-directionally", that is not logically ...and we knew that already, didn't we? The real reason it is good news is that the human brain emits alpha waves precisely when the mind is active doing the kind of thinking that computers cannot do. Alpha waves may not relate to creativity, but they certainly relate to a human-only function of the brain which does not seem to follow the logical "questions, answers and criteria" pattern.

If alpha waves really signify the capacity to think in an "omnidirectional" mode, it is good news, indeed, because *everybody* emits alpha waves. The production of alpha waves is not related to knowledge, to intelligence or anything we can test to say some people are more equal than others. If the same is true for the distribution

amongst the population of whatever productive, "a-logical" thinking capacity might exist in the mind, the tendency in the new framework will certainly be to take advantage of that to equalize workloads. The demand that might grow for whoever has this capacity — whether or not it corresponds to what we think of as "creativity" — could give to a large segment of the population that cannot compete with whiz-kids a chance to bring also its "alpha level" contribution to society.

It is great to know that all people, when they withdraw from logical thought, share a common state of mind in which they are not moronic but feel good, because we will have much more use, from now on, for **i** factors, and thus for non-linear, "a-logical" thinking. "**i**" stands for *imagination*, and all creators are Alphas.

Creativity is not the only claim on Alphahood, though. Beside creativity, there is a need for the other "human-only" functions, the other aptitudes denied to Helots and sophisticated computers. There are other fields in which we must manifest human uniqueness and accept the human-machine complementarity; "feelings", for instance, are not for Helots. Man must be a creator, deal in concepts and ideas, deploy his energy towards the innovative, but he must also relate to the most important unknown quantity of all: Man himself. Feelings are unprogrammable.

Machines may help, but nothing will ever replace a human being where understanding, love and sympathy are required. The only sector of activity in which we are sure that there will be a growing demand for work in the coming years is the sector of human relations. Not so much "human relations" as a science, to allow the strong to maneuver the weak, as human

relations in terms of empathy and understanding, particularly in those fields where they are most important and most conspicuously absent, like Health and Education. What experience has been gained with "communication" over the past decades and used to fuel hyperjobs in null-p. should now be put to constructive use: "i" is for *interaction* , and all communicators are Alphas.

Then, the third **i** factor. We have outgrown the challenge of production, and Homo Faber, in our society, will take his leave; but the will to achieve, to build and to overcome has not disappeared. Although his drive and enterprise will aim at different goals, bet safely that Man will remain the Daring Animal and will still crave to join a flying trapeze act. The desire for security being also strong in most, bet that he will even do it more often if a new framework provides him with a net below. Homo Sapiens will be an entrepreneur, the same as Homo Faber : "i" is for Initiative, and all entrepreneurs are Alphas.

The demand for creativity, entrepreneurship and human relations will provide work for all and the occasion, for everyone, to participate in the new framework. It will create also an obligation to participate: this is the Rule of Participation. It will be important that all accept to work, because the creative imperative is bringing not only more freedom but also more interdependence, and it will be making us all more irreplaceable to each other than ever before.

Helots do not only make Alphas of us all; they forcibly have us merge into an Alpha Brotherhood of thinkers: entrepreneurs, creators and communicators. We must not only participate, but must be closely bound to each other in this new Brotherhood of Alphas

and look together for the ways to cope efficiently with the challenge from the dark side of freedom: anarchy.

#### **4. Challenge of anarchy**

The creative imperative brings about new ways to work with Helots, with momentous consequences on the job framework, entrepreneurship and manpower participation. These in turn will modify our ways to govern ourselves and be ruled, because we may have, at last, all the "manpower at work"...but with so much more clout that it may well be "if it wants to work", when it wants to, and more often than not at its own price. We may end up with workers — and everyone is a worker — too cocky by half for their own good and ours. Freedom has its dark side also, which is anarchy.

##### ***The cocky worker***

With increasing specialization, each of us will become more dependent on others than ever before. What is happening is that all workers in symbiosis with machines, hired or self-employed, will now become more and more unique, less "faber" and more "professional". The result will be to make each of these new worker/professionals harder to substitute, to make him one-of-a-kind, or at least a member of a more select and continuously dwindling group of "specialists". The whole of this complex society of ours will become more dependent on the indispensable contribution of smaller, and smaller groups of individuals whose bargaining power will grow tremendously because, as a group, they will be absolutely irreplaceable... It is another rule of necessity that, as

members of a complex society, we must develop **solidarity** .

And it is not just numbers either; the **i** factors reflect the personality of each individual, so that the very nature of professional services tends to make each worker irreplaceable, not only in terms of his productive capacity as a symbiot, not only as one of the members of an exclusive club of experts, but even as a person. Any doctor is not *your* doctor, and any teacher is not *your* child's teacher. This personalization, together with professionalization, increases still more each individual's own bargaining power. Growing interdependence changes the rules, because everybody will be granted a lot more bargaining power and this means a more equal, but also more fragile, relationship among social partners.

Do not believe for a minute that the immediate impact of this new distribution of power will be to turn the table in the negotiations between the investors / machine-owners and the salaried workers. Labour unions do not hold all the trumps and it will not be the "dictatorship of the proletariat" for the asking. This particular scenario will not materialize, for two complementary reasons.

First, trying to take advantage of this change in bargaining power to the benefit the "working class" as a whole would be barking at the wrong tree. Since the day of the "Santa Claus Agreement", every last penny of the global profits of investors has been handed back to the worker/consumer, so the simplistic exploitation model hardly applies anymore. To change the criterion for distribution from "*equilibrium between production and consumption*" to "*give more to those who have more bargaining power*" would hardly promote more justice.

Come what may, "profit" already all goes back the way of the workers, so more demands from more powerful groups would simply create problems. Those with more bargaining power would get more, while others, through loss of purchasing power or otherwise, would naturally get less. Think, even to-day, about the middle-income bus-drivers on strike to "get more" from a State-owned Transportation Authority; is it really the capitalistic bourgeoisie that suffers... or mostly consumers in the low-income tier of society ?

The complementary reason is that most major labour unions now represent a complete cross-section of the labour force, and so must reconcile the conflicting interests of their huge memberships, which makes "Peter vs Paul" largely academic in organized Labour. Labour leaders are themselves senior top-dogs in the Technostructure, who have learned the lesson of the "level of consumption income" and who most usually behave like the statesmen they are expected to be. Those who don't, get knocked down — or grounded — quite quickly...

The problem will not come from organized Labour, but from smaller and smaller groups of workers whose bargaining power will grow and become unacceptable. "Bargaining" is not at all an academic concept, when it changes the "terms of trade" amongst the working professionals themselves. As everyone becomes more and more specialized, unique, indispensable, we necessarily become as a group more interdependent. Simultaneously, everyone becomes more independent as a professional and more dependent as a consumer... and workers/professionals may drive a tougher bargain with the workers / consumers than top-dogs ever did.



"Worker/consumer -vs- investor/producer" might have been an obvious oversimplification but it was symbolic and could make sense. A more complex society, based on the exchange of services rather than goods, leads to a multidimensional and versatile pecking order, with the power flowing from one man or group to another; there is no easy way to simplify this type of situation. Whenever the worker/consumer — becoming the "professional" consumer — develops a serious case of "split personality", he may throw his professional Mr. Hyde at the throat of his own Dr. Jekyll the consumer.

No mention anymore of "class struggle", nor tunes of "Solidarity Forever": the cocky and irreplaceable worker, the worker that circumstances make it impossible or atrociously costly to replace, may become a class unto himself and, once in a while, may prove to be pure, solid, egoism. Whenever this happens, it breaks the Rule of Solidarity and it reads "tilt" on the social evolution pin-ball machine.

### *The "tilt" factor*

Society was born with the division of labour and is based on an acceptance of complementarity, the constraints on the development of which are also the practical limits to the growth of society itself. Some of these constraints stem from human nature and circumstances; people, for instance, may prefer some types of work — or not to work at all — irrespective of their aptitudes, while society will progress only insofar as those who can make it progress accept to contribute their efforts.

When the limit of the contributors' "goodwill" is reached and egoism prevails, it does not allow for growth in complexity through willfully accepted complementarity and the evolutionary process stops dead in its track. Egoism is a "tilt" factor that plays the role of a switch-off, bringing the consequent stagnation, duress and misery, until some more solidarity is learned by all the participants the hard way and progress may resume.

This familiar stop-and-go process towards complexity and civilization has always been going on and may go on forever. Creativity, autonomy and participation will grow by the day, from now on, in our society, and will modify the structure until their impact is blocked by human egoism... for the time required for the lesson of solidarity to be learned. What we cannot predict is the timing of the halts, how frequent and how long each will last.

The creative imperative makes us more interdependent, and thus makes us also more equal and more free. But free to do what? It is a thin line between negotiations and blackmail by omission, and as we become more interdependent we must also become more responsible. This is the Rule of Solidarity. How long before we find, in each autonomous individual, the minimum sense of responsibility commensurate with the authority and power that circumstances blindly put at his disposal in a Creative Society? How long, this time, before we can safely trust that all participants have learned of interdependence and that their behavior will be up to the standards asked of members of the Alpha Brotherhood?

Do not think that egoism is restricted to the top-dogs and big winners. Usually, winners may be expected to part without qualms with the minimum of

efforts and wealth necessary for the game to go on. The immediate danger rather lies with the collective and individual behavior of the "nouveaux riches" of leisure.

Collectively, their egoism may become a challenge to production. Few things in this world can be so irritating as the holier-than-thou attitude that glows in a collectivity of individualists condemned by fate to perform a task they consider below their dignity. Production, in our days of affluence, is so all-pervasive that it fades into the landscape, becomes invisible, and may appear to many as not having the importance it used to have. This is a very dangerous illusion, because our welfare, our lifestyle, our access to leisure, our chance to daydream for a while and to let our conscious thoughts address sophisticated considerations other than mere survival, all of this is obviously dependent on this affluence of ours, which itself rests on a production system whose importance must remain unchallenged.

If this is forgotten, like it was for a while by many in the Sixties, if the system is pushed faster than it can evolve, away from responsibility, personal commitment and work towards supposedly loftier objectives... this too is egoism and a break of solidarity with those who must keep the wheels turning. When we fall into this trap, we must soon come down to Earth, not only because the Big Production Machine must be kept running at all time, but also because it creates political tensions and an uneasy consensus on the ways to rule. A society cannot survive many bursts of this type of collective egoism. Beware lest we tilt the system...!

Then, there is individual egoism. For the new affluent and leisure-rich, the declining value of money in a service-oriented society provides the perfect occasion for solid egoism. We are not talking here about

money losing its value through inflation, but about money losing its value as a privileged medium for exchange. Money was meant to buy goods; it was the universal exchanger that could time-delay and average values, and thus could make our society really one-track minded... But a universal exchanger is not as good for buying services...

The value of services will not be so easily averaged, because it is purely circumstantial. A service may be precious in certain occasions, worthless in others, and it is impossible to "save" services for future use. Services cannot be accumulated as wealth, but must be acquired when they are needed, sometimes badly needed, which is when their circumstantial value is highest. Therefore, unless the worker who has services to offer has himself some pressing need to satisfy, it is always basically a seller's market for services, a situation that is now compounded by increased specialization and the professionals' affluence.

The consequence is that not only the value, but also the price of services may get to be very high, if whoever can provide the required service happens not to be in dire need of anything in particular and is not in the mood for altruism. Suppose that *the* physician you need already has enough money, and that the marginal value of leisure, *for him*, is such that your "wealth" is not sufficient to motivate him to act. What then? The problem is that growing affluence will allow more and more people to resist at will the material lures of positive reinforcement. And this will happen at the precise moment when interdependence will demand more commitment than ever to the performance of the services that each of us may offer to society.

The problem is not one hundred thousand air controllers acting as a pressure group — although it might do for a start — but one hundred anesthetists, in Chicago or Los Angeles, acting on the faith of a tacit gentlemen's agreement, who could just stay home until they were begged to accept... one million ?two... ? accept what, if money is not that important ?

Well, if not money, maybe you can offer other "services" in return.What do you have that he might want ?Barter certainly does not look like an improvement upon a money economy, but it is not because it is undesirable that we should close our eyes and pretend it is not going to happen.In a services-orientated society that has reached affluence, the capacity to get what one wants will depend more on one's aptitude to offer services that are in demand than on the possession of goods of which so many may have more than enough.

This will mean a lesser role for money.Wealth as a symbol of power and money as a universal exchanger both will lose importance; what will become more important will be the possession of arcane knowledge, rare skills, influence... The new imperative brings forth a whole gamut of fancy wild cards for the power game.*Influence*, for instance, as a wild card, is already omnipresent with this "Do-not-bribe-me-but-owe-me-a-favor" way to do business, that prevailed first in America and then in other WIN's, and which now so confuses some of our foreign business relations.

Dealing with wealth was simple; bartering and peddling of I.O.U.s redeemable in services is not. When wealth becomes less important, people acquire prestige and clout in accordance with what theyare and what they control rather than what they have; it means more relative importance for services rather than

goods, which leads to lesser importance for wealth, which leads to more importance still for services...One of those beautiful positive feedbacks that make history for a while. But it is a puzzling game and quite a challenge when everyone has a joker in the hole...

A challenge to the present rules of the game, to the actual pecking-order, to the social framework within which we work and, finally, a challenge to the structure of power itself: the challenge of anarchy, as we begin to wonder what will make people tick on time and behave like social animals. Beware lest we tilt the system...!

### ***Tyranny of the Individual***

In a primitive society, interdependence led straight to negative reinforcement and to a power structure that imposed compliance with a social obligation to work and contribute to the common good. A creative imperative, however, precludes this alternative because of the very nature of the obligations that are expected from the individual: it is possible to promote entrepreneurship of a sort in a climate of repression—it is called revolt—but certainly not creativity, nor positive feelings. It is not possible to *impose* the type of work which is now required of the labour force.

When the unprogrammable becomes the only field of human activity, the kind of work that remains to be done can be done only in freedom. Scared as he may be, subservient as he might feel, the individual himself cannot blow his own mind nor can he, of his own free will, change his own feelings. The unprogrammable is, of its very nature, the un-controllable and the un-enforceable.

The type of work that cannot be imposed effectively makes for free workers, while interdependence makes for irreplaceable workers. Together, it means that our society faces a situation in which it may merely create the most favorable conditions for work, set up the the best framework, and "encourage" more self-motivation in workers together with a greater sense of responsibility. Coercive action is practically pre-empted.

This protects us from the real nasty solution of negative reinforcement, and it does it the way it really counts, making virtue all but inevitable. On the other hand, we have no solution to the problem of those who are not willing to put their shoulder to the wheel, or who are more than willing to abuse the situation. And this is only one aspect of a much broader question. There is a lot of talk about individuals being at the mercy of Society, but the truth is that a complex society cannot help but be continuously at the mercy of each individual.

At the mercy of each crackpot who may poison candies or throw bombs, of course, but of each egoistic s.o.b. also, whom society has provided with unique experience and knowledge, who may one day happen to be the "man of the situation" for you, or me, or of us all ... and whom affluence endows with a choice to "take it or leave it" when the time comes for action. Therefore, I will indulge, just once, in the rare pleasure of emphasizing what I believe to be an understatement and may become a prophecy:

*"The greatest challenge our civilization will have to face, in the first years of the Creative Society, will be the impending threat from individuals, or small groups of people, who will abuse a situation of growing interdependence."*

The ball is in society's court, to act now against vandalism, terrorism, anarchy. It will be until the overwhelming majority of Do-not's are back in the fold. When it is done, then can we deal with the dark side of freedom? Can we cope with it? How brash and aloof may we all get, how far may we go before we fall prey to anarchy? Machines brought more equality in wealth, because it was in the interest of an effective majority to defend a system that would collapse if wealth was not distributed more equally. Helots from Cybernia will inevitably bring more equality in power, that is more freedom, because interdependence and the impossibility of efficient negative reinforcement leaves no alternative. People want more leeway, more freedom, more space to breath, to think and to create, they want less government... and they will win their case, because Helots make it possible and the new balance of power will bend to fit the rules of necessity. How can the State react to the threat from the dark side of freedom?

The social trend, now, is not towards more intervention from the State, more collectivism, socialism or communism, but in the opposite direction. The lure of the Left is now *passé*, so let nobody misread the new challenge which, from now on, will be **brinkmanship to the Right**: how much solidarity will our society be able to generate, allowing for how much freedom, individualism... and complementarity. How close may we get to anarchy and come back to tell about it?



## 5. Negentropy

So, we are all Alphas, and interdependence will soon make us all irreplaceable, and therefore much more equal. Great isn't it ?Well, freedom has its dark side which is anarchy... and so has equality; it is called *entropy* and it is a depressing concept. As a matter of fact entropy, in its physical, material sense, is the granddaddy of all depressing concepts.

### *The drive for equality*

In simple terms, it means that all things in our universe are in a great rush to exchange energy and to become "equal".As they do, they tend towards less organization — which is a factor of differentiation that implies hierarchy — and towards the perfect uniformity of a random distribution. Want an example ?Take your cosy living room in winter, open the window and let the temperatures, inside and outside, tend towards a random distribution of energy.The great outside will become a little warmer — though not noticeably so — while your living room, of course, will cease to be cosy.

Some day, all the stars in our Universe will have exchanged their energy with the Great Void; they will be cold, while the Great Void will not be noticeably warmer... Scientists call this phenomenon "heat death", and it is certainly death in its most absolute sense.When things are perfectly equal, there is simply no flow, and any kind of order slowly but surely disappears.

There is only one thing in the cosmos that seems not to obey the Law of Entropy: *life*. Life is the still unexplained phenomenon that shows "negentropy", a tendency for things to become more structured, more organized, and for increasing complementarity to develop amongst the different parts of an organic whole. So, if you do not like the concept of entropy, do not commit suicide: the best you can do to fight entropy is to remain alive. Being alive though, the chances are that you will not try to be average, but to be better, to have the upper hand, and to achieve something as close as possible to a God-like relation with the universe. People do not want to be "equal"; they are all in favor of negentropy.

Which, to say the least, may create frictions. Human beings have the same basic needs for the same scarce commodities and, in the beginning, had to fight tooth and nail to satisfy their needs, attain their goals, be different and better than "average". Primitive societies were "unidimensional" and, complementarity notwithstanding, being "different" then meant being higher up, or lower down, in the one and only available pecking order: the order that measured the chances for survival. It made for quite a fight in the bushes amongst the berry-pickers.

Even when team-work proved more efficient than individual efforts and people had to learn primitive interdependence the hard way, the fight went on: it simply took the form of a continuous jockeying for position within the new born societies. Days of basic needs are days of injustice, when all those who are not at the very top swear to God that they want nothing more than equality, but "equality" meaning, for everyone, having the same privileges enjoyed by whoever stands immediately above him in the hierarchy.

The drive for equality met with unequal success but was a great factor of progress, since nobody seriously wanted to be equal anyway, just to push ahead. What everyone really wanted was to have God or at least the State on his side or, as a very poor second choice, to be granted fairness and a chance to compete. There has been lots of talk about equality, but nobody ever came close.

Enough of depressing concepts, though, here comes a ray of sunshine. As long as the competition is for basic commodities and survival, it is the original zero-sum game; once basic needs are satisfied, though people realize that their higher goals diverge. Everyone still strives to make it to the "top" but everyone may have his own idea about what the top means. When we covet different preys, we may go hunting together without qualms and help each others attain our respective goals. A level of cooperation that had not been possible in a "one-track minded" primitive society, in which everyone had all the reasons in the world to think only about food and basics, became distinctly possible in a "wealthy" society that could satisfy everyone's basic needs.

When the standards of living rise above mere survival, life in society becomes more amenable, because everyone who is "rich" and has the upper hand in something may also be "poor" in something else, so everyone may be simultaneously on the giving or receiving end of a multitude of deals. Society may become accepted as the "clearing house" where people exchange thoughts, feelings, goods and services, and where compensatory inequalities come to terms. Everyone will compensate for his weaknesses with his strength, achieve his own "top" and feel equal. This is when "equality", in a sense, becomes reasonable.

Equality in the sense that each may then believe his own goal to be as good or better than his neighbor's, and have faith that, on his own individual track, he is as successful and as close to the top as anyone else.

The only way for everybody to be equal is for everybody to be different and to *feel* equal... which is possible only when we move above the level at which basic needs are satisfied. The more prosperous a society, the more its members can afford to diverge as to their objectives, to feel "different yet equal", and to develop **complementarity**, which is also a rule of necessity: the answer to the increasing complexity of the system. Complementarity is built on self-esteem and is a prerequisite for honest solidarity through differentiation.

### ***The organic society***

Complementarity requires that we listen to the drive in each of us, towards differentiation, and that we accept also others to be different. Solidarity is a problem, but it is not hard to sell differentiation: most people love to be different. They love it! Differentiation is not hard to sell, simply hard to live with. It is not so easy to deal with various pecking orders and to forge together, into one single society, people who have different goals and interests as it is to handle people who are distributed along a single chain of command. It is easier to maintain the structure of a "one-track minded" society, just as it takes less of a brain to keep alive an earthworm than a complex vertebrate. Differentiation, however, leads to complementarity..., and complex vertebrates are more interesting.

What will have people complement each other — but still follow their own way — will generate momentum and make a society more alive and interesting ... if interdependence is strong enough to convince them to remain a society and solidarity strong enough to have them pay joyfully the necessary price. To accept to cooperate together as an organic whole, while they each run after their own personal objectives, people must feel really equal in their endeavors, feel interdependence in the marrow of their bones and practice solidarity. Solidarity and differentiation come together and they must be met as one challenge by a Creative Society.

Wealth brings up the level of our needs and is conducive to differentiation. Nevertheless, differentiation in early industrial society did not come immediately in the wake of affluence. To the contrary, we remained quite monolithic in our goals, because "money" simply replaced "food" as the universal exchanger and society remained almost as "one-track minded", in the midst of affluence, as it had been when survival was a daily concern. Money was so ubiquitous and pervasive, that complementary strengths and weaknesses were not compensated in barter; each was priced, and the result of unequal transaction was wealth. It created the sweet illusion that money was always the tool, and that money could give the upper hand in every deal.

We remained homogeneous in our aspirations as a society, because money did a great job of pushing aside all alternatives for horizontal differentiation; whatever the game one wanted to play, first base, it seemed, was always money. Meanwhile, industrialization had the equalizing effect of machines steal away the substance of vertical differentiation also, even along the "get

rich" track which became the last remaining avenue for ambition.

Now, it's a new game, because Helots bring to an end the "one-track minded" society concerned mainly with money and material welfare. Not because there is less desire for material welfare, but because there is simply too much of everything money can buy — and too much money to begin with — for this specific wish to command our exclusive attention anymore. We are heading for differentiation.

This differentiation is already with us. In terms of ways of life, it began as *various* weird clothes for youth in the Sixties. It is not unusual for youth to dress "weird", by adults' standards; what was new was the variety among traditionally monolithic non-conformist youths. Then it became *various* more discreet — but still unusual — mores and habits for maturing young adults. Now, it is the thought patterns of the new generation that seem to lead, not to an opposite vision of the world, like in the Sixties, but to a myriad of conflicting and unrelated views that do not converge towards goals that we — or even they as a group — may comprehend.

The problem is not really whether their goals — for they are goals, however nebulous they may appear — are clear to us or compatible with *our* goals, but whether they are mutually compatible with one another and can coexist in tomorrow's society. Alphas will diverge and begin to go after their own goals; this we cannot prevent. We may, however, react in two ways to the challenge of differentiation.

We can accept the type of exchanges that characterizes the differentiated parts of an organic whole, renounce the Utopia of equality along any specific

"one-track" system, and actively support increased differentiation. To do it, we must concentrate on playing the rules of human nature and necessity, create structures that elicit more competitiveness, and place the survival of the whole firmly and unavoidably on the path of the will to live and grow of an effective majority of its parts. This is how a living body gets by.

Or we may try to make all Alphas equal along a single track (whether it is wealth, power, prestige or sanctity is rather immaterial), in which case equality along this unique dimension will have to mean sameness, and our society will die, as surely as a man whose heart would be made "equal" with his spleen or liver..., after which the parts will diverge nonetheless, when the whole slowly disintegrates.

The leisure gambit will allow entrepreneurship to bloom, and horizontal differentiation will grow to match the increasing complexity of means and objectives in a creative society. We will see complementarity in people's ways to be, to act and to relate; this will come naturally. Vertical differentiation, though, is harder to swallow. Shall we rise to the challenge and be satisfied to let our basic equality as human beings be expressed in the fact that all Alphas have equal rights and are irreplaceable, welcoming back, as a motive for action, the very human drive to be different, to achieve, to surpass and be more ? Negentropy...or entropy ?

### *A matter of privilege*

We have been conditioned to feel that it is somewhat of an injustice that some might succeed or gain more than others. Yet, it is not only unrealistic to hope for efforts and dedication without some incentive, but unfair to

treat the same those who contribute to the common welfare as those who don't. The new society must be built on the assumption that there is not only freedom to work and compete, but freedom also to succeed and to enjoy the fruit of one's efforts.

If you believe that this means more money for the rich, you have missed the point somewhere; everyone should have the right to make all the money he can, of course, but this will not be the answer. Money-wise, in terms of real welfare, we have been for sometime yet on the path to equality and machines would not let it be otherwise, even if we desperately wanted to change this trend. Even as a tool for power, money will lose importance.

As a basis for discrimination, wealth, anyway, has picked up quite recently and never quite made it. It is mainly in the U.S., where we decided democratically that money should be "it"; a decision not unchallenged, even here, even to-day, in scores of artistic, intellectual and spiritual subgroups... and of course by all those for whom prejudice for race or creed is stronger than any rational criteria. Elsewhere, shabby gentility still has its proud followers, and *noblesse oblige* is also good for a lot of mileage in most of the world. Money is not everything for everybody.

It will mean even less in a society of affluence, most of all in an affluent creative society. We will need something else and, although it is the type of differentiation that most opposes our ingrained habits, it is through *privileges* that vertical differentiation will manifest itself and that incentive will be provided in a creative society.



A creative society will discriminate in favor of its achievers, and it is *recognition* — and the power and prestige that will come with recognition — which will be the new "discriminants". People need recognition and prestige, and pink limousines may not always convey exactly the proper message. Peerage is not about to appear in America (it would not fit the image) but it is a sure thing that, in a creative society which takes its distance with money, something will appear that can be worn on the lapel to prove that one is better than his neighbor.

We will grant privileges, and we will invent something more permanent, personal and prestigious than money for motivation. We will go out of our way to make some people more equal than others. Unthinkable in America ? Why a Congressional Medal of Honor ? What use is the "Ph.D." on your business card ? Why "Members Only" on private clubs ? Why gold and platinum credit cards ? Privileges to discriminate... Its on the way....

As money will fade out as the symbol of power, it will be important, however, for a smooth transition, to keep wealth as *one* of the discriminants for prestige, probably together with education, celebrity, and public service. Maybe those who contribute lofty amounts in taxes would be gratified, even now, to receive an Honorary Ph.D. in Financial Management... Who knows what we will invent ? A sure thing, though, is that positive discrimination will come, and it will eventually carry more than prestige, it will carry power.

It will, because complementarity is a rule of necessity and that we will encourage differentiation, granting honors, privileges, inequality enough to motivate the needed drive towards complementarity. We will grant everyone the freedom to be all that he

can be and to be ostentatious about it if he likes... and we will link very concrete manifestations of social power to achievement. Negentropy will prevail.

If we are to make sure, however, that differentiation shall take place only at the level where complementarity is required, that is above the level of the common basic needs for which a Creative Society should provide — a level that will raise steadily with affluence — we will have also to let the State do for everybody what only the State can do in an interdependent society. We will want to extend a net below the trapeze act, and the *Individual* will pass a new contract with *Society* represented by the State. We will strike a new deal with the Octopus.

## **6. Deal with the octopus**

Freedom and equality, as challenges to be met, bring us to the question of power. Man is a stiff-necked animal who would rather do his own thinking. Man's basic lust is for a God-like relation with the universe that lets his will run unopposed and un-dependent. What challenges his independence makes him insecure, aggressive, and he fights it whenever he has half a chance. What men cannot fight alone, each for himself, they fight in packs. Rulers, Kings, Governments exist to lead the pack when a common hunt or fight is necessary.

Governments also are composed of stiff-necked animals, which would rather do our thinking for us. The basic aim of Governments is a God-like relation with the people and, as they are always opposed, they are always insecure and aggressive. Rulers have a tendency to rule, not only during pack-hunts and common fights, when they are tolerated, but in-between

skirmishes, when everybody feels they should stop meddling and disappear.

The purpose of social contracts is to determine what is and what is not a pack-hunt for the people, what is agreed to be in the collective interest and a fair object for rulers' intervention and what people consider a threat to their freedom. They aim to create order out of anarchy, providing a clear mandate for the State and a definite set of rules for individual behavior. To have order out of anarchy, a trade-off is required: individuals let go of some freedom to obtain security.

Whether the protection they seek be against their fellow men or against Mother Nature, whether the citizens entrust the State to maintain law within the land, to protect the borders from foreign foes or to help in the quest for affluence and away from want, citizens let go of part of their freedom in exchange for security. As little freedom as possible, of course; a government for the individual is always a constraint, a necessary evil and, even in the best of circumstances, a more or less benevolent octopus.

Let danger arise and we are sheepish with the octopus. When we feel more secure, we become more impatient with constraints and less tolerant of tentacles of all sorts... Now, with machines, Helots, freedom from want, a stable government and peace on our borders, we do feel more secure. What is the best reasonable deal that necessity and circumstances conducive to freedom will let us strike with our own octopus? Such a good deal that it is a little scary, for what people want now is not just another set of rules, or another Government, but fewer rules... which simply means less government! The creative imperative will modify not only our way of working but also our ways of ruling and the objects of State intervention. We will

need a new deal with the Octopus to redefine how the State will exercise control in a Creative Society and what it will control.

*The ultimate tranquilizer*

Let's deal with the "how", first. No other ways are left, it seems, but consensus and benevolence, and this is quite a significant change. Until the Industrial Revolution, the almost exclusive concern of the State had been *security*, meaning of course the security of the effective majority. The State would protect its borders and would apply "law and order" and the like at home, not only to criminals but also to troublesome Have-nots. The dependence of the effective majority on the rest of the population to enjoy security was occasional — in case of war, for instance — so that most of the time it was rather passive compliance that was expected from the people. Great days for negative reinforcement.

Then, industrialization brought the promise of more affluence for all and of previously unthinkable luxury for the few, at the price of a modicum of planning and teamwork. To this end, the State gained control over work and production, and *welfare* became the prime object of the State's intervention. Interdependence developed between producers and consumers, between top-dogs and workers, and this need for an active participation of the labour force in day-to-day life made it more convenient for the State to put aside strong-arm tactics and to adopt new forms of control, smoother but more pervasive. Positive reinforcement.

Even totalitarian regimes followed that path, and although in some places sticks may still be around, they are not highly praised nor unduly popular. Black, red, or

democratic, all modern octopuses now rule mainly through the effective control of the distribution of industrial goods in their respective societies. Machines have put the accent on positive reinforcement, and it has made States kinder than ever before to their people. To rule with positive reinforcement, they must, however, maintain a state of optimal stress in society and place friendly tentacles all around the individual.

Twentieth Century octopuses, both Black and Red — fascist or communist — have put to use the tools of modern technology and have proven to be even more tentacular than their predecessors. Even our democratic WINs, although the guiding principle may have been that the State, as representative of the collectivity, would simply have a mandate to rule over "matters of collective interest", have let these matters proliferate and have invaded the private life of individuals. Our own meek octopus, as we have seen at length, relies on seduction, tricks for toil and well-documented income redistribution.

Now, as the creative imperative gathers momentum, we will become simultaneously more individualistic and more interdependent by an order of magnitude. We will need more interface and organization and yet, we will accept less government... To further complicate matters, material goods, including wealth, will seem to become less important in the life of people, and control over their distribution less of an effective instrument of power. Will rulers cease to confide in positive reinforcement and the Octopus be driven to try and get, insidiously, a "better hold" on individuals? Very unlikely. Boys will be boys and rulers will rule, but negative reinforcement measures are very inefficient and impractical to apply...It's upon

the ways of power that is imposed the final rule of necessity:**benevolence**

From now on, power will have to rest on an ever broadening effective majority. Let's not say "on everybody", this would be demagoguery; just on an effective majority of people which will become steadily larger to reflect the fact that more people will become irreplaceable and have a more significant bargaining power in growing interdependence. We will see a trend towards democracy.

Together with democracy, will appear a need for consensus that will lead to extreme reliance on positive reinforcement. Not only because it is intrinsically more effective, but because it is more "popular" and that, the closer we get to democracy, the more "popularity" becomes a *sine qua non* for political effectiveness. The Rule of Benevolence is that there may be only two options open to future governments, in their relations with the people: "give"... or "give more". The creative imperative may be the ultimate tranquilizer for an Octopus that has already learned pretty good manners.

### ***Framework for freedom***

Wonderful... but "ultimate tranquilizer" could also be a good name for whatever puts old dogs to sleep. A government that can't say "no" may be as impotent as a man who can't say "yes". When we have all this freedom coming to us, what will we get as a framework for freedom? What kind of government, what kind of structure of power will we build that will keep the tentacles from tightening around us..., and yet will not end up in committee-type impotency, will prevent anarchy and will command commitment from Alphas? To design an adequate framework, we must

have a clear perception of the new situation and wholeheartedly accept the consequences of the creative imperative, both on motivation and on the control processes.

The social structure we have at present, like any social structure, is merely the old "chain of command" in modern garb, so we may look back without qualm at what went on "in the beginning". People, as we said, fight in packs; what they cannot do individually, they will assemble and do in groups along the lines of affinities or interests. They normally will gather into groups small enough to facilitate identification to the group and the development of personalized relations amongst members.

For any group to become responsible for anything and to achieve any objective whatsoever, its members must renounce at least a minimal part of their freedom and accept that some group decisions will be binding upon them. When they do, some "authority" is transferred from the individuals to the group, an authority which is backed by the strength, the "power" of all the consenting group members: the effective majority.

Small groups may also delegate authority to some higher-level groups, socio-administrative units that may have greater means at their disposal and/or a broader outlook, so that they will be able to cope with problems of common interest to participating smaller groups. The "groups of groups", in turn, may do the same and delegate authority to still higher-level units which will handle more encompassing responsibilities. And so on, until some entity at the top may be endowed with the delegated authority to take charge of all matters of universal interest, and to do it in a way that will reflect the consensus and maintain equilibrium.

This is the way it was in the beginning, the way of democracy: power building *from the bottom up*. It is also the way of differentiation and of negentropy on the march, as leaders rise to the top, rung by rung, carried by those who have faith and trust in them. The alternative is what we might call the way of the King of Babylon. The way not of democracy, but of pseudo equality enforced from above.

Rulers are not keen about differentiation. Differentiation for the State is a headache. If power can be grabbed, rulers like nothing better than equality amongst all those below the Very Top, and direct link to unchallengeable omnipotence. It used to be God and the Divine Right of Kings, but "The People" will do fine. When the Top has its direct mandate from above — and the Authority and Power that goes with it — it can delegate them down a chain of command of its own... and then do its best to destroy any authority that comes from below and such power as goes with it.

Power is prevented from building the bottom up, and then the flatter the hierarchy, the shorter the chain of command, the more interchangeable the tools... the more power vested in the leaders of the pack who can control a larger group of "equals" with a smaller effective majority... and the more tyrannical can be the Power at the top.

In the heydays of machines, "global planning" was all-important, workers were interchangeable and they *wanted* to be "equals". Centralization was efficient, and power could "come down as a yell" from the Top, through a chain of command in which most intermediaries held their status by "delegation" from above.



Helots have ruined that scheme of things, because this type of structure will not work in our days of interdependence and emphasis on personal relations, in the coming days of aloofness when workers will take orders, instructions, or even advice only from "friends" and only when they choose to do so. A creative society will have to take these factors into account. We will renounce the way of the King of Babylon, because interdependence, combined with affluence and a need for strictly positive reinforcement, will make this way impractical and we will revert to the original way to establish chains of command: from the bottom up. This is democracy.

People will gather in groups to face the challenges of the new society, these groups will merge into higher-level groups and, because individuals will respect and obey nothing more readily than these groups to which they will choose to belong, it is these groups that will become the basic building blocks of the new power structure. We will be forced to abandon the "delegation from the top" approach in favor of more delegation from below. A deal with the octopus will finally imply a re-structuration of our society's chains of command.

There will be three guiding principles for re-structuration. First, that all authority rests with the individual, except that which he has chosen to delegate; when in doubt, or when some residual power is at stake, always consider that it has not been delegated. Second, that not only the power of decision, but control over execution also, should always rest at the lowest possible level, as close as possible to the end-users, so that only the minimum which efficiency demands should be entrusted to higher-level groups. Third, that within the scope of its mandate, and for as

long as it lasts, one in authority needs no confirmation to decide and to act.

Along which lines will the groups be formed ?It would take a book just to explore the possibilities of group formation. The crux of the matter, though, is that these groups, high and low — and the corresponding multi-tiered distribution of authority and responsibilities from the bottom up — will come to be recognized as a formal power structure and, eventually, will come to be *the* power structure of a Creative Society; the creative imperative will give birth to a more democratic regime, in which more people will actively participate, through groups and "groups of groups" that will make up the structure of power. On top of it all, since there is always a "top" to every society, will rest a much more benevolent, fatherly Octopus, a State that will give..., give, and give.

### ***The new targets***

So much for the "how", now about the "what" of power. What will be the new targets of State's intervention, what will be the activities that the State will control in a creative society ?It will, of course, try to obey the most sacred principle of management: make sure that its authority is sufficient to cope with its responsibilities. Seems pretty obvious, but for our Octopus to respect this principle will require some serious adjustments.

Endowed at birth with the power and authority it needed to achieve its initial goals of "law and order" and "security", the State faced some discrepancies, in the Thirties, when it had to become champion of the underdogs for the sake of equilibrium. Since then, looking more and more like Santa Claus, State the

Father, with his bag of goodies and his low profile in guidance, has handled responsibilities for which it had no authority.

With the consequence that it had to take deviously the authority it needed, and now may sometimes use this extra authority beyond the scope of its responsibilities. The State, for instance, took the responsibility to provide every citizen with a minimum "level of subsistence" income, a commitment that circumstances have changed to a "level of consumption" income. We feel this to be normal, but since this is impossible without some control of the production system that provides this income, the State, although it has never been granted any authority over what people should or should not buy, actually manages the production system through indirect controls and "encourages" the patterns of consumption that are convenient: see military spending, trade barriers, and support for smoke stacks industries.

In all WINs, citizens now expect the State to see to it that goods and services are produced in the nature and quantity that correspond to their needs and wants. We expect the State to do so in the most efficient manner, imposing a minimum of efforts upon the workers (considering the current state of technology), and even to expand the limits imposed by the availability of human and natural resources... Has it ever received this mandate? On the other hand, a modern State is not expected to interfere anymore with personal culture and ethics; what could be more typically a prerogative of the individual? But the State, at present, retains authority and considerable leverage in these fields, a reminiscence of days when State and the Church went hand in hand. This is why, for instance, you cannot go naked in the street or support euthanasia.

We must obviously go through the social files and match the State's authority and responsibilities; do away with obsolete obligations, but also make sure that all mandates are clear and that the means at hand are sufficient for the State to fulfil its responsibilities. There is a new social contract in the making, a contract which will give some more power to the Octopus... but over a much smaller part of our lives. It will include all the clauses needed for the State to interface effectively with *work*, *wealth* and *production*.

What are the main social targets to attain, now, as we stand ready to exit the Age of Toil and to enter the Age of Creativity? They coincide with the three threats we mentioned before: to reintegrate the Epsilons and Do-not's as equal partners in the new society before they revolt, to make arrangements on the huge public debt before the bum cheque bounces and we are led into war by frustrated top-dogs, and to set new social goals for us all, before we just roll up into a big ball of complacency and, out of sheer boredom, give up the ghost as a society.

Looking at these threats and targets, we realize they have something in common: WORK. Work, as we have known it, is not needed anymore, and a social structure based on work, on wealth as capitalized work, and on production through the use of work and capital... is just about to crumble down if not helped across transition to the Creative Society. This is the problem we have to cope with immediately.

Consequently, the State must have the authority, directly or indirectly, to modify our production objectives and production processes, to indemnify adequately all parties that may suffer a prejudice from such transformation, to distribute fairly the burden of work and the training opportunities amongst the poten-

tially active population.... and to provide each individual with this "level of consumption income" without which an industrial society will not survive. It does not mean that the State should try to manage itself work, wealth and production, the basic tools for affluence, but simply that wielding the power at its disposal it should see that the best orientations be taken.

This is what States are for, and people actually demand more State control of these "tools", most of all of "work" which lies at the source of the present crisis. They do, and they will, more and more, in inverse proportion to the importance of work in their life. In a society where work, in the job framework, may mean 1000 hours a-year or less, Homo Sapiens will gladly give this much time for the State to monitor.., if the Octopus agrees, on the other hand, to keep away from the other 7,736 hours of the year and to renounce attempts to try and control the rest of the life of the individual. The Rule of Benevolence says the State will oblige.

A deal with the Octopus must first settle the Work Crisis. Only when this is done, will we be in a position to help also wealth and production adjust to the requirements of a Creative Society. As we begin to draw a new social contract, it is **work** and the management of our human resources — *work allocation, education, training, workload distribution, income security and the status of the self-employed* — that will have first to be rethought entirely, in order to give the people what the people demand: full-employment together with the security of guaranteed income.

This, will be **Clause #1** of the new social contract.



## II

### CLAUSE #1

*“Social contracts” are not born fully armed from the brains of political scientists. They are usually signed with the left arm of the “signing ruler” firmly twisted in his back by vociferous people who are mainly interested in just a few of the specific items of the deal: a “Clause #1” that incorporates precisely what necessity imposes. We can look upon the rest of any social contract as “small print”, drafted by far-seeing economist and philosophers-about-human-nature as an attempt to cope with a “global situation”.*

*The application of Clause #1, after a social contract is signed, changes so drastically the “global situation”, however, that it usually transforms the small print into wishful thinking. The real detailed rules for the new game are established slowly, as a series of addenda to the social contract, usually to condone what has to be done. Necessity, remember ? In Part II, we will limit our comments to Clause #1, which will make for much safer soothsaying.*

*Clause #1 of the new social contract will have been settled entirely to the people's satisfaction only when society will provide full employment with guaranteed income for everybody. When this has been agreed upon, whatever the grand name of the package that comes with it, we will have moved out of the null-p. orbits and landed safely into the Creative Society.*

*In preceding Chapters, we have seen why there is a crisis, and we have identified some of the principles, mechanisms and interplays that we must take into account before we try to solve this work crisis, lest we resist necessity itself... and really get licked! Here, a solution is proposed. Let's not think of it as various solutions but as **a** solution, because it is a package and its elements are interrelated, just like the elements of the problem are not independent from each others.*

*This is not a blueprint, just a sketch. It is not, however, a wild-eye scheme concocted by seminal thinkers at the end of a symposium; it is a concrete proposal, based on more than twenty years of experience in the fields of Manpower Planning and Human Resources Development, in America, Europe and a score of Third World countries. I do not call all the loopholes by name, which would be tedious and often self-defeating, but what is proposed here is feasible, and reasonably clear of technical incongruities.*

*This solution makes provisions also for common human weaknesses such as inertia, greed and ambition, and it points readily in the direction that should lead "rulers" — (that is those who could decide to apply this solution) — to what reflection should show them to be their most gratifying escape out of the present crisis. It is also in the best interest of all..., which is why it comes in book form rather than as a consultant's report.*



*This Part II may be less easy reading than the previous ones, but I have not tried to make it arduous on purpose. Let nobody be fooled by the seemingly jocular treatment I may give to some aspects of the question; the solution proposed is always serious... and feasible.*

## **1. The smart matchmaker**

Management of human resources and, to begin with, full-employment. Full-employment is paramount: nothing is more important for our society at this point in time, than to welcome back our Do-not's and Epsilons and to make it one society once again. Therefore, the first positive step towards Clause #1 will occur any time now: the State will accept the mandate to optimize the use of our human resources.

Before we go any further — and lest we begin to argue light-years away from our subject, argue about human exploitation and the like, for instance, — we must clarify this “use of our human resources” concept. Traditionally, production is said to rest on three factors: *resources* — which are basically the substance we are trying to transform and the non-human energy we harness to do it; *capital* — that is the investment, money, facilities, tools and equipment we use; and *labour*, the work of all the “human resources” required to achieve transformation. Putting these three factors together, we “produce”: we create the “product”, the more desirable something that will then be offered to the consumer.

Work is such an essential factor of production that we regretfully impose it, even upon ourselves, whenever we decide to do anything at all to achieve a result. Each of us has, in his own brain and brawns, his own

“Homo Faber” whom he systematically exploits for his own profit as a consumer. It seems perfectly legitimate to consider one’s own Homo Faber as a factor of production and to try and maximize the results of his efforts. This is what work-management, productivity and the use of human resources are all about.

Therefore, let’s not forget, when we discuss the use of human resources, that we are talking about doing unto others, on a collective scale, what everyone is always doing unto himself. “Consumers”, for whose satisfaction something is being produced, have not landed from Mars, but happen to be the same workers who, wearing a different hat, appear in the production process as the “human resources”. The very same ? Well..., if we leave aside distortions in income distribution, “workers” and “consumers” *are* one and the same crowd... but there are distortions: some people work more, while others consume more.

This, however, is another problem entirely. We may agree or disagree with the way our society shares the workload and distributes the spoils, we may support the present system or find it repugnant, but this is a social and political question; it should be debated at length in the proper forum, but has no bearing on what we are discussing here. We are discussing work and the efficient use of all our human resources, meaning you and me. Work has to be done to attain any production objectives, whether they be set individually... or collectively by any color and shape of an octopus, and working should be made as efficient and painless as possible. Each of us is both a worker and a consumer, and has a vested interest in better efficiency, in the optimal “use of the human resources”. This is what this Chapter is dealing with.

*Getting to know you...*

There are workers and work — “work” meaning jobs for a little while yet — and they must come together. In a primitive economy, or even a simple industrial system, workers and jobs manage to meet each other on their own, following one of the two traditional methods of courtship that have existed since the dawn of history, alternating between the “bridegroom-seeks-bride” and the “bride-attracts-bridegroom” approaches.

Both methods have drawbacks. In matrimonial affairs, the first often leads to brides being dragged away by the hair from their native caves, while the second is conducive to “red light districts”, great sales in lipsticks and huge alimonies. When applied to matching workers and jobs, the first approach was for employers to go and get biomachines as needed, on the “open” market, while the second led alternatively to long queues at the factories gates, or Labour turning the thumbscrews on helpless employers. To avoid these problems, some societies decided, pretty early in history, that parental guidance was the best way to achieve happy marriages; the modern equivalent, on the labour market, is to be seen in the “planned economies” in which everyone is found a slot in the production system without much previous consultation. It is notoriously unpopular with brides and bridegrooms alike.

Then, there is another alternative yet. When religious or social circumstances created obstacles that made it harder to find a proper mate than just meeting the kid next door, and when, simultaneously, political power that would have allowed for coercion was absent, other cultures had human entrepreneurship bloom into another remarkable institution: match-making. The idea of matchmaking is for someone with

information, know-how and flair to get the parties acquainted — and maybe to apply some subtle social pressure and persuasion — to arrive at a marriage that will make everybody happy, including the future spouses themselves.

The concept of matchmaking has a future on the manpower scene. When workers cease to be interchangeable, and finding the best and most efficient use for each worker becomes quite complex, somebody with “information, know-how and flair” must lend a helping hand. Agencies and headhunters have taken a crack at it, but this is not enough, for we have passed the point where it could be done efficiently by private firms for a profit: the amortization of the investment in matching would impose much too severe a constraint on mobility. Matchmaking is now in our common interest: the State must become the Smart Matchmaker.

The State, in principle, may immediately take upon itself the full responsibility to optimize the use of our human resources; in the beginning, though, the State will not tinker with either jobs or workers: it does not have, with the brides or bridegrooms, the credibility to do so. The State will keep a low profile at first, and will help them to get acquainted with each other. In the beginning the State will merely inform.

This should not make waves, since it has been agreed for sometime that information is a legitimate object of Government intervention. We already have Employment policies, Employment Offices, Employment statistics and a huge mass of material on Labour, work, jobs, tasks, etc... We will put it to use and improve upon it. The first unmistakable sign that we are moving towards a deal on Clause #1 will be that the State will become serious about job information.

Right now, it is not doing it seriously. The Industrial Age has been with us for about two centuries, our whole society is work-oriented, unemployment is presently the number one problem we face... and yet, we still do not know precisely how much — or what kind — of work is really needed to attain our production objectives, and we know even less about our available human resources.

We know of course that the labour force is not homogeneous, that workers are not interchangeable, that jobs differ widely from one to another, and that having full employment does not mean matching one batch of nuts with one batch of bolts. We even have a lot of statistics on it. We know, for instance, the “active population” (that is the number of people over 16), we know how many of these “participate” in the labour force and how many are officially “unemployed”. We know them by age, by sex, race and what not, and we also have a breakdown, in some details, of the labour force by “industries” and “occupations”...

As statistics go, it is not bad at all, and we have a pretty sound basis for studies, analyses, extrapolations, and almost infinite manipulation of figures to forecast or explain all sorts of trends. People, in jest, have quipped that the only thing we do not know about the workers, is their names and addresses. The problem is that we should... The statistics we have are good, but were not meant to be operational day-to-day tools for matching jobs and workers; for this purpose, they are useless, and we will have nothing much to work with until we do know them one by one, brides and bridegrooms, with their names and addresses.

Everybody knows that there are engineers, millwrights, clerks and other types of workers, all with different skills and aptitudes. What everybody does not

know is the incredible and increasing complexity of the situation. Experts in the field have developed their own lingo — with which the reader does not have to be bothered — but, just as a clue, consider that even in the high days of industrial production, when no efforts were spared to mechanize both work and the workers and to make all workers as identical and machine-like as possible, the Dictionary of Occupational Titles (D.O.T.) could still identify tens of thousands of different jobs in the United States, and that the International Standard Classification of Occupation (ISCO), which was used for similar purpose in most other WINs, had to rely on a 7-digit code to express the complexity of the job market!

Matching jobs with workers means matching two very heterogeneous sets; what's making it worse, is that jobs and workers alike always wear a mask, go under false names and constantly change their identity. The “jobs”, for instance are created and continuously modified to meet the needs of production, the changes in technology and the respective costs of capital and labour; their real content will also vary according to the size of the production unit itself. Yet, the “name” of the job may remain constant, through all changes, and may well have been chosen, to begin with, either to satisfy the ego of the worker or, to the contrary, to downgrade his functions and reduce his corresponding salary.

The result is that many jobs that go by the same name actually cover different realities and call upon workers who must have different skills, aptitudes, training and experience. A job for a “mechanic” or for an “engineer” may be any of so many different things, that knowing on a statistical basis that there are so many of these or those in the U.S. is only mildly instructive. If we really want to know what a job is all

about and what its requirements are, we must analyze it, break down its component tasks, and identify these tasks DOT or ISCO fashion. Even doing that, though, does not solve the problem of matching.

Knowing the job with more accuracy is but half the problem and of little help for matching, if we do not have on hand a compatible “Dictionary of Educational Titles”, or an “International Standard Classification of Training Programs”... that could tell us also what the bride looks like. But there are simply no such valid instruments in existence. We really do not know, now, how to describe what the worker can do.

We may assume that a certain certificate, diploma or degree will be proof that the worker has the skills we require for a given job, but this is a very risky hypothesis, because programs, curricula contents, and the real significance of tests and controls vary from one school to another and, within the same school, are constantly modified to fit the theories and whims of educators. We do not really know on “face value” what a degree means or what Mr. Jones, engineer or mechanic, really knows.

Practically, the fact that an employer is looking for a “mechanic” does not mean of course, by any stretch of the imagination, that you, as a “mechanic”, can do the job. Coding the job and looking at your credentials will circumscribe the problem but, after two centuries of matching workers with jobs, the penultimate test will still be today to look up your resume and find out whether or not you have been recently working at something similar. The final test, like in any type of matchmaking, will be to put you to trial to see how you do.

It is the penultimate step that is a bore and makes for a system which is biased against mobility, since the proof of what you can do lies finally in what you have done. This approach was a reasonable way to do things, when most people could do only a small number of tasks all closely related one to the other in the production system, and when expertise grew with experience, by accretion, from an original educational basis that was very limited. In such a situation mobility was foul word to start with and, to replace a worker by another, it was perfectly logical to look first for somebody who would have followed more or less the same career path.

Not so anymore, since an “unprogrammable” job is at the intersection of many skills and aptitudes, and it is not certain at all, either that the best man to take charge of a job that evolves continuously is somebody who has followed the same path as his predecessor... or that the optimal use we can make of any worker, in the future, will be to assign him to his present job in the shape it will vest tomorrow as it keeps evolving.

Not only must we expect mobility to be essential to resource optimization in the future but, even today, the haphazard way in which most workers have been matched to their present jobs on the labour market would suggest a profligate attitude... and an awful lot of divorces by consent. It is highly probable that, optimally, a large number of today's workers should be working at something else that would best fit their skills and aspirations. Optimization of our human resources does not mean simply that we should find a niche for next year's graduates; it means that mobility should be increased immediately for people already at work.



*... and telling it all*

This is what is bound to occur, the moment more adequate information is made available to both workers and employers. The first responsibility that the State will undertake — useful and unobtrusive — will be to make information available and to play the part of a Smart Matchmaker.

Call it the **Job and Manpower Registration Act**. The State will provide free job analysis services to employers large and small, keep the jobs' profiles on record and revise them on request; simultaneously, all workers who care to register and be interviewed will be identified and coded in terms compatible with the vocabulary of tasks' description. Matching can then be done on one nation-wide computerized system.

Let's see how the system would work. On one side, any employer who wants to recruit or hire a worker will simply identify himself to the system — (at the local Employment Office, or through his own in-house access to the system if he can afford a cheap terminal) — and fill in how many workers he requires, identifying his needs in terms of the "*skill codes*" that job analysis of his production process will have defined.

On the other side, any worker registered with the employment system will be issued a *Skillcard*, on which will be code-printed his own skills. Let the worker introduce his Skillcard in the machine at any Employment Office, and he will receive on the spot a listing of all employers presently hiring in any of the skill categories for which he is qualified.

Simply inserting his card once again and punching the code number of any hiring employer, the worker could then make himself known to this

employer, make manifest his interest for the job, and transmit to the employer a copy of his full resume on file with the system, either directly or through the employer's local Employment Office.

From then on, it would be up to the employer to pursue the matter further, arrange for an interview, etc. With this procedure, the resume is never made available to any employer without the individual's consent; the employer may enjoy the same discretion, simply asking his local Employment office for a code number and indicating "name on file" and the address of his local Employment office rather than his own .

Matching becomes easy the minute a compatible vocabulary is used to describe both the task-components of the jobs and the precise skills of the workers. This is the first essential step towards a sensible solution to the problem of unemployment. It is so obvious, that it is sometimes hard to convince decision-makers that this is not what is being done at this very moment. Believe me, IT IS NOT! To implement such a system is not fundamentally a technical problem; it is a matter of resources and decision. Only the State can afford to undertake this effort and the State should do it **NOW**.

This matchmaking system would be a tremendous plus, both for the workers — (who presently almost have to peddle their skills door-to-door!) — and for employers, for whom it would replace a costly standard procedure of ads in the newspapers and dealings with headhunters. It would be so advantageous, that it would not even have to be mandatory... save for recipients of Unemployment Benefits, or of any kind of Social Security payments, for whom acceptance of transfer payments should imply automatic referral of their resume to all employers hiring in any of the skill-

categories for which they have been qualified. For all other workers and all employers, let us just offer the service and they will jump at it; they have absolutely everything to gain and absolutely nothing to lose.

Almost instantaneous access to all skilled workers for employers and to all job opportunities for workers. Is it technically feasible ? Emphatically yes! The job analysis part of the procedure is already well known and the biggest problem might be to agree on what precise methodology should be standardized and universally applied. To identify the workers, using a vocabulary compatible with the one used for job analysis, does not present insuperable obstacles either; provided we agree to proceed empirically and take a step-by-step approach.

### *Taking the steps to truth*

As a first step, let's work on the assumption that everybody is qualified for the job at which he is presently working and has been working for at least six months; qualified for all the jobs that call for skills that are entirely included amongst the skills that are required to hold a job for which he is thus qualified; qualified also to perform all the tasks of all the jobs he has previously occupied successfully, and the hiring requirements for which have not been changed since he held that job. A large assumption ? It is on this basis that the present system operates right now! The difference is that once it is accepted as a fact... we may improve on it...

As a second step, we may assume — although it is obviously not so — that a worker knows everything that was part of an educational or training curriculum for which he holds a diploma. He should thus be qualified, knowledge-wise, for all the jobs the compo-

nents of which job analysis shows to be entirely covered in the curricula that he went through successfully.

Qualified “knowledge-wise” only, meaning that if the job analysis reveals that something more than knowledge is required for total mastery of a job, be it some kind of dexterity, know-how that cannot be obtained through learning in the school system, or anything else, the worker then should *not* be presumed to be fully qualified for the job. To the contrary, the missing part of his qualification should be identified clearly, so that the individual and the system together can do something about it. “Doing something about it” would be the third step and we will come to it later.

Let’s do the analyses, check the profiles and issue the skillcards. This empirical approach will not create a perfect system; it will bring a few problems out in the open. First of all, and although criteria for qualification would be more restrictive than the present standard procedure, going through this exercise will bring into the open a much greater reservoir of skills than we now admit. We will have to face the truth that it is only at the extreme limits of specialization that there is not, at present, a huge surplus of supply over demand on the market for skills.

Looking reality in the face will impose qualitative rather than quantitative goals, and we will prepare to deal with one of the most damning “imperfection” of the system, the assumption that whoever holds a degree has mastered the full content of the program for which it stands, and that these contents themselves are real prerequisite for competence on the labour market. Challenging this will open a Pandora’s box.

The moment education is identified in terms of the undeniable evidence of job requirements obtained through job analysis, each worker will be in a position to know the precise value, on the labour market, of the education he has received. If he is a little curious, he may even find out which part of his education, which syllabus, which precise lesson had direct or indirect significance in terms of employment... and which of those data he had to learn to meet, not the requirements of a job, but someone's image of what a good student should know. We will face a huge demand for another type of professional education .

By then, the State will have acquired the capacity to identify nominally — and not as one statistical element of an abstract set! — each and every worker in the labour force. The State will know the surpluses and shortages of manpower, and also what precise knowledge would allow for an optimal match between the labour force and the needs of production. In terms of broad fields of learning, the State will even be able to foresee, with some accuracy at last, what will be the manpower needs months, even years ahead.

Facing a vociferous demand from Labour and Industry alike, the State — which by then should have obtained some credibility in matchmaking — will be in position to proceed with the next step towards optimization. Not satisfied to be merely the Smart Matchmaker dealing in information, it will be pushed by the workers and drawn by the employers to act upon the variables themselves with all the tools at its disposal. The benevolent Octopus will accept to become serious about teaching also.

## 2. The pragmatic teacher

To counter unemployment, the first and most elementary move that the State can do now is certainly to make the best possible use of our present resources. Let the State operate an efficient matchmaking system and we will have a better fit between the supply and demand of qualified manpower which will reflect on productivity and employment figures. When this is done, the next step will be to correct the discrepancies between supply and demand. What good is it to cry “wolf” if nobody heeds the call ?

If there is one thing we have learned in the last forty years, it is that technological imperatives will eventually make sure that things get done the best way they can be. So, we will not act on the demand side, creating artificial jobs; we will let jobs be what they are until they disappear, and act on the supply side: improve manpower through education and training.

### *Culture and professions*

First, the State will get involved in education. When it does, we will have to clarify the distinction between cultural and professional education; this is important, because we have to draw the line clearly between the matters of collective interest that the State will manage and what should remain, at all cost, the responsibility of the individual. The Octopus will get involved in *professional* education — which is a prerequisite for optimal use of our human resources — but, simultaneously, it will prove its good faith by keeping away from *cultural* choices in education, thus withdrawing one of its tentacles from our private life.

What is “professional” and what is “cultural” ? Is there a great divide somewhere, between the professional and the cultural ? Are there any guidelines for the State to decide that History, for instance, is intrinsically cultural but carpentry professional ? There are none. Every bit of knowledge we learn modifies our vision of the world, our culture and, conversely, there is hardly a bit of knowledge either that cannot potentially be put to some use. The anthropologist who learns masonry as a hobby extends his culture just as much as the mason who learns anthropology.

The only way to judge whether a program is professional or cultural is to know in which way it will be put to use. Use it as a wanted contribution to our common wealth and welfare and it becomes professional; keep it to yourself and it is culture.

We do not know what is cultural or professional..., but we can guess. When somebody learns something that cannot lead eventually into training, because he has neglected to learn some essential prerequisite, he is probably learning “for culture only”; if one learns statistical formulas but does not bother about basic notions like the Law of Probability, or methods to draw a significant sample, we can safely guess he is probably more interested in applying these formulas to Draw Poker than to qualify as a statistician. For practical purposes, we can guess quite accurately.

Suppose we guess right, then, what next ? Next, it will be a necessary condition of Clause #1 that the State will renounce direct or indirect involvement in cultural education: let Alphas diverge! But it will be a necessary condition also that it will take charge of professional education, and will intervene to make sure that enough people are qualified to fulfil all the requirements of production. This will mean, for the State, a new and

very basic responsibility for efficiency and justice at the entrant's selection level.

*All of the "Best"*

In the traditional system of education, we did not need real selection. We required so few thinkers, that it was not necessary to pick the best, but just to make sure that those who were picked to reach a lofty position were very good... and they were! It is the educational system as a whole that was used as a selection process, so that only the "fittest" could make it to the starting gate. When a mere five percent of the population could reach university level, those who made it to top level functions were usually so well endowed with native abilities that further testing, after the race was on, was rather for sport and to keep up the spirit.

No great need for specific dispatching either. Little of what anybody learned then, had to relate to his future professional activities. Get all sails up and let the winds of life carry the chosen few where they blow: those who made it... had it made. With education used as a selection process, we left behind, at school-level, a majority of the brilliant and energetic individuals in society and these were unfortunately denied access to the top occupations, but they were not really needed.

In an interdependent society that wants to optimize the use of its human resources, this policy would be a disaster. We cannot permit that somebody, who would have had the talent to become a great mathematician or a great scientist, should end up in a minor clerical position, because he flunked grammar at high school level or became sick and tired at fourteen with book learning. We will see to it not only that the "cream rise to the top", but that everybody be treated in



fairness, according to his aptitudes and efforts, and that all the interdependent skills we need end up at the proper place. For this, we will test and select, frequently and in-depth.

Education, in the Age of Creativity, must be unlimited. Provided they make no false claims, schools and colleges, training centers, institutes, universities and others will all be allowed to diffuse learning at best they can. It should be all right, also, for the individual to evaluate himself and be satisfied with his progress; insofar as his personal development is concerned, that may be the end of it. When someone wants to qualify for a role in society, though, society must find out if this individual's efforts have produced concrete results. When it comes to a diploma to prove that knowledge has been acquired, only the State must have the authority to examine, to test and to give the seal of approval for professional use.

*Docimology* — (a recent word for the age-old effort to assess what it is that the students have really learnt, of all these things that we have been trying to teach them) — will become a key concept. Well-intentioned people who still contend that tests are not predictive are doing the same harm to the cause of justice in education to-day that naive creationists did to creationism — or even faith — a few decades ago, when they kept arguing that the universe had been created in six earthly days, about six thousand years ago. Docimology works; it does not try to prove that some people are more intelligent than others, but that some people are more apt than others to do certain things, and it works.

We will test and examine and certify, because we want all those who are the best at anything to be able to move in the right place, where they will do the best

they can. How will we make sure that the right people get in the right place ? We will not force anybody into greatness, but we will certainly try and seduce everybody into doing the best they can, making sure that they meet a minimum of obstacles.

Those who, obtaining high marks, will have shown their aptitudes for the skills for which there is a demand, will be *invited* to acquire the professional education they need to access the practice of these skills. The State will pay a salary, to a sufficient number of “the best”, during their professional education, to make sure we meet our expected needs in each occupational category.

It will be, for the State, an orderly retreat from the field of culture and it will not even look like one. Conforming to the principle of total positive reinforcement and benevolence (“give or give more”), the State will simply invite and in a way “bribe” people into accepting its guidance in matters professional ... and will remain aloof from everything else. This all-important distinction in education, between the “cultural” and the “professional”, will therefore be settled in the most pragmatic fashion: cultural will be what people do in their own free time and with which the State doesn’t meddle except to provide facilities; professional will be the education for which the State pays the student a salary because it seems to correspond to our collective manpower requirements.

### ***The stand-by “second chance”***

With all shoulders pushing at the wheel and almost no demand for unskilled labour, it is a foregone conclusion that an objective analysis of manpower requirements will suggest that a huge majority of people receive

further education. How much of it should be professional education though, how much of it part-time, how much full-time, this we should not try to guess before the Matchmaker has done its homework. The figures will have to be those which will correspond to the requirements of our production system because, whether we like it or not, we court disaster whenever we stray away from this reality : professional education does not create jobs and, without a demand, it is only a waste of money and a breeder of disillusionment. We will select the best according to needs.

Whatever the figures, what about the others, those to whom the State will not offer a salary to go on learning ? They will have two choices, the same as today, but with significant improvement either way. The first choice would be to try and outguess either the Pragmatic Teacher, gambling that one's own final results in school will be better than those of some who will have been selected..., or the Smart Matchmaker, gambling that the community's future needs for some skills will be greater than the projections.

If someone wants to outguess the Matchmaker or the Teacher, then by all means, let him do so! Paying the studies of some should not give the State a final say on what the others should, or should not learn on their own. The State will not pay a salary, but should still keep its facilities open to people who want to learn, on their own, something which the Matchmaker does not plan to use. Thus, the student who is not selected for a type of professional occupation could still take the gamble to attend "on a cultural basis" — that is without pay — and thus to obtain knowledge that might have eventual professional value.

As he takes that risk, an individual could get high marks and be invited to join the professional system... or could put himself in a privileged situation if a need should ever arise for more workers with this type of skills. There is no harm in students bucking the system and going their own way; to the contrary, it increases the safety margin of the human resources allocation system.

The other choice of the student who is not selected for further education he considers acceptable, would be to go directly on the labour market at the skill level that corresponds to the level of knowledge he has already acquired. This would be like today, but with a plus. He would not face the labor market alone anymore: the Matchmaker would take his hand.

This decision would not mean the end of his education either, nor the end of the line for his professional upgrading. Forever after, he would still be admissible to all entrance tests for all types of professional education and, with the working experience he would acquire, the maturity that would come with age, any worker could make it into professional education this year or the next, or the year after, indefinitely. This is the important point: from now on, although differences would persist, it would never be the end of the line for anybody.

It should never be the end of the line for anybody. This will become clearer yet, when we will rationalize the approach and desist from considering any diploma or degree as a necessary condition for admission to any type of professional education. Instead, we will look upon the State's entrance test to any professional education module as the embodiment of all the real prerequisites for this particular module. Within limits of the schools' capacity, we will admit to the modules

all those who have the prerequisites and pay the best to attend.

This will mean that the way people have learned something will become irrelevant, and that the only thing that will be considered will be the fact that they do know. Insofar as professional education and the labour market are concerned, going through school, college or university will simply be one of the available options. Learning institutions will have to compete against all other means of learning, be it programmed learning, radio and correspondence schools, television, interactive teaching... or just plain genius, know-how or experience.

The State will provide the facilities, will operate a selection system and will pay an incentive salary to the students who appear to be the most apt. With that the State will have met its responsibilities in professional education. A major step forward, since to have “the best in the right place” will mean great qualitative gains and more fairness.

### *A policy of candor*

If we do not want the State to lose, though, as Teacher, the credibility it will have earned as Matchmaker, we had better be more candid right from the start about the real objectives and the limitations of professional education. We must stop pretending that professional education is always a glorious step out of poverty, or that cultural education is even likely to help one with his employment problems.

Starting from the very real premise that people with more education earn more, on the average, than those who have less, we have been hinting to Johnny

Worker that if he would just go back to school he would find a job and make money. Nobody took the trouble to explain clearly to the population that an expert-marksman will bag no more game in a day than someone like me who can only shoot dice, if there is not even one last grouse left in the bushes.

As far as professional education is concerned, it was not emphasized that it could produce more wealth for both the individual and society... only if there was a demand for more production, if that production would require more professionally educated workers, and if there existed also a capacity to produce more, or at least a will to invest in this type of production and use this additional manpower. All conditions that were not automatically fulfilled by the mere fact that a hopeful student would push the door of a learning institution. Professional education simply does not create jobs

Worse when it comes to cultural education. Culture may lead to more creativeness, and creativeness may increase wealth, but this is a cumulative process that takes time and is unlikely to bring immediate results to each individual concerned. The individual with more culture is not likely to get much richer, and will get a job only insofar as he takes it away from somebody else; something that may very well happen, not because he can do the job at hand any better, but simply because, all things being equal, employers will probably — (and quite mistakenly) — prefer to hire somebody who has had more formal education.

It is a sick joke to offer cultural education as a way to improve the workers' lot on an industrial society's labour market. A joke on the employer who will not get a better servant for the machine, a joke on the victim himself who is unlikely to find a better job, a joke on society facing huge public spending on

education on the assumption that usable skills will increase, although the only thing that is sure to increase is the basic educational prerequisite for trades and occupations. The craftsman with a college degree does not do the job any better. He simply has had to run faster and longer to remain in the same place, for some day all his peers will also have a college education, and the edge that cultural education will have given him temporarily on the labour market will simply disappear.

We had better be candid about education, which is an investment in the Creative society to come, not a short cut to the job framework. We have already found out, to the great dismay of the true believers in the “education-for-work” line, that what more college education would mostly increase would be the number of unemployed workers with a college degree.

Quantitatively, the State’s venture in education will not create jobs. We will have moved simply one step closer to truth, to be hit in the face by some interesting facts of life... For instance, we will see that we already have a surplus of basic professional education, that there is well enough workers coming out of schools, and that this is another sector in which production must phase down to replacement level. Whatever the talents of newcomers coming out of formal schooling, there will not be more jobs for them. Unless they get proper training, of course...

### **3. The vicarious trainer**

There is presently no shortage of any type of the graduates that the educational system produces, and there is not likely ever to be an immediate demand, from the production system, for any more of these graduates, however good and proper the system turns

them out, for the simple reason that Production *per se* seldom has any immediate use for graduates.

The production system wants workers with experience and does not hire from the educational system but from an informal, almost mythical entity that we might call the “training system”. Conversely, the normal outlet of the educational system is not Production, but this training system. Graduates remain unemployed when there is no demand from the training system, which is not necessarily because there are no needs for trained workers in Production. The “training system”, you see, is not only informal but mostly under-managed, and short of cash.

Trouble arises because the real training system, from which Production hires, operates in industry. It does with relatively little human and financial resources, parallel to a network of independent or State-sponsored “Training Centers” that are quite mistakenly expected to provide real training and to prepare workers directly for Production, though they only provide more professional education to lengthen the queues at the gates of the real training system.

### ***Education and training***

First of all, let us clarify some confusion between education and training. Just as it is important to draw the line between cultural and professional education, so it is essential to define where education ends and where training begins, since they are not the same thing and do not serve the same purpose.

Education is the acquisition, at the conscious level, of well-structured bits of knowledge. Emphasis here is on “structure”, as bits of information that do not



relate and coalesce into ideas and concepts are not education but merely “mind garbage”. Training is conditioning; it is the acquisition of knowledge at the unconscious level, to free the conscious mind of everything repetitive, so we can go on easily through the chores of life while our mind remains open and aware of “what’s new”. Training makes things easy and, if only known factors are involved, makes us more efficient also, since the dumb animal in us, once trained properly, will ask no questions and react faster.

Repeat gestures and get trained. Trained to walk or to swim, for instance, or trained, Epsilon like, to repeat some simple operations implying simple gestures. Live through complex situations repetitively, and you will learn also, in the same way, to react better to complex situations: you will have gained “experience”. A training system is what makes you live through “situations” and gain experience, therefore making you a better qualified worker for these “situations”.

You remember the “missing component” that might have the Smart Matchmaker consider some workers to be qualified “knowledge-wise” only ? This missing component can often be defined as experience, because the professional education graduate, although he has acquired the knowledge, still needs a most significant part of the qualification: automatisms that cannot be acquired properly anywhere except on the job. The “education and training” system will remain imperfect until it escapes the familiar dead-end that you are not really qualified until you have worked... but will not be allowed to work until you are qualified. The purpose of “training” is to cover this twilight zone between the acquisition of knowledge and full-qualification.

Technology changes, “jobs” change and the workers also must change. We do not need more workers in production, but we need constantly different workers; training, like change itself, must become a continuous process. A continuous process that will account for an increasing portion of the active life of individuals; ten..., twenty..., thirty percent of the worker’s active life ?

We need now give training its full importance in relation with education, cultural or professional. It is a strident call for action, because the defective, informal, destitute training system is a bottleneck between an output from the educational system which is not fully used, and a demand for skills which is not fully satisfied. A call for action and who, if not the State, could afford to heed that call ?

We certainly have a collective interest that justifies the State’s intervention in training as well as in professional education, but the State will not be able to proceed the same way to train as to educate, because the State cannot comply with its responsibility for training simply by maintaining training centers. The first purpose of training is to allow for the integration of the worker into the labour force, giving him a chance to be useful within the scope of what he already knows while he learns, in “real life” situations, whatever more he needs to know to achieve complete qualification. Training must facilitate integration into the labour force, and the artificial atmosphere of a training center will not provide the immersion in real life, the experience, which is a prerequisite for employment.

Then, content-wise, remember that the real demand for training is at the limit of specialization, at the point where state-of-the-art knowledge interfaces with real production. The training we provide must also

be some sort of made-to-measure operation aimed at a specific function in production. An “off-the-rack” training, given out-of-context with obsolete equipment, in multi-purpose training centers, is *not* the training we need, since what the worker must train for is a specialized function and what he must continuously revise are not the basics of his trade but its most sophisticated aspects.

To satisfy these two conditions, first of integration and then of high specialization, training should always take place on the job. To top it all, isn’t it clear that teaching “know-how” must be done by those who “know how”, namely by skilled workers and technicians who have learned how to teach, not by professional vocational teachers who learn first about teaching ... and then try to discover what the jobs are about ? It is the people in the production system, and only the people in the production system, who can give proper training.

Except when consequences are so drastic that we must rely on simulation, in which case training will not be perfect, but just be the best we can do, real training should not ever take place anywhere save on the job. Training centers might do for basic professional education, but not for training. It is in real situations and with real equipment that training should take place. It is ludicrous to train people anywhere but on the job.

As we enter the Age of Creativity, we should try even less to have it otherwise. Why ? Because the purpose of training now should be to condition the worker, not to a series of simple gestures — for which he eventually will be replaced by a machine — but to global situations. We must aim at a new level of automatism that will imply a good grasp of all the factors involved and at the very “conditioning”, when

the need might arise, to move out of automatism, to “cancel program” and to react with creativity. This, the worker will learn best in real life, on the job in the real world and nowhere else.

Which makes things a little tricky for the Octopus, since it is certainly not the State’s business to interfere in production, just to have the jobs without which training will not be adequate; without “jobs” at its disposal, though, the State cannot give adequate training.... Who else can afford training ?

### *Partners in training*

Nobody else can afford training. Shall we ask the employer to pay for training ? We may do so, but trust the path of necessity and egoism. It may be in the best long-term interest of both employers and individuals — and of the collectivity as a whole — that workers receive more training, but the truth is that, at the precise moment he undergoes training the worker is not producing. Unless he may look at the costs and benefits of training and arrive at the conclusion that training is profitable for his own enterprise, the employer— and this goes for managers — will try to avoid or at least to minimize and delay training. Worse in a labour force where mobility is the rule! The employer is unlikely to spend much on training for the unfaithful employee, except when he has absolutely no other alternative. This attitude is understandable, but is not going to provide us with all the training we need.

Shall we then put the burden of cost on the worker himself ? Not realistic, because the individual’s horizon is even shorter, his estimates more conservative than the employers’ and, unless he is a loser at the job game, the worker is unlikely to invest much time or

money in further training. So, who should take over but the State, which by then will know better than anybody the global needs and wants of employers and workers ?

The State, which by that time will already be paying for education and paying salaries to the students in professional education, will have to pay also for training, including the trainees' salary. The State will have to take upon itself the responsibility for training and to pay for it, which is the only way we will get all the training we need. On the other hand, it will let training take place where it should, in production, on the job or close to the job. Industry as well as necessity can be trusted to rub the message in, and the State will become the Vicarious Trainer. *Training will be paid for by the State, but will take place on the job.*

We will be ready for the **Universal Training Act**, a legislation that will provide for on-the-job training all across the production system, in collaboration with employers. The State will put to use its knowledge of present and future manpower needs and of the workers' skills, to promote and sponsor training programs within industry. It will pay for the programs and help the employer with program's definition, training methodology and the training of instructors. Most important of all, it will certify the competence of the workers who have been trained.

The process will be as follows. The State, as a smart matchmaker, will sum up the needs of employers and project these needs in the near and not so near future — the broader the categories, the more distant the horizon — with all the accuracy that forecasting techniques will allow. This is nothing new; we will simply be able to do it more properly the moment we will have the *Skillcodes* and the *Job Analysis Profiles* in our files.

When needs are known, as best we can, the State, taking into account training time and delays, will establish an overall schedule for training that will try to make all the skilled manpower we need available, *when it is needed*. This is already better than what we do presently, although it is no great feat either. Then — and this will be the substantial improvement — we will let the users/employers in production take over the training of the workers in production.

The State will ask for bids for the training of the number of workers required in each skill-category. It will do it also for the training in the broader categories that are prerequisites for these skill-categories, whenever these make sense in terms of workshop production. It will ask for bids from the private sector, amongst the employers who are users of the skill-categories in demand. This does not mean that each employer will have to train his own workers, but that employers, in a branch of production, will globally train all workers in the skills specific to that branch.

The State, for any given program, will provide the minimal syllabus (based on up-to-date job analysis), and the list of prospective trainees on the market who have the proper professional education prerequisites. From time to time, the State will offer *Trainers' Training Programs*, for any interested workers to attend; employers should make sure that they have on their staff, certified as Trainers, workers competent in the skill-categories for which they intent to bid.

The employer who would become a “training contractor” should not expect to make a pile of money out of training activities, but he would not be expected to lose either. A reasonable bid should cover the use of the premises and equipment, the salaries of instructors and a small amount for administration and overhead.

The best bid would not necessarily be the lowest bid; the procedure should favor those who would accept to take a hand in training skilled labour for their own needs.

If the “training contractor” will guarantee subsequent employment for a year or so, he may be allowed to add, to the minimal training program of the State, some extra modules that would fit his more specific needs. It would be admissible also, for two or more employers, to share openly in a bid for a given number of trainees, and then to distribute the group amongst their respective facilities.

Innovative approach, isn't it ? In fact it is not so different from what was done the last time we, as a society, got real serious about training. Just consult files on Training Within Industry during World War II... The future of vocational training is partnership for training on the job, with State, the Vicarious Trainer picking up the tab for a bill that the State only can afford to settle.. and the employers doing the job that they alone can do properly.

### *Certification*

The State, after the training is over, will test the trainee and check his competence in the skill-category originally defined and, also, in any of the additional modules that the training contractor might have added to the basic syllabus. As with professional education, it will use docimology, and test often and in-depth, for this is the cornerstone of a new approach to manpower management. We want to have a clear picture of the worker's skills, because we will not have the optimal use of our human resources until we know precisely our resources as well as our needs.

It is the Pragmatic Teacher, in professional education, who will hand out diplomas as proofs of knowledge. The purpose of testing after training is not only to confirm that the worker “knows”. We will have better reasons still to test and make sure of their competence, since the State will CERTIFY the workers.

Certify them first for safety. We cannot simply allow anybody who feels he has a talent for healing to pretend he is a doctor, nor anybody who can draw a sketch or talk smoothly to prowl on the population pretending to be an architect or a lawyer. Same thing with plumbers if we do not want to flood basements, with electricians, etc. This is the certification for quality control that we are used to and that confers a right to practice. Nothing new here.

Certification, however, will do more now than vouch for knowledge and guarantee safety; it will be recognition that a worker, amongst those who had the prerequisites, has been amongst the chosen few also selected for training by the State’s partners in training from the production sector (they will get paid for successful trainees only, and be choosy!), and has now passed successfully also this final trial of training, being tested and found competent. Certification will do more than say that the worker is good enough; it will be recognition that he is amongst the best.

When the State certifies Johnny Worker, it will mean that he has tested strong in both knowledge and practical know-how acquired in training within industry and is now an experienced worker, fully qualified to fulfill all the “jobs” of a skill-category defined by job analysis in the production system, meaning one of the precise collections of tasks that are grouped together as “jobs” by specific employers, in real-life situations, to fit their particular manpower needs as they see them.



When the State will certify the skill of a worker, it should be as good as gold, lest the whole approach become senseless. If it is good, the reputation of the State as a certifier of skills will soon be well established, and the demand for “*training within industry + State certification*” will grow rapidly. Employers will rely more and more on the credibility of the State’s certification of workers; they will entertain little doubts about its value, since it will come after a period of training on the job, in collaboration with an employer. The corollary to this is that employers will rely even less than today on the degrees and diplomas issued by Colleges and Training Institutions. Without having to impose anything, the State will soon become the universal certifier of skills as they apply on the labour market... which will boomerang to give even more credibility to the Pragmatic Teacher....

The State will pay for training. This should not, however, be construed as an obligation upon the community to pay people whenever they feel like getting trained; we simply cannot afford to do that. We will pay selectively and, as the State will take the responsibility to guarantee income in exchange for participation in the training process, it must have the authority to limit the number of trainees in each field and to pay only the best to pursue training. It is *certification* that will set apart the “good enough” from the “best”, and will therefore become the way to decide who will be offered a salary for more training... As it is used that way, it will cease to confer only a right to practice and will confer also, for all practical purpose, a right to an income. Certification will have turned into an **income contract**.

### *The Income Contract*

An income contract will be a welcome addition to the State's arsenal for optimization. Optimization, it seems, would require that individuals accept, without discussion, the advice of the State concerning their career plans. In a democratic society and an environment of growing freedom though, it is no use to say that imposing a career plan on the individual is out of the question; not only because it would be wrong, but because it would be inefficient. Totally impossible. Impossible, that is, without some kind of inducement... An income contract.

It is one thing to pick trainees out of the Welfare's list of recipients, another thing altogether, when we become more selective, to realize that the best candidates for training are often workers who are already at work and only mildly interested in a change, even though we may believe that their most efficient assignment (career-wise for them, production-wise in the long term for us all) would not be to production but to further training. What will be the carrot to optimize the use of the best workers ?

It is important to realize what's going to happen on the labour market as the creative imperative takes over. We will have all workers face an accelerating cycle of training and retraining for jobs that will occupy less of their time, a cycle most probably finally to end up in self-employment of some sort. How can the State expect the workers to come forward joyfully to be qualified every few years, if they have the feeling that they must always begin anew, must always run faster simply not to be left behind ? Why jump ahead if there is no net below and there is no assurance that it will not be "back to square one" within months ? Will training

become part of a more heartbreaking rat-race than ever ?

For the worker to accept a faster pace of retraining, his compensation must at least be guaranteed at its previous level during training and, as an incentive, he should be able to look forward to a little more after training if he is certified for a higher skill-category. Time will be ripe for another of those freedom/security trade-offs with the Octopus, and we will soon improve on the initial terms of the income contract for training.

The State will not try to impose career plans, it will not make threats but, to the contrary, it will follow the trends of fatherly love and “positive reinforcement only” which are the new rules of the game. The State will put its money where its mouth is as Matchmaker, Teacher and Trainer, and offer to make sure that it is not the individual who is penalized, but the collectivity that foots the bill, when the State’s guessing will have proved inaccurate or its training insufficient.

The State will offer a gift for proper behavior to those of its children who follow its advice. When a worker selected for training will accept to attend, will complete successfully a program and will be certified at the end for these tasks for which the Trainer believes there is a demand, the State will guarantee to this worker that, should he ever after, through no fault of his own, become unemployed, he shall not have to fall back on Welfare or Social Security for a living, but shall receive instead a “salary” consistent with his new professional status.

This salary, which will be determined by the State as sufficient inducement to attract the type of trainees it needs, will naturally become the minimal compensation paid on the labour market for this particular type of

skill. We will have “certification for income”... and the State will have taken the occasion of training to move into the field of guaranteed income policies.

#### **4. The fair broker**

Will the Vicarious Trainer be able to optimize the use of our human resources ? To be perfect, a human resources allocation system would require the Matchmaker always to be accurate in its forecast and the Trainer never to make a mistake in either curriculum development or its selection of trainees. This of course is impossible. It will not be the major problem, though; the State’s performance, as a Matchmaker and Trainer will be good enough to begin with, will improve constantly, and will go a long way to solve the problem of manpower shortages. Optimization though, requires also that we deal with our surpluses.

#### ***Surpluses***

What about surpluses ? Sectorial surpluses will be a thing of the past, of course. Soothsayers may always err, employers may systematically overestimate their needs and, in some fields, new technologies will make whole trades obsolete. But since the State will be as selective as it wants concerning admission to training, the sectorial surpluses, in time will be absorbed. The major problem will rather be a global surplus of manpower for all jobs.

There will be less and less “jobs” available, as these will be replaced by other ways to work that will fit the requirements of unprogrammable work. Unless we do something about it, the number of unemployed will grow and the choice will be, either to keep them on

welfare or to put them on payroll as students, trainees or trained workers with an “income contract”, but without much of a chance for employment.

To absorb surpluses of manpower, we can try to create jobs; but, both in terms of the number of people at work and of the demand for what they produce, the present and foreseeable trend is towards high services, more professionalization, more entrepreneurial occupations, more work that simply cannot fit the job framework. Necessity is pushing for a gambit on leisure. On the other hand, we must realize the risk of anarchy, if the job framework which is the backbone of the chain of command of our society is left to wither away !

The most obvious alternative — which is the wrong solution — is the one we have tried first: to fit work into jobs for which there is a demand, mainly jobs providing high services. The flaw of this solution, as we saw before, is that it does not maintain, between the workers’ efforts and the rewards they receive from society, a link that reflects the satisfaction or dissatisfaction of those to whom the workers provide their services. It is this link which is notoriously missing, in the present system, as more and more people are merely busy in null-p., with their compensation, monetary or otherwise, unrelated to results and their real efforts totally divorced from the needs of society.

We cannot carry on that way. What we are living through right now, in the fields of high services, public services and subsidized production is already quite sad, but it might become incredibly worse, as a growing number of workers could just pay lip service to obligations in which they would find no fulfillment, switch-off from job boredom and plug-in into their own personal hyperjobs, activities of interest to them but quite vacuous in terms of society’s goals.

What else ? Well, we know we should try and integrate a majority of workers, preferably almost every adult, in the traditional job framework, so they can “belong” to the present employment structure and stabilize the system. This is NOT because we would like to support indefinitely the dictatorship of the “good providers” and the present effective majority but, to the contrary, because we take for granted that the system is changing and that the real problem, now, is not to force the change but to smooth transition. On the other hand, we know also for sure that we are not going to bake a bigger “*job pie*” in the foreseeable future. Is it just a “no-no” situation, or is there a “yes” scenario out of the dilemma ?

### *Sharing the load*

There is, if the State dons yet another hat and makes sure that leisure is apportioned properly. The “yes” scenario would be to try and share the load. In order to maintain an effective majority at work in the job framework, although the need for work in job format will diminish, we should not allow the number of jobs to decline; to the contrary, it is each job’s workload and duration that should be reduced. We should give a smaller piece of the job pie to everyone.

The way out of the present dilemma is to give every worker a job, however small, and, rather than forbid or obstruct work on the side, to protect, encourage and even sponsor the “moonlight” activities. We should help each and everyone in our society on the path to entrepreneurship in addition to his job. This is the totally mature version of the gambit on leisure that necessity imposes.

As Helots will reduce the volume of work that can fit in the job framework, let workers smoothly transfer more and more of the time and energy they devote to professional endeavors out of the job framework and into their own enterprises, until “professionalism”, “entrepreneurship” or whatever the name we give to the new way of working that tomorrow will bring, has replaced traditional work in the job framework.

We must reduce drastically the average workload of the “jobs”, and what work in the job framework remains to be done must be apportioned fairly, so that many more workers, and eventually all of them, will have both the security of employment and enough free time on their hands to become entrepreneurs, creating on their own, in the real world, the professional medium through which they will contribute to the common wealth. The State will become a Fair Broker in jobs and leisure.

Reduce the job load. What size reduction are we discussing? It was mentioned earlier that, if the workload was shared evenly amongst all adult Americans, production of all goods in this country would require about 8 hours a-week of work from each of us. “*Cornucopia*” — as we may well refer to our global production system — could keep the wheels turning and go on producing all the goods we produce now for our material needs... and still have people on the job only *one* day a week!

Naturally, we won’t be able to make it one fair day’s work a-week in production for everybody, since an efficient division of labour is also an imperative, but we may aim at maximum participation in the production process. The present course of action leads to ratios of 1 worker out of 5 in production and of 1 Do

for 2 Do-not's in society as a whole. Will we carry on that way, or will we at least try to optimize participation both in the labour force and in the job framework ?

8 hours a-week is not the target. Industrial production does not cover the whole spectrum of the economic activities that can fit the job framework; but it is a pretty good clue... How many of our other activities must really be performed within the job framework instead of being performed by "workers-owners" working at their own leisure ? Not very many... The target is to reduce the work-year it as much as the situation will require.

The exact figure is inconsequential, since work reduction must absolutely rely on continuous fine tuning. A gambit on leisure is not a one-shot reduction of the workload from 40 to 30, or 20 hours a-week across the board. This would be not only ineffective, but suicidal. We need a continuous reduction policy, relentlessly reappraised to maintain the participation in the job framework at the highest level that the creative imperative will allow. There is a perfect indicator for this level: the workload must be reduced and jobs created enough for *anybody who wants a job to have a job*. Non-participation in the job framework should not be a social curse, but an individual choice for more leisure.

Even considering the birth pangs of transition to a new structure, most "work-weeks" could easily be reduced to 3 days right now. Why not aim at 3 days a-week of work in the job framework and let creativity prevail for the rest of the worker's time ? Making it a "4-to-3" split for leisure right from the start, with an eye on the "5-to-2" and "6-to-1" splits soon to come ?



IT IS FEASIBLE. A Fair Broker in leisure could distribute the workload equitably. Right now. Before we look at the nuts and bolts, though, let's see first the rationale for sharing the load and understand the positive impact of this move. It is at the core of the whole argument for a change and the key to escape the present crisis.

At our present levels of production and productivity we have surplus manpower: unemployment. We cannot and should not reduce productivity, and we do not need more production in the job framework. Suppose that, rather than trying to produce more goods and sell them, we produce the same and work less in production? If we can produce the same with less “work-per-worker” in the industrial sector, total production of goods remains the same and justifies the distribution, in terms of real income, of the same quantity of goods derived from this production. The extra work beside industrial production means that more “services” are produced.

This is unassailable. It is precisely to achieve this result that manpower has been made to trek away from industrial production to the production of services. We face today's crisis only because of two flaws in the way the trek was organized. First, as we saw before, we tried to fit the production of services in the existing “gum-drops” framework made for chain production, sinning against Creativity and Autonomy. Second, “leisure” has not been apportioned properly. We kept a dwindling number of workers in production, and sent the surplus to scavenge for quasi and pseudo jobs in services or disappear into Do-not non-existence. This was not idiocy in planners; before Helots, we didn't have the tool to apportion the work properly!

Now, we do. Suppose we produce the same and work less, but share the load so *each of us* work less ? Then, “leisure” allows for the production, out of the job framework, of more of these intangibles that we want so much and which can be produced only in a different framework, a “leisure and freedom” framework of entrepreneurship.

We can renounce all tricks for toil, maximize productivity and let entrepreneurship bloom in the Parkinsonian leisure resulting from a better distribution of the workload. We can now work less in the job framework and have more... Which is absolutely not the case if a dwindling minority of workers, each of them working less and less and with less and less enthusiasm towards his job objectives, live side by side with a growing number of Do-not’s who are prohibited to do anything constructive, lest they forsake the transfer payments which are their only basic security... and cannot but remain their only security, as long as they are not allowed to do anything constructive! State the Fair Broker must intervene and help us share the load. IT IS FEASIBLE.

Why not take the gambit on leisure right now ? This leads to another question: “Why haven’t we gone through this exercise a long time ago ?” The basic reason is that, from a technical point of view, it simply was not possible before Helots. Another reason is that, up until now, it was not necessary enough to make it politically expedient to go to all the trouble. A shorter work-week or work-year seemed to be a wish that could not be granted, because there was the major obstacle of “income security”. When people work less in the job framework, either we reduce their salaries to match the decline in working hours... or we don’t. In either case it seems to lead to injustice and catastrophe.

If we do reduce their salaries, it is not only a declaration of war on Labour, it is also a drastic reduction in global purchasing power, exactly what we have been trying to prevent for the last forty years lest the whole system collapse! Furthermore, the workers could never take the risk, either financially or psychologically, to try and make it on “three-days week” salaries, even less, needless to say, to sponsor their own enterprises on their reduced income!

If we don't, why should it be up to employers to pay five-days salaries for three-days working weeks, financing workers to go into some business of their own ? It is a mere curiosity to raise the point, since it will never materialize that way, of course; a company that has to employ three persons to do the work of two and cannot reduce salaries by one third will simply increase its prices by half. Even passing the buck to buyers would not make this solution feasible, though, for to increase the labour costs of all employers, irrespective of the productivity gains that technology has brought to the various sectors of production, would certainly mean a rupture of equilibrium and collapse of the production structure.

Considering this dilemma, it should come as no great surprise that the normal reaction has always been to resist pressures to take a gambit on leisure. It is true that using more people to do the same amount of work will mean extra leisure for the worker, that the entrepreneurship which will bloom in leisure will produce more of the services we need, while a reduced working week in the job framework will take away none of our production, so that we will be richer... eventually. But, meanwhile, who will pay for the increased leisure ?

The operation cannot go on unless financed, somehow, by a reliable and very confident sponsor. Guess who can afford to make good for the all the workers' full salaries while they work half-time and, simultaneously, to make all necessary human resources available to employers without cost increase ? There is a third alternative that does not imply raising or not raising salaries to match a decline in working hours, and it is the only one that can work: the State will pay to have both ends meet.

### ***The “No-Losers” Approach***

How will the Fair Broker share the load amongst us all, making sure that there are no losers in transition ? The basic principle is as simple as can be. By the time we decide to apportion the jobs, each employer will already have been asked, for matchmaking and training purposes in accordance with the Job and Manpower Registration Act, to inform the system of his manpower needs, by “skill-categories” (defined by job analysis), within each of which workers may be considered to have the same qualifications and to be practically interchangeable.

The Matchmaker will also have identified workers, using the same skill-categories, so it will be easy to sum up all the employers' reports to obtain the total demand for work in each skill-category, and then to divide by the number of workers. The Fair Broker will then be in a position to optimize work/leisure distribution amongst the workers certified in any skill-category, simply modifying *selectively* the maximum number of working hours permitted in a year for each skill-category.

“Selectivity” is the key-concept. A global reduction of the “work-week” or “work-year” for all occupations at once, would create insufferable bottlenecks, disrupt the market and lead to a catastrophe. If it is done selectively though, a reduction distributes unemployment around as “leisure”. And will there be some leisure coming up in some skill-categories...!

No need for coercion to implement a legal maximum; just trust “benevolence”. *The State will go on paying for the rest of the year, to every worker who has already worked the maximum annual working-hours for his skill-category and is not on an employer’s payroll, the salary that corresponds to this particular skill-category.* With social virtue on their side, protection against undue pressure from employers and the same paycheck at the end of the fortnight, most people can be expected, once they have reached the year-limit, not to feel a great urge to rush to the shop or office and punch the clock... No need for coercion, indeed !

Too costly ? We will illustrate with dollars and cents in a moment, but let’s understand first the “cost-benefit” of the operation. The global “cost” to the State would be the difference between the sum of the transfer payments previously made to unemployed Do-not’s and the portion of all salaries paid by the State after the load has been shared. The “benefit” would be to transform unemployment for some into leisure for all, including leisure for the presumably more dynamic “winners” at the job game. Leisure can become constructive...

It’s a flexible tool. The simple case is to divide the demand in a given category, in terms of work-hours per year, by the number of certified workers in the same category. The result, plus a provision for absenteeism and the like, may become the legal work-year

for this particular skill-category until it is changed, yearly or from time to time as may seem necessary. In theory, this means a job for each worker and full employment. In theory. In practice, as they say in Maths' manuals, "the simple case is not the only case"...

The simple case is to "divide by two and multiply by three" or to do whatever other mathematical operation is required to spread the workload evenly... But how about the employer who has only 5 workers, each in a different skill-category, the work-week of each would be reduced unequally by 10, 30 or 50% ? What kind of mess would that impose on the small employer ? And what about the "one-of-a-kind" irreplaceable worker, who cannot pass one-half or one-third his workload to a newcomer ? Totally unrealistic, so provisions must be made for all these situations in which you cannot modify your labour force using a simple mathematical formula.

To begin with, flexibility. Whether the year limit is to be reached through a reduced work-week, work-month or work-year should be left to each employer and his employees to discuss amongst themselves. Maybe, for instance, some will agree it is better for the present incumbent to remain on the job for 6 months in a row while the employer breaks in a new employee. Maybe one should work in the morning and study in the afternoon, or perhaps a real 4-day long week-end is what the young adult has in mind and would suit his boss better. All reasonable agreements made in good faith should be acceptable. The State should intervene only when time is up, and only through its standing offer to pay the worker choosing leisure his full salary, at his own skill-category's price.

But more than good faith and flexibility will be needed. It is very delicate to achieve a fair distribution of leisure. Each skill-category must have its particular work-year, and there is no way we will be able to give even close to the “average” work year to everybody right at the beginning, nor for quite a while... if ever. How could we, when we do not have, even now, all the skilled-workers that we need ? And it will get worse immediately after the Gambit, because when we take away the constraint of the “produce to work” approach from the employment system, the whole labour force will be reshuffled to be used more productively. It will create shortages and surpluses, for a while, along lines that it will be quite a task to foresee.

Here, a word of explanation. We could imagine that a society that wanted to keep its manpower at work would have created only superfluous labour-intensive jobs, and that it is these jobs which will go first when we renounce a “produce to work” approach. Not so, because the labour-intensive activities are not distributed equally amongst all branches of the economy to begin with... and because the proportion of labour-intensive jobs does not correlate with the relative usefulness of the different types of production. It will be quite complex to separate the wheat from the chaff, for two reasons.

First, “intermediary” demand, as opposed to final demand for consumption, must be taken into account. Produce less cars, and there goes the job of the guy who sweeps the floor, at the factory where they make the sponges, with which they wash the tables, on which is assembled the equipment, with which are assembled the crates, in which are put the spare parts... for any contraption that goes into that car. We have Input-Output Tables to follow up on the consequences of our

moves, and we certainly will use them; but still, it will be nothing so simple as watching producers getting rid of useless production and suppressing useless jobs.

Then, the production system has not been biased solely to keep manpower at work but also to keep wealth productive. If we make up our mind, like we should, that there must be no losers in transition, we will have also to consider the impact on investments of any move we make to revamp our production. This will be no picnic either and will influence what jobs will be apportioned first and how...

Most of all, we want leisure in addition to, not instead of, the satisfaction of our “real welfare” production objectives. This means that we may still, for quite a while, ask doctors, steel-erectors or what not, to work overtime and week-ends... while a significant amount of the labour force may be in training, or working a minimum and below its skill-qualification, because there simply will be no useful work yet that it can do. How will we manage the leisure issue with fairness, if we are still to have, let’s say “steel erectors”, at work 42 hours a-week, while “steam-press operators” might be needed only 21 hours a-week, with no change in annual salary for either ? How will we make it fair ?

### ***The Leisure Bank***

The Fair Broker will operate a *Leisure Bank* to compensate, with more leisure later, all those who, through no fault nor choice of their own, but because of the intrinsic flaws of the present production system, may have to be temporarily denied their right to leisure in a creative society.



A considerable number of employers already give to their employees access to “Holiday Banks” in which they may save their vacations and even, in some cases, get their unused holidays paid back in money. The significant changes that the State will introduce are first that it will universalize the system and operate it itself, then that it will make sure that leisure is paid back in leisure, never in money and, finally, that it will use a Leisure Bank as a buffer against distortions during the period of transition, not as a perk for individual workers. This is a case where the State’s intervention is needed in view of the collective interests involved.

How will the system work ? The basic rule will be that it should always be up to the employer to decide how much labour he needs to achieve his production objectives and whom he wants to hire. The State’s responsibility is to make it fair for all. State the Broker will maintain a Leisure Bank to have all ends meet during transition, and to make sure that there are no losers. The Bank will cover two broad categories of cases.

First, all workers of the skill-categories for whom the legal work-year cannot immediately be reduced to that of the “most favored” skill-category will receive, for the difference, *Leisure Credits* redeemable at anytime during the next ten years, at the worker’s and the Bank’s mutual convenience. In this particular use of the Leisure Bank, the worker has no initial choice; it must be a collective decision to decide whether workers, in such or such category will work 15, 25 or 35 hours a-week.

Going back to our fictitious example, if steel erectors have to work 42 hours a-week while workers of the “most favored” skill-category work only 21, and if that situation should remain unchanged for 3 years before more steel erectors are trained, then the initial group of

steel erectors, by that time, could have saved enough Leisure Credits to go home on full pay for the next 3 years. Needless to say that the State will do its utmost best to train and certify workers for skills for which there is heavy demand, and thus to bring down the average work-year for all to the level of the most favored skill-category.

The other use of the Bank will be for the "special cases" to which we alluded before. If Johnny Worker and his boss both agree that, for the time being, he is irreplaceable and must go on working 30 or 40 hours a-week while people in his skill-categories normally work 20, then let the Leisure Bank credit him with the 10 or 20 hours a-week of extra work in leisure, redeemable at the common convenience of the worker and the Bank.

The Bank will have no right to force the individual to use his Leisure Credits only during the periods when there will be a surplus of manpower in his skill-categories, but it may offer as an incentive, a "bonus" to the worker who accepts to do so. On the other hand, the worker will be allowed to use his credits only with the agreement of the Leisure Bank... except when the sum of his credits will equal the rest of the work he "owes" the community before the expiration of the ten-years period. When it does, nobody will have the right to question his decision to enjoy it then and there; it will be the absolute right of the worker to claim his due... or to lose it, since never, under any circumstance, could a Leisure Credit be transferable or redeemable in money, or its validity prolonged beyond the 10-year period.

Will most workers who have a choice opt to work now and have leisure later, or the other way around? An incentive to delay will be that the worker redeeming

his Leisure Credits will receive the income that corresponds to the skill level he has attained at the time he decides to do so. It will depend most, however, upon the way leisure is perceived... and upon the success of the new entrepreneurs. The State itself should be neutral. No pressure should be put upon the workers or employers to take, or not to take advantage of the Leisure Bank. The State, as the Fair Broker, should be content to make sure that there are no losers as we share the load, and thus to make transition possible to a leisure and entrepreneurship oriented society.

By the time the State is committed to redistribution of the jobs' workload, it will have in and out of its payroll a significant proportion of the population, will be spreading around quite liberally huge amounts of money and will have an excuse to put its nose in the work contract between the employers and their employees. This is quite troublesome, in a society of freedom and initiative... until you realize that the State today spreads liberally huge amounts of money, has almost everybody on its payroll, and has put its nose in so many pies already that it suffocates and ruins the dish for us all. The truth is that a gambit on leisure does not increase the State's involvement; it creates leisure and participation, makes people more responsible... and allows the State to become a more demanding provider.

## **5. The demanding provider**

The modern state has to provide for its children; it is the positive reinforcement way to rule and, presently, we will have no other. This is the consequence of an interdependence that began first with the division of labour, has grown through the consumer/producer

equilibrium of the Machine Age, and will now bloom fully in a creative society of Helots and Alphas.

“Give or give more”... Give too much though, and you have entropy; do it awkwardly and you court anarchy. State the Provider must learn to be fair and efficient, lest the “give or give more” approach that comes with the new imperative lead us into deep troubles. This does not mean that the welfare system should not provide for the special needs of the quadriplegics and the blind, that we must not care for the totally handicapped, or that our veterans are not entitled to everything they were promised. We cannot and should not suppress all transfer payments.

It means, however, that in most cases, giving, for the State will become a matter of give and take. Welfare policies will restrict unconditional transfer payments to those who *cannot* contribute to the common efforts at all, and the able-bodied adult will not receive money unless he does something in exchange. What he receives will be related to what he offers, and he will be expected to be available for work. The State will become a more demanding provider.

### ***Caesar's pledge***

If the worker plays along, though, the State will meet its responsibilities and be true to its word. When as Matchmaker, Teacher and Trainer the State will have had its say, it should be up to it to find employment for the worker... or at least to provide him with an income that corresponds to the new skills he has acquired through training. The State will move into income policies. In the beginning, the offer to enter an “income contract” with the State will be made to students in professional education and trainees only; but, because

the number of students and trainees will grow rapidly to reflect the increased mobility of workers on the labour market, the number of people enjoying this type of deal will soon become significant.

As a second step, the Fair Broker will volunteer to take people out of the labour market for part of their active life, and to sponsor their leisure and entrepreneurship while it integrates as much as possible of the labour force in the job framework. This does not look very demanding ? Yet it is, because the approach, in both cases, totally diverges from present policies.

As we share the load and drastically reduce the number of unemployed to increase the “leisure” of all, we move away from a basket-case, “obligations-related” system of transfer payments seen as *gifts*, to a new “skills-related” system of complementary payments by the State, based on income contracts as a *right*. Payments then reflect the “category” of the worker, based on his skills and on his desire to grow and contribute with all his talents to our common objectives.

A far more efficient system, because motivation is the first problem in an affluent creative society; the present approach is disastrous. The moment transfer payments begin to reflect the change up from a level of subsistence to the level of consumption income, the “obligations-related” approach can offer no more incentive: only a “skills-related” approach can provide the positive reinforcement that we seek. In years to come, the worker will go through a constant cycle of unemployment and training. How do we expect him to put his heart in it, if every time he becomes unemployed once again, his income falls back to the same level as his untrained mates and bears no relation to his previous training efforts and the skills he has acquired ? As unemployment becomes a normal part of a career

plan, we cannot afford *not* to introduce a differential in unemployment related transfer payments.

The “skills-related income contract” approach is not only more efficient. It is also fair, because it asks from the worker what the worker can give, but sends back to Caesar the responsibility that only Caesar has the means to endorse. It is the State, matchmaker, teacher and trainer, that can estimate the manpower requirements by skills and can determine how many workers should be trained to fill these requirements. It is the State that has the relevant information to decide which workers have the best profiles to be admitted to training, and it is the State which will eventually certify that trainees have learned what they had to learn and are now qualified. It is the State, from now on, that should make sure that everyone is employed as productively as can be and receives his income as a right, not as a stipend. It is the State that will gamble and fully underwrite the employment risks of individuals.

A government must not only have the authority to match its responsibilities but assume responsibility for its authority. The State, even in full possession of its charts, figures, data, statistics, projections, production objectives for various horizons, manpower requirements for the short and long terms, can still make mistakes in its estimation of manpower needs. The State sometimes may err, but this should not be the individual’s concern.

When the State, acting on the people’s behalf, decides that an individual would be useful with this or that qualification, and asks him to devote his time and efforts to acquire the necessary skills, it should not, later on, be up to the complying individual, but up to the State, to worry about miscalculated needs and technological changes. The individual should not be

held responsible for the planners' mistakes and it is the State which should pay for the damages, not the individual. We will, soon thereafter, extend the skills-related income contract approach to all workers and bring in all the hard-core unemployed that a "work-first-the-maximum-hours-for-your-skill-category" provision will have kept away from the Broker's bonanza. We will bring in all adults Do-not's who will care to register and to be certified for a skill-category and job participation. The State, at last, will pledge guaranteed employment for all.

"Guaranteed employment" is the community's point of view but for the individual worker it reads "Guaranteed Income" and it means life-long security. It means, *beginning on his or her 16th birthday, a minimum guaranteed income for each and every American citizen who cares to register as a worker.* This will be a great positive move for a benevolent Octopus involved in a perpetual popularity contest... and will prove the answer to most of our employment-related problems.

### ***Guaranteed Income***

Caesar's pledge to pay workers what they're worth at all times raises two serious questions. First, can we, as a society, afford a skills-related system of guaranteed income... and, second, what about the worker's freedom of choice and the rights of employers? Let's take these points in order.

First, of course we can afford it! We are paying that much right now. Remember that we will simply welcome back to the labour force — to work! — people who are already getting money from somewhere. They are not starving, now, are they? "Guaranteed Income" looks quite impressive — and it is meant to

look impressive — but actually it imposes upon the State little that it is not doing already. Today, when things goes wrong and Johnny Worker finds no work, is he left penniless and totally lost for society as a consumer ? Of course not! State the Father, through unemployment benefits, social security and other transfer payments, provides him with a minimum subsistence level income. Destitute citizens now do receive an income, and it is a recognized and accepted part of our present social contract.

So, let's not confuse symbols with reality: it is always the same global income, in terms of goods and services produced, that will come up for distribution and nothing, in a guaranteed income approach, says that the curve of distribution has to be skewered differently. A skills-related guaranteed income is intrinsically no more costly than the present "obligations-related" approach; The truth is that it can be any price we put on it, since it all depends on the number of people in each skill income category. Let State become the Provider and it is State the Trainer who must be cautious, for it is on the certification policy that rests the cost of the whole process.

Suppose for instance that, in 1982, the 62.5 million Do-not's in the active population all had been certified at a skill-category which would have guaranteed to each of them a minimum salary of \$ 5.00 an hour. Suppose that a fair redistribution of the jobs would have integrated all of them to the labour force, to work the minimum 35 hours a-week, 48 weeks a-year that we now think reasonable, leaving unchanged the salary of all others. Would it have placed an insufferable strain on the finances of the State ?



Total salaries paid to all the former Do-not's would have amounted to \$520 billion, which it is enlightening to compare just as an illustration to the cost of our transfer-payment system during the same year: \$592 billion. The back-to-work operation of the Demanding Provider would have meant a **saving** of \$72 billion!

But suppose now, that skill certification had turned all the non-participants and the unemployed, not into minimum salary workers, but into more average workers at, let's say, a salary of \$20,000 a-year for example. No savings anymore... the net cost increase jumps to over \$650 billion! The point is that it could be these, or any other figure more or less generous that we find socially acceptable and economically convenient. Its all up to the Trainer.

Therefore, it is important not to confuse how much we give with the way we give; the skills-related system is not more costly than doles and hand-outs. We may — but we do not have to — use it to distribute wealth more equally, and more equality is not always the panacea it appears to be. The question thus is not whether we can “afford” the new approach to income redistribution, so much as whether or not we want to make redistribution a “right” rather than a “gift”, and relate it to the State-certified skills of the worker rather than to “obligations” that will be dramatically reduced, by the way, when most adult Do-not's are accepted as Do's.

The price of welcoming them is but half the picture, though. The other entry on the ledger must be what the “back to work” movement of the Do-not's will bring us. Will moonlighting by workers who will enjoy security with leisure, and will be encouraged rather than dissuaded to engage in productive activities out of

the job framework, generate enough additional wealth and welfare to cover the expenses ? Will it justify the price tag that the Trainer will put on the income contracts, and therefore the cost above present transfer payments of the new skills-related guaranteed income and of the entrepreneurship sponsoring system ?

It depends where the extra income will go, for “to afford it” means we can deliver welfare for the money issued, and it is the workers/consumers who will decide if enough welfare has been produced. Back on the job after work redistribution, the worker will receive a fair compensation in accordance with his skills and will have more money in his pocket. Just welcomed back to the labour force, he is unlikely to save, hoard, invest and build huge bank accounts; he will spend this money immediately, and more money into the system will mean either inflation or more effective demand for these additional goods and services that the moonlighting workers will produce in their leisure. Some of these services will sell and some will not...

There will be extreme elasticity in the demand and in the price of these services, since they will mean surplus income to the seller. The whole moonlighting production will become a buffer of “work”, quite more acceptable than the present buffer of “workers”. Good, but it all comes down, finally, to the workers either producing something valuable enough on their own, using their own creativity, to spend their own money to buy it... or else becoming “reluctant consumers” in relation to the very result of their own enterprise! If we will go on believing in initiative and a system of free enterprise, we better believe the first alternative will come true... and be right.

The second question is the balance of power between the State and the Individual. Will guaranteed income and the State's implication in employment procedures give it too much power? Will it mean less freedom for workers and employers? The truth is, guaranteed income does not take away from the individual any significant freedom of choice that has not been taken away from him already. We say that, today, the individual "chooses" his work, but it is a fallacy... it is the job that chooses the worker! For the worker, freedom of choice on the labour market is like a decision, between meat patty and shepherd's pie, in the cheap restaurants close-by, along the highway, when one's car happens to break down.

If he is lucky and there happens to be work available for which he is qualified, the worker today has the right to go and peddle his services around; he has a right to choose *where* he will work. *What* work he will do, though, depends on the training he was able to afford when he was young. Real choices are made at the educational level, and it is the options taken then, at a relatively young age, often at random or under duress, without knowing very well the collectivity's real needs for skills, that presently determine what type of jobs the worker will "choose"... if he is lucky.

If he is not "lucky", if there is no need for the type of work he can do, either because he took the wrong educational decisions in the first place or because the market for his skills has vanished, then the worker, in our supposedly free choice system, has gambled and lost. If he is a bad loser, he may stay down and stop working altogether, because no one needs him in the first place.

An interdependent society of Alphas, in which we will need the work contribution of everybody, has to be another ball game altogether: it ceases to be practical to let the individual gamble and loose on training and employment. Let the State gamble and the workers work...

As for the impact on employers, let's wake up to reality. Some may believe that a work contract today is still an agreement between two private parties, but the truth is that this supposedly "private agreement" has long ceased to be so, and now implicates the State in all its essential parts.

Transfer payments are particularly interesting for our discussion, because the fact that the State has already extended a "safety net" below the trapeze, to catch and put safely back into play workers unfortunate enough to trip and fall, proves without a shadow of doubt that "employment" and "work" are collective matters; it is you and me paying to spread a net below for the unlucky misinformed, ill-trained workers....

But the net below is just the friendliest aspect of it, just the ultimate expression of the new reality. Look at the nets *around* the employment process. The minimum salary that can be paid to a worker is defined by the Law; the maximum number of hours he can work is defined by the Law; so are the hygiene and security conditions of the jobs. The extent of the work he can do, in relation to his skills and qualifications, and the salary he must be paid for a given occupation are also, more often than not, determined by the Law, or by collective agreements that are enforced by the Law ...

Look at the present constraints on the “employer-employees” relations. A deal for guaranteed income does not put an additional burden on the employers but, to the contrary, it frees the production system from a whole bunch of social and moral responsibilities that could best be taken care of outside the production system. With guaranteed income, employers may once again abide by the straight rules of productivity and common sense: producers may produce economically and the State may take care of social implications.

The danger of loss of freedom is not in the new approach. The danger is here to-day, with those nets all around work rather than only below the worker. In fact, the only significant clause now missing from the work-contract — which is really now, a three-way social and public agreement — is a clause to stipulate that the worker must work... Which leads to the beneficial impact of the GIA move on us all. There is nothing, in the present social contract, which says clearly that, corresponding to his *right* to receive an income, the worker has also a social *obligation* to work. Anything that would relate compensation to skills, and make it conditional upon services rendered, would be a net gain for taxpayers.

There will be something for us all in the guaranteed income approach, because its corollary is that there will be at least some modicum of work to be expected from the Do-not's. A definite improvement on the present transfer payments for which we receive NOTHING. Let each average Do-not produce the same output as the average Do, and it could simultaneously increase the standard of living of the average American by 20%... and reduce the working week by 25%...! And more, much more, may be expected to result from the

enterprises of the moonlighting workers as they get to work on their own.

Guaranteed income will come to pass for two main reasons. First, the advantages in terms of good planning, motivation, human dignity will more than justify the differential, if any, between whatever certification pattern and income profile State the Trainer might decide upon and the ever growing cost of transfer payments. Second, it will also mean exceptional goodwill for the Administration that will take this initiative. We will love it so much that it will probably be made the object of a constitutional amendment...

### *The XX...<sup>th</sup> Amendment*

The **Guaranteed Income Amendment** will stipulate that the optimal management of our human resources is now the responsibility of the State. It will not be a forced labour approach; the employers will go on hiring who they want and workers will work as they like, even more so as the net of social measures *around* the work contract will lose some of its importance. It is when the worker falls into the net *below* that the GIA will visibly come into play, and then it will mean significant changes for the worker.

To begin with, State the Matchmaker will have work for him; it may be a job, it may be a training assignment, but it will be a productive activity. State the Provider will also have a cheque for him, just like today, but it will not comply with its obligation to hand him the cheque unless the worker too, complies with *his* own obligation to work.

For some of the workers, if not for society, this may be the bad news. The good news is that, if he complies, the cheque will not be a dole to survive but will be issued for the worker's full compensation at the highest level of certification he has reached: certification, in the skills-related guaranteed income system, is an income contract. The State does not owe some kind of minimum subsistence level income, as a charity, to the unemployed worker who has kept his part of the bargain to follow a State-designed career plan; it owes him *his full salary on a contractual basis*. It owes him his salary not only for the actual use of his services, but for his availability.

What does that mean ? It means that a constant drive for more productivity and unrestrained technological improvements will make masses of workers temporarily "obsolete". In this situation, it is the willingness of the worker to comply with his obligation to work, rather than his actual participation in the production process, that must be the essence of the income contract. The worker's part of the bargain is to be available, to put his skills, brains, and energy at the disposal of society for productive work; the State's part of the bargain is to take advantage of this availability in the most efficient manner, and to provide him in return with the expected income. These should be the terms of the contract. The income contract will rest on "availability", not on actual use.

Surprising ? Is it not the situation that now prevails in any corporation that hires people on a salary basis to have them at its disposal, rather than pay them bit by bit for the performance of specific tasks ? Should the State make a mistake in its assessment of manpower requirements, it will honor its income contracts even if there are no jobs that fit precisely the worker's

qualification. On the other hand, it must be legitimate for the State to alleviate its burden. Availability is of the essence of the bargain and, since the State's mandate is to optimize the use of our human resources, the worker also must be available ... and "availability" must be a willingness to work at what work there is to be done. This condition will apply in two occasions.

First, at the moment of certification. Everybody must have an income, and therefore has a right to be certified for some skills; on the other hand, society cannot afford to guarantee everybody an income for just being what they want to be, and it is undoubtedly in the public interest that certification, in each skill-category, be granted to the minimum number of workers necessary to fill the tasks for which there is a demand. As a result, more workers will hold the necessary educational prerequisites than can reasonably be admitted to training and certified, and many people will be certified below the skill-category that their full educational profile would support.

This will create systematically what we have at random now: an overall surplus of well educated, but yet untrained labour. This reservoir of knowledge and potential skills will not only be a most precious asset of a growing technological society and the essential basis for entrepreneurship and creativity, it will also be a deterrent against this threat of blackmail, to which we referred earlier and which will always be present in a complex, interdependent society of irreplaceable workers.

I can hear from here the outraged catcalls from the left corner of the ring, as I suggest to jeopardize the sacred bargaining power of the working class. You may hold your peace, Brothers, because this is not a proposal for a reserve of cheap semi-skilled labour for



the benefit of the “capitalistic bourgeoisie”; the objective is not to make sure that we have more floor-sweepers than we need, but never to be more than a couple of months away from being able to replace such comrades workers as nuclear physicists or, going back to our previous example, anesthetists.

Second, the condition of availability will apply at the moment of assignment. A worker already employed should be perfectly free, of course, to accept or refuse an opportunity for training or promotion. If unemployed though, he should not refuse without a valid reason or, if he does, he should put all his chips on entrepreneurship and stop bothering society for assistance. If he does not meet his social obligation to work and refuses to be helped into another productive function to alleviate our collective burden, why should he enjoy his social right to a guaranteed income ?

Then, sometimes, the Matchmaker will goof and be short of certain jobs for a while. The Provider will owe the surplus workers their full salary for availability but *must* make use of this availability; otherwise, unoccupied workers may go sell a second time, at bargain prices, the unused services for which they have already been paid once, and we may really end up with a reserve of cheap labour! Consequently, the State must be allowed to give the worker a job for which he is overqualified. The State then, will only have to pay the difference between what the worker is worth to the employer on the labour market — the wages for the skill-category in which he will be put to work — and what his own income contract stipulates in accordance with his certified skill-category.

Thus, an engineer may be paid as an engineer to do an assistant-engineer’s job... This would be a mismanagement of our human resources, of course, as well

as an embarrassment to the downgraded worker. Let the unlucky worker bow and cope with his embarrassment..., and the government be called to account democratically, in due time, for its management of human resources just as for the rest of its mandate.

It looks like a lot of power for the State. May we entrust that much to the Octopus ? We may do so without fear, when we remember that the manpower management we have just described is for *jobs* only and that jobs will lose steadily of their importance. The State will match, teach, train and often pay workers for doing or even not doing their jobs, but these jobs will account for a small and ever diminishing fraction of their active professional life. Guaranteed Income may mean more power for the State... but over a much narrower part of human professional activities. It will mean a lot, though, for the worker, in terms of security and dignity.

Enough to make possible the gambit on leisure... and to make it necessary. A gambit on leisure is impossible without the basic security that only a guaranteed income can offer to the worker in transit to entrepreneurship. On the other hand, it is precisely the huge market for work activities outside the job framework that makes it reasonable for the State to take upon itself the responsibility to put everybody back to work, and to guarantee a continuing adequate income for an ever diminishing workload in the job framework.

With a guaranteed income for a "job" that will come to occupy a smaller and smaller portion of his available time, Man will take more risks, so you may forget about a tame society that will crystallize and slowly stagnate. Real action will take place *outside* the job framework. The Guaranteed Income Amendment will allow Man to fly higher and to become bolder on

the Flying Trapeze of his ambition. Be prepared to watch the antics and frolics of universal entrepreneurship.

## **6. The discreet angel**

As our Civilization counts its centuries and prepares to move out of its teens, the Guaranteed Income Amendment (GIA) will be a milestone: it will mark the end of the millennia-long Age of Toil and be the symbol that we are coming of age. Will it close the deal on Clause #1, and solve all the problems between State the Father and its spoiled children ? Not quite, since most of what we really want will have to be obtained through work that cannot, or should not, be fitted into jobs and certified. State will have to cope also with the growing mass of these unique, interdependent, self-employed workers who are about to replace most of the salaried workers still busy with tools and machines.

Machines brought the greatest migration in history from the countryside to the cities, and a massive transfer of manpower, from agriculture first to industry and then to the sector of services. Now, as Helots impose the new imperative, we will face once again a massive transfer of manpower; out of the job framework, this time, into self-employment, professionalism and entrepreneurship. Self-employed professionals, in the traditional sense, will gain in number and importance while, simultaneously, the very nature of the work to be done will have even those who remain in the job framework adopt new behaviors and priorities and become more “professional”.

Then, as G.I.A. will give the common worker enough security — and therefore self-confidence — to focus his day-to-day interest on something else than a

mere job, the number and importance will increase of those encouraged to “fly the trapeze” after hours, and whose interests will coincide with those of the full-time entrepreneurs. Moonlighters will join the new **entrepreneurial class** to strive for more dynamism in society, a higher ratio of change, more risk-taking, faster social turnover and a fluid pecking order. The greatest gift of GIA is not security in the job framework; it is the confidence to expand work beyond that framework.

Thus a new effective majority will coalesce and emerge, taking over from the crumbling majority that now runs the show, the majority of machine-owners / employers supported by the mass of their employees. The new entrepreneurial majority will consist of those who will have learned to accept as normal the constant changes inherent to a creative society and who will feel at ease riding the ups and downs of fortune that come with these changes: the *managers* who, even when employed, remain basically on their own; the *professionals*, both the traditional self-employed “high professionals” and the new professionals in the employment structure... and the *entrepreneurs*, both full-time and moonlighters, including all the self-employed creators, facilitators and dealers in good, services, thoughts and feelings. The different viewpoint of the professionals, managers and entrepreneurs will eventually prevail, because theirs are the ways and objectives that best obey the creative imperative.

Professionals, managers and entrepreneurs of all kinds may be about to become the new effective majority, but where will they stand, immediately after GIA, in a society that will bend over backward to care for workers in the job framework ? What will be the State’s attitude, first towards the workers that defect to the realm of the unprogrammable to become

“professionals” — and will not take a job for an answer at all — and then towards those moonlighters ,swinging after hours on the flying trapeze of entrepreneurship and creativity, the “4 to 3 for leisure” workers, who will room and board in GIA but whose heart will be elsewhere ?

Let us be very clear on this point: as much as the State would like to extend a net below the “workers of initiative”, not only out of benevolence but to keep some control on their activities and further ease the change in our ways to work and to rule, *the whole field of entrepreneurship, both full-time and part-time, must develop outside the GIA system.* The GIA net cannot be spread outside the job framework and, even within the job framework, GIA cannot be spread as a net below everything that is done, but must rather exclude specifically what calls on entrepreneurship.

This is vital, because GIA must rest on certification and to certify initiative would lead to “certified initiative”. This would mean nothing new could emerge unless it had first been blessed by the criteria of the present, and this is certainly the most direct way to instantaneous, permanent stagnation. For entrepreneurs of all types, it is not some “GIA-for-initiative” but the job framework itself that should play the role of the net below: let those workers who fail and fall out of entrepreneurship... fall into a job. State should be wary lest it interferes with initiative, it should remain discreet and preferably invisible, be as a guardian angel...

*The elevator ride*

Guardian angel to managers. Certification and guaranteed income are for all those who are employed in the job framework; will managers be certified ? Yes and no... It is not for the State to certify Chairmen of the Board, or Junior Vice-Presidents, for we don't know what a "junior vice-president" is to start with... and what is a manager anyway ?

In the high spheres of Government and the corporate world, the State will mingle little with things and do its best not to confuse the intricate rules of a game that has been going on for decades. Certification must not become a constraint upon employers, and any company must keep the right to hire whom it wants, to promote the elevator boy straight to Chairman of the Board, or to pay its Marketing Vice-President five times what his qualifications would suggest; this is no concern of the State, it is the shareholders' business.

But GIA, in a sense, *will* provide a net for managers, since managers also may be competent in Business Administration, Economics, etc... and the State will gladly certify M.B.A.'s and Economists. Managers, however, share these skills with other professionals that are not managers; we must conclude that there is a little "plus" that makes them managers. The manager, as such, is a *dealer in initiative*. The State will not certify the little "plus", it is a matter of entrepreneurship.

Should he be fired from his Chairman's job, the elevator boy will be in the same position, no better no worse, than a painter whose canvas does not sell, but who also happens to be certified as a clerk. He will receive the guaranteed income of an elevator boy, like the would-be Picasso will be paid as a clerk, unless

meanwhile he has succeeded in being certified at a higher skill-category as Economist, Administrator, or what not, in which case he will be paid accordingly.

It will be up to the manager to upgrade his skills and be certified, like anybody else, or to gamble it all on his talent as a manager, as a “dealer in initiative”. If he makes that second choice, the stakes will be high, of course, because GIA will not vouch for his initiative, just for his certified skill, and it may bring small comfort to the loser if he has to go back to the elevator cage. Certified at a higher skill level though, he may simply roll with the punches and brace himself for another great leap forward in the corporate structure.

GIA will have a marginal impact on managers. Managers, in archetypal situations of “security with leisure”, were those who first developed hyperjobs; it is normal that GIA should have less impact on the behavior and welfare of these precursors in the corporate world who, in terms of security and freedom of their time, already “have it made”.

### *The Second-Shift Syndrome*

GIA may be marginal help for managers but, for the present 9-to-5 worker that it will turn into a “4-to-3 for leisure” worker, another world will open up. For so many hours of work a year, the average worker will hold the job that fits the Matchmaker’s plan to optimize our human resources; in exchange for that, he will receive from an employer, or from the Provider itself, a compensation that corresponds to his skill certification. A drastic change in his life, because it will give him ample time, on his own and at his leisure, to work out of the job framework after hours, to put his *i* factors to use and to really get down to business. Since en-

trepreneurship is a 24-hours a-day commitment, a lot may be achieved in these four days a-week of leisure. The "4-to-3" workers will moonlight and invade the markets.

Firemen of yore, who could spend days or nights without an alarm, would talk, play cards, or just day-dream through their work shift. Periodically — when it was not expressly forbidden by their contracts, we may presume — firemen developed a great urge to just sleep through their shift... and to wake up after work to go out and do something more inspiring, like getting another job on the side, for instance. Just watch for the Fireman's Second Shift Syndrome — (which is the blue-collar's equivalent of a white collar's jump into hyperjob) — to appear spontaneously in most "4-to-3" production workers.

Just like playing cards in a Fire Station eight hours a-day could create a great longing for action, so will working an average of three days a-week at a job, when the whole world of Creativity will be there, waiting to be conquered after hours. Once they are skill-certified for a job that provides income security, most workers will look at this net below and will dare become entrepreneurs of some sort in their four days a-week of "leisure". What must we do to encourage initiative in the "4-to-3 for leisure" worker ?

First of all, leave him in peace. Trust the tedium of the job to make him restless, and the GIA to be enough of a shot in the arm to have him jump. It will be sufficient that the State desist from trying to suppress moonlighting practices; the human drive for ambition and recognition will soon push almost everyone into his own enterprise on the side, through which he will realize himself as a creator, communicator and entrepreneur. For it, however, the worker will not be



certified, nor should he enjoy GIA protection. This is entrepreneurship.

If the worker wants to play golf, that's his business. If he is ambitious and wants to do something more lucrative in his spare time, it should be his choice and nobody should interfere: there are no reasons to limit someone's freedom to work in one's own time and at one's own leisure. If the State wants to take him away from selling silverware door-to-door, or from putting his fingers in real estate deals, then let the State offer the worker something more interesting or more lucrative to do with his time and energy.

It will be an open market and, if the worker is so successful doing whatever he does with his leisure that he can afford to turn down the jobs that the State offers him, then three cheers for the successful entrepreneur: he has been properly helped through the rite of passage and has proven that there is a demand for what he has to offer in the realm of the unprogrammable. Nobody should stop him but, to the contrary, the State should encourage him to join the ranks of the fully self-employed.

With 4-to-3 workers also, the State should be content to play the role of a guardian angel; to remain invisible but to keep in the background, ready to pick them up in the GIA net if they trip. If the would-be entrepreneur fails, he should merely have to knock at the door of the local Employment Office, put his skillcard on the table and say he is now available: the State should be ready to give him back both a job and the income that goes with it at his highest level of skill certification. No complaints and, if he ever should feel like taking another jump in entrepreneurship, so much the better. This is the kind of people we need in a creative society: entrepreneurs.

### *High professionals*

State should be a Guardian Angel to managers and all the 4-to-3 workers who will change the production system itself from the inside, but it should remain even more aloof from the “high” professionals, these different and all-important workers active outside the industrial production system. Who are they and what makes them different ?

High professionals differ on three counts from all other entrepreneurs. First, we know up to a point what they need to know, while we ignore what makes a good entrepreneur; second, self-employment for professionals is only one of the social options open to choice, while “employed entrepreneurs” is nonsense; finally, we can do with more or less entrepreneurs, but no civilized society can do without a certain ratio of professionals... We simply cannot do without them.

We know what a professional should know... up to a point. Like any factory worker, his work consists in gathering data and assessing a situation on the basis of his knowledge, after which he must make a decision and act. There are simply more data to assess, more knowledge to have, and his decisions are somewhat more crucial. So many more data and so much more knowledge that, although the professional may be taught routines and algorithms, he will still have, more often than not, to follow his “judgment” when comes the time of the crucial decision.

We do not know everything that a professional should know: his work is unprogrammable. We know pretty well the bare minimum that he *must* know though, considering the state of the art in his given profession. For this bare minimum, professionals undergo years of studies and training. and, for this

“minimum”, they must be skill-certified. Even today, most professionals are certified; certification already exists for physicians, lawyers, engineers, etc. Electricians and plumbers are also certified, lest houses burn and basements be flooded and, with affluence and technology, more and more unprogrammable services rendered by self-employed workers will be declared of public interest and certified. For our present discussion, it is irrelevant where we draw the line to include or exclude a specific profession.

The important point to make is that skill-certification for professionals is here to stay. Actually, it is in this sector of manpower that skill-certification is most necessary, to make sure that the services that are offered to the public are up to standards. Presently, skill-certification is a process in which universities and professional associations participate; universal skill-certification by the State would not substantially modify this process. The high professionals would still acquire knowledge and undergo practical training before they really mastered their skills... and would still be certified by the State on the recommendation of their peers — who else but their peers ? — on which the State would put its stamp of approval.

Skill-certification for high professionals is no problem. The problem is certification for income. It is possible to give employee's status to a high professional, and therefore to put him on the Provider's list for guaranteed income. But, as we said before, high services are not gum-drops to be counted and chewed. Although the professional will have to be skill-certified and certification will impose a constraint upon him, the proper social choice is not to fit him in a job and pay him an income, even related to what he “produces”.

Though “certified”, a high professional must remain self employed.

Self-employed, because we want the public to be the final judge of the quality of the services it receives. This is possible only if the high professional's reputation and material being are closely related to the client's satisfaction . As we said before, we must not break but rather reinforce the link between the suppliers and users of services. Another good reason for having self-employed high professionals is that his profession should be to him his own hyperjob and full-time enterprise, a vocation calling for 24-hours a day dedication: real entrepreneurship. Who wants doctors and lawyers working half-time on a full day's salary, while they get interested in fishing or real estate ? High professionals are like entrepreneurs: their activity cannot fit the job framework.

On the other hand, their skill does not depend mostly on creativity, but rather on extensive and expensive knowledge and training, and their “enterprise” is not one that we can take or leave: it is vital to us and in short supply, which brings us to the third “difference”: we need them. The creative society will have to cope with a huge demand for high professionals, maybe even a demand for more “high professions”, as many more unprogrammable services will be deemed essential to individuals or to society as a whole. There must be enough high professionals certified in each high profession as in each “skill-category”.

We want more professionals and more professions and yet... Entrepreneurship with constraints ? Certification without guaranteed income ? Looks like the Age of Toil once again doesn't it ? What will be offered as a “net below”, in lieu of GIA, to doctors, lawyers and other high professionals ? What will the

State do for them and for us ? How will we increase the quality and quantity of high services, make them affordable to everybody and, simultaneously, maintain and encourage self-employment for high professionals, as the only proper framework for unprogrammable activities ? The professionals' status should rank high in our creative society. How will we guarantee proper income and status to high professionals who will still be certified for skills... but not for income ?

First of all, let's consider that high professionals, today, are unlikely basket cases. Have you met any bankrupt Dental Surgeon or Physician lately, unless they really had tried to make it big in business deals ? We have a bull market in high services, a lengthy curriculum to separate the men from the boys, and a working twin-system of private insurance and Social Security that picks up the tab; the situation that prevails now may require little improvement, and maybe the high professional who cannot make it in these conditions should simply find a job.

Maybe. On the other hand, though, as their number must increase to meet demand, whether or not we have all the high professionals we need may depend a lot on whether or not they are offered a better net below. So, let's impose no changes that are not essential on a society that will have to cope already with all the changes it can take, but let's make sure we do whatever is necessary.

Let's regulate the number of high professionals to make sure that an adequate number of students and trainees are admitted to study and are trained for high professions. To achieve this goal, Teacher and Trainer must see to it that the compensation for future high professionals, during their preparation years, be in line with the commitment and hard work expected of them,

and with the real services that they render during the final stages of their training. The other concrete move we should expect from the State, for the time being, in the field of high services is to guarantee that all of the high professionals' bills are paid.

Then, there is the case of the "not-so-high" professions, which one may practice better on his own but for which employment is an acceptable second choice. Here the worker might have the best of two worlds, since the number of trainees certified will be adjusted to demand, and so as to give the plumber or electrician a fair chance to make it as an entrepreneur... while skill-certification will allow those who prefer the security of GIA to remain in the job framework. Practically, the competition "after-hours" from the 4-to-3 workers should soon reduce employment in trades to a marginal role: the net below.

### *Dealers in things and thoughts*

Next to professionals, in the new majority to come, we find the real honest-to-goodness entrepreneurs whom it would be unproductive to certify, and who cannot be certified anyway, because we do not really know what makes them run. Often, we will deal here with the successful moonlighter and the basic policy should be to let the job framework be the net below.

Take suppliers, retailers and providers of personal services for instance. We have no real way to judge the total impact of their activity on the production system and on our real welfare. We can work statistically and say that there should be so many gas stations per square miles of urban area, or per so many miles of highway; we can make it a target to have that many grocers, cleaners or tailors per hundred-thousand of popu-

lation... and be partly right. We may well be right, insofar as that many customers may provide, with a decent living, that many workers supplying such and such services. But, when the question of income for the supplier of services is settled in the job framework by GIA, what do we know of the real value of his enterprise in terms of the real welfare it procures ? Maybe the new gas station gives a much better service; maybe the new grocer simply needs the human contact with the clientele, and is giving something intangible but invaluable in return.

Then, take intermediaries in the distribution chain, agents, takers of cuts and agios, five-percenters of all kinds; maybe more intermediaries are just a waste of energy..., but then, it may be great for the global dynamism of our society. Who knows ? It is not the State's business to pay the worker to do such things, nor should GIA be extended below these types of enterprises... but, unless he endangers public safety, makes false claims as to the services he offers, or otherwise acts improperly, it is not the State's business either to decide whether or not the worker, full-time or at his own leisure, should or should not spend his efforts doing something he likes and considers productive. This means he does not have to be certified and cuddled, but the State should keep its tentacles off him. Entrepreneurship.

Same with the production of ideas and beauty. Take all the producers of ethical and esthetic values; who are we to judge what is good and bad art ? Who will say how many artists — in the widest meaning of the word — we need in a Creative Society ? Artists must develop far away from certification, for to certify artists would lead to “certified art”, which is totally unacceptable. Not only artists, writers, moralists and

preachers of all kinds and creeds should not be certified, they should not even be subsidized, since subsidy is a certification in disguise. It is the people, not the State, which should pass final judgment on what art it wants; the art that the people want is the art that they patronize. An artist who cannot live by his art, like an entrepreneur who cannot live by his enterprise, is not producing what the people want.

Whatever our society wants to do for the arts should be as neutral as possible regarding form and content, and therefore profit equally all those who try to make a living as artists, whatever the broad definition we are to give to "Arts". For instance, let the State build theaters and concert halls and pay for their staff and support technicians; this is non committal and merely improves on soap boxes for street preachers. But let access to these be obtained partly on a "first come, first choice" basis, to encourage initiative and determination ... and partly on a "highest bidder" approach, to recognize that success and "what the people will pay for" are, for today, the final criteria. As for posterity, why not let tomorrow make its own judgment... ?

Want to do more ? Then give every citizen five or ten "mastertickets" with which he can have access to any cultural event, and for each of which the State will pay the organizers of the event the normal price for a top price ticket... Or, alternatively, double by a subsidy what the event has been able to draw on its own. Do anything, provided it is done to support, not contradict, public tastes. The principle of democracy is that we do less harm if we give people what they want than if we impose upon them what we believe to be good for them. Why not let it be so with the arts as well ?



Because the scales have been so tipped against intangible values in our society, we have a guilt complex towards non-conformists which makes us help the chaff to grow for the sake of the wheat. In a leisure-oriented society though, where each individual will have all the free time to create, undertake artistic endeavors of his liking or to deliver his soul message, to become an artist should be a decision that goes hand in hand with the determination to do it in one's own free time.

The job framework should be the net below. Art per se cannot be certified, and artists, *as artists*, will not be protected by GIA, no more than entrepreneurs *as entrepreneurs*. Would-be artists will avail themselves of the GIA to hold a job, to earn a living doing some work for which they are certified and that has undoubted productive value; they will put their shoulders to the wheel, like everybody else, for the increasingly smaller portion of their time that the collectivity will require in exchange for guaranteed income. They will be certified at the level of down-to-earth abilities they have attained, being “artists” at their leisure, until they prove through success that they are producers of values for which there is a demand. When they do, let them, if they want, opt out of GIA like any other successful entrepreneur, and free themselves from their “menial” jobs to dedicate themselves entirely to their art ... and join the new majority.

### ***The new majority***

The new majority will rely on its discreet Guardian Angel for a net below, but will call upon its guidance less and less frequently: it will work its own salvation. It will have its own status symbols, some to reflect the

growing importance of intangible values — like arts — in a society of affluence. None of these, however, is very likely to create serious problems to top-dogs or to draw much attention from the crowd. We should not fear nor expect too much from the new majority. The new majority of entrepreneurs and professionals is unlikely to denounce the authority of wealth, to renounce money as a symbol of achievement, or to strive hard for more equality.

New top-dogs — just like others before them — will hold to all the wealth/power that they can, and they will part, reluctantly as ever, with as little money as necessary to keep the power game going. We WILL have more equality; but it is the new rules of the game, inter-dependence, creativity, autonomy and the rest, that will have the new top-dogs part with more and hold to less. It will be due to necessity, not to any basic change of attitude. It is necessity also, as we begin to live with the consequences of GIA, that will determine the evolution of the production system. The new majority will develop within and around a newly shaped Cornucopia of its own making.

### III

## NEW SHAPE OF CORNUCOPIA

*In the creative society, demand will not grow for what our industrial system was geared to produce. Coming back to the foremost example, there is simply no market to sell many more cars in America. What we want is more services, more intangibles. We will have to phase down a significant part of our production capacity to a replacement level that will leave room for technological improvements, but which will no longer be based on planned obsolescence.*

*Changes at the production-line level will reflect on the structure and “Cornucopia”— the production system from which we derive our affluence— will have to take a new shape to reflect the new reality. Corporate citizens will establish new relations with their shareholders, their workers and managers, their customers and the State. New ways of investing will correspond to the new ways of working.*

*There will be fewer risks to take in industrial production and less returns to be expected from the huge investments in fixed capital in this sector. Wealth will have to move from industrial production to the*

*production of intangibles. Can we extend below wealth in transition — wealth as money and wealth as fixed capital — the equivalent of the “net below” that GIA will have provided for manpower ?*

*We will have to reduce even more drastically the labour force in the job framework, as the ways of producing brought by the creative imperative will impose professionalism. How do you organize properly the work of employees who can “take it or leave it” when it comes to their jobs and who, more and more, prefer to leave it and become entrepreneurs of their own ? How do you approach clients who have more than enough of almost everything ? How does a corporation deal with a State really committed to full-employment, guaranteed income, and leisure ? How does the State manage to finance its operations, maintain production /consumption equilibrium and fairness in transition ?*

*And what about after the transition ? It was easy to keep a share of the spoils for investors when machines, as multipliers, were essential to production. How can wealth keep a hold on a share of the profits, in a system where ideas become the multipliers ? As Cornucopia takes on a new shape, are we going to throw in the towel or, for the sake of order, keep on fighting to keep wealth productive ?*

## **1. The way of momentum**

In the beginning, there was not only freedom but also entrepreneurship. Entrepreneurship means taking decisions and making profits; it implies that gains are related to results. It lasted quite a while; the peasant of old was a real entrepreneur, who sowed and bore all the risks, the risks both of his own making and of cir-

cumstances on which he had no control (“the weather”...) until he reaped in the fall the harvest on which he would starve or survive.

With industrialization, this type of entrepreneurship lost ground, because it was unmanageable. In a complex industrial system, what each worker produces is something that may have value... if it is used..., in whatever will be used... to produce something that will be used... and so on, until you drive that car, smoke that cigarette, or until services are otherwise obtained from the goods that have been produced.

When each interchangeable worker’s job aims at some “intermediate” production for use in some “intermediate” consumption, what he produces comes to have no real value but that of a *future*, in the sense that there are corn, or sugar “futures” on the Commodity Market. How then could it be possible, for Johnny Worker, to support the risks “until harvest come ” and to wait out the time lag between his work done and its final use ?

Why should he bear these risks anyway ? There are an awful lot of “if’s”, at times, in an industrial production/consumption sequence, a lot of risks that may turn sour and a lot of efforts that may be lost, but the part of these risks that remains under the worker’s control is negligible. For a worker on the production line, to work a little more or a little better appears of very little consequence; all rests upon the “weather” now, it seems, depending on the equipment..., and marketing... and global demand... and “higher policies”. So why should *he* , the worker, bear the risks ?

If the worker himself will not or cannot bear the risks, the risks do not disappear, however, nor the notions of results and profits. Someone must put a price tag on this *work-future* that may have value, take the

burden of the risk and pay Johnny in cash for his efforts. Someone whose task it will be to take risks and to make decisions: an *entrepreneur*.

### ***Capital and the Entrepreneur***

In early industrial production, the significant risks were divorced from the interchangeable worker's performance — that could be taken for granted — and closely bound to marketing and investment decisions; so, the Capitalist could easily be also the Entrepreneur. The business owner, wearing both hats, would get both the Capitalist's "interest" — (the money that accrues to money merely because it is money) — and the Entrepreneur's "profit", the price paid to whomever will bear the risks of uncertainty, wrong decisions and adverse luck.

Even today, some Fat Investors may still wear both hats. Consider, for instance, that the capitalist who invests in anything less secure than Government Bonds is taking a risk, that he is an entrepreneur — to a point — and that any interest he draws above Government Bonds' current yield is "profit". Consider that the investor who turns money into "fixed" capital — such as the machines that will be the multipliers in the production process — runs a risk also, and is therefore part capitalist and part entrepreneur: his dividend is meant to account for both interest and profit.

Some wear both hats. The distinction nevertheless must be made, because to discuss of entrepreneurship reasonably, we must first dissociate it from the old, emotion-laden, ghost-word "capitalism". It is important to understand that entrepreneurship may lead to capitalism, but is not capitalism. The capitalists and entrepreneurs play different social roles, and often have

opposite interests; just see Shares and Bonds compete on the Stock Market!

So, it is quite misleading to discuss the entrepreneur's profit and the capitalist's interest in the same breath. It creates a confusion that gives birth to the notion of "excess profit". Because the price paid by Johnny Worker — that is you and me — to be spared the risks of the "weather" is naturally discounted from the added value of his work to become the entrepreneur's "profit", it is always felt to be excessive. Actually, when Entrepreneur and Capitalist are seen as two distinct persons, there is no such a thing as "excess profit", because the entrepreneurs' profit is always tightly squeezed between the necessary Worker / Consumer's consumption-level income and the Capitalist's interest.

No excess profit can be made for long, because little risk together with high profit will invite competition and will drive up the price of venture capital for entrepreneurs, as they rush in to take advantage of the bargain low-risk, until the capitalists reap the surplus and the entrepreneurs are left with only the "fair" price for their risk... which tends to be an equal chance to win or lose, biased only by each individual's business acumen. So-called "excess profit" will have been spent on higher interest rates and will have been transformed into "capital".

As capital, it will then be plundered by the State according to needs and the surplus money redistributed to consumers, through transfer payments and other means, so that the money will be made available for the consumers to buy everything that is produced and equilibrium is maintained. "Capitalism" as a system — as money accruing to money simply because it is

money, and the consequent wealth concentration — died in America circa 1932.

A money game still goes on amongst those who have money above their consumption needs, but it has little impact on consumers. It is a non-zero sum game only amongst the wealthy, and the surplus symbolic “money-for-power” that the rich use for chips is now conveniently borrowed, and put aside harmlessly after game-use, until it is wiped out by inflation. Capitalism is dead and now lies buried under a huge pile of Treasury Bills and Bonds.

So much for the fate of capitalism. Entrepreneurship is something else: it is momentum. Profits may accumulate and become wealth, in which case they are treated as wealth, but as “profit” they merely mean *action*! They are the cost of contingencies accepted, of “iffiness” in the process. Profit is the price that we accept to pay for entrepreneurship in our society, and it does not determine the relative financial standing of the Haves and Have-nots (there are small profits and huge salaries), so much as the risks we are ready to take and the dynamism we want.

It is a collective choice to deny profit as an incentive as Socialism does, to let it collect like fat in some spots like primitive Capitalism, or to spread it across the system. In recent years, corporate profits after taxes have accounted, in the U.S., for only 4% to 8% of National Income... A very small price, indeed, for a lot of momentum.



*The third alternative*

The State must take responsibility for what is in our collective interest and this, in a creative society, maybe more than anything else, means *production*. In socialist countries, the State, the Great Planner at the top, makes all the profit—usually less than the sum of the individual profits it negates to individuals—and has to inject it back in the system to keep it going. It is usually done without regard for motivation or initiative related to production, reducing further still the chances for “profit”, collective or individual.

In the WINs, when we discovered about forty years ago that our production system was in dire need of help, the first reaction was naturally to call the State to the rescue and for the Octopus to take over the whole production apparatus. In the U.S. we resisted the urge until now, and, although a few European WINs may still be toying at times with the idea of nationalization, the trend is rather in the other direction. It seems that good sense will prevail.

The State should not nationalize the production system, nor any part of it, for nationalization has been proven, time and again, to be a most inefficient way for the State to assert its control over production. The problem, with State ownership, is not that the people are the shareholders; the problem is that the State, acting in the name of the people, cannot resign itself to act as the typical shareholder in a modern corporation, to remain quiet and leave management to managers.

Top-dogs as shareholders, with few exceptions, have known for sometime yet that real decisions should be left with managers: top-dog owners remain content with Authority and other niceties that come with wealth. The State, as a shareholder, will not remain

quiet but will designate civil servants whose jobs it is to nose around, to grant favors, to bow to so-called higher interests, to control and question every move, and otherwise to make both life impossible for public managers and profit an unattainable goal for the nationalized industry.

Nationalization is out, because it is not only economically inefficient, but also socially superfluous. Through taxation, the State — call it the “People” if you like — is already a silent partner that benefits from the sweat and blood of entrepreneurs and may grab, without effort, any share of the profit that rulers care to determine. It would be totally absurd for the State to move in and kill, through public mismanagement, the goose that yearly lays the golden egg of corporate income tax revenues in addition to our day-to-day prosperity. It is unthinkable that the State should do something so stupid as to nationalize the ailing industrial production system that certainly needs all the initiative it can get. The State will not nationalize industries. It will cure our woes another way.

Doctrinal capitalism is dead, and the revised version that we have been implementing — and improving by bits and pieces — over the last decades, is not the solution either. Profit in our system is allowed, but the need to maintain the proper level of consumption has us link the final fate of profit to the financial situation of the recipients. The richer the worse, in terms of system efficiency, since profit then transmutes faster into “capital”, after which it assumes a mythical value only and is confiscated by Santa Claus for redistribution rather than being used to spur motivation and reward initiative.

The fewer profit-centers we have in the system and the higher up they stand along the wealth scale, the faster profit is obliterated, like all superfluous wealth, through redistribution and inflation. When there is no profit to be made and another worthy motivation is not offered to deciders, no risks will be taken and stagnation will occur.

To optimize the dynamism and to encourage motivation in production, it is necessary not only that there be profit, but that it be spreaded around and reach a maximum of profit centers within the system. So, trust a creative society to choose a third alternative. It will follow the logic of the creative imperative and of the gambit on leisure; it will promote the way of momentum, *entrepreneurship*, rather than socialism or capitalism.

## **2. Santa after xmas**

A share in the gains resulting from somebody else's action is something of a risk, a gamble; gambling on others is better than complete passivity, and it will get the silent partner at least to root for his champion. What investors do, when they risk their money in a venture without even a claim at controlling its fate, is called *portfolio investment*. To start on the path to an entrepreneurial society, we will first try to promote "portfolio" entrepreneurship. We will multiply the profit centers and let more people become investors.

### *January Sale*

It will require no great coaxing to convince top-dogs to relinquish ownership of the industrial sector. Toy as you will with the structure, enhance motivation and productivity by an order of magnitude if you can, it still will not revitalize the demand for industrial goods. There will be windfalls, still, in sales of fads and gadgets, but except in the demand for “machines pegged to men”, the industrial sector, from now on, will have to live with a replacement-level type of consumption. Corporations will have to move away from soft sectors which happen to be those of “hard” production, and into “growth areas”, the latter meaning high-tech and brain work.

So-called smokestacks industries — like steel for instance — will not close down; production should remain about as high as ever and productivity increase tremendously... but we will politely escort the blue-collar workers out of these industries and into something more comfy, because our social purpose is not to have blue-collar American workers competing for cheap labour with the people of Taiwan or Sri Lanka, but to have our engineers compete with the engineers in Tokyo to build better and more efficient fusion reactors and the like.

When GIA is effective, the mass evacuation of the industrial sector should create no problem for workers; it might create a huge problem for managers and shareholders, though, and until the crisis is over wealth will be in jeopardy. The industrial production system will remain a basket case until it is trimmed down to replacement capacity, which cannot be done overnight. Meanwhile, Cornucopia is up for sale at a bargain price. January Sale conditions!

The situation being as it is, it would be socially convenient that more and more people be involved, and that preferably everyone become part-owner of the corporate wealth. It would prove loyalty to the system, justify financial assistance and, should anything occur to the Big Bum Cheque, it would make us all severally liable for the loss. Cornucopia is there for the buying. We will not nationalize industries — there are ways to do things, the unloading will be done properly... — but look for workers to take over the giant corporations, their Pension Funds buying into the common stock of their respective employers and becoming their major shareholders.

Even at a cut-rate price it is no bargain. But, given the well-ingrained habit of underdogs dealing with top-dogs to buy high and sell low, consider it done that we, the people, are going to end up soon as the proud new owners of the industrial production system. The first major move towards entrepreneurship will be to transfer property of the after-season corporate system to the workers. This deal is not negotiable. It is less than candid, but it will have its good points. It will be a positive step to increase profit participation, will multiply profit centers and turn a majority of workers, or all of them, into portfolio entrepreneurs. We do not know, though, whether there will be profit to be shared amongst the shareholders

We should see to it that there is. There is no reason the new majority should not come into its own without violence and Cornucopia should not assume its new shape painlessly. For this to happen, though, the old majority must move out quietly. It will, if we are smart enough to forgive old grievances and to protect wealth for the sake of peace and order.

It will, if the authority of wealth is not challenged, because then for the old majority to take its leave will not mean that each top-dog individually is losing wealth or status. There will be no loss of wealth or status, for instance, for the managers — (who are the new “second order” effective majority within the majority)— but a reinforcement of their power as they join forces with other entrepreneurs. There will be no crushing blow worth launching a crusade for the capital-owners either, if we extend “nets” below wealth and, to begin with, a net below shareholders.

New “rules of the game” should increase vertical mobility, meaning the chances of everyone to come forward to take a bow in the Winners’ Circle, but behind the trapeze act of managers and entrepreneurs, there should remain the reassuring presence of wealth-as-authority. In a no-loser approach — the only one that makes sense — *the price of transformation must be supported by the whole collectivity*; not only by these shareholders unlucky enough to be on the spot at the precise moment we finally decide to do something about the crisis. Shareholders, whoever they are when the music stops, should not stand to lose... for which we may have to lend a helping hand.

Dumping Cornucopia on the common folks will not make it profitable, but it will provide us with the second best alternative which is to make it appear perfectly decent to ask the State for help once again. Once a solid majority of American voters have been turned into shareholders, we can really get down to business and be cheered for spreading the net below. We will again call Santa Claus to the rescue. Not the Robin Hood Santa Claus that took from the rich and gave to the poor, filling the blanks in consumption to protect the system and slow the pace of change; that

Santa already has his hands full making sure that there is money around for buying everything that is produced. We will call to the rescue a more mature, no-nonsense, “after Christmas”, Santa Claus, whose rationale and behavior will be totally different, because his purpose will be to accelerate changes, to modify the system and to get rid of the inventory.

The new Santa Claus may well appear to give to the rich, because, when it comes to changing the structure itself, it is necessary to apply to top-dogs also the principles of positive reinforcement and to make change attractive to those who hold Authority and Power. Santa, under certain conditions, must give money to “rich” people, like shareholders; this will be easier done if everybody is a shareholder, notwithstanding the fact that some may be holding more shares than others.

We will give to shareholders, we are already doing it. To the best of my knowledge, the expression “Corporate Welfare Bums” was coined in Canada circa 10 B.C. (Before Chrysler), by David Lewis, then leader of the New Democratic Party, to describe these non profitable companies that came crying for government subsidies to keep them afloat, brandishing the threat of bankruptcy and mass unemployment. Whether we like or dislike corporate welfare bums, they had a point then... and they still have. We may give up bailing out of trouble those who could not foresee the obvious and plan a way out of their own predicament, we may begin to abide by the rule that a corporation will be helped through *change*, not encouraged to maintain a disaster course... but we will certainly go on giving money to shareholders, because it is the only way to achieve a smooth transition.

Once we have agreed to protect shareholders (politically, the more of them, the easier) and to extend a net below “wealth as fixed capital”, we will have to do it with some flair. It is certainly in the general interest and all for the common good, but it is not “easy as GIA” to guarantee a profit and ensure the capital of investors through measures that will be politically acceptable...

### *Anet below shareholders*

Should we try to guess the method that our financial advisers will use to guarantee investors during transition ? Consider the following hypothesis. The State might put up a standing offer to buy the shares of corporations in designated “sectors in transition”, at a price that would mean full compensation for the decline in each of these sectors in relation to the Stock Market global performance. Let’s take an example.

Suppose we assign the global fictitious value “1000” to all the shares on the Stock Market. When the sector “Steel”, for instance, is declared “in transition”, we may determine that, by the same criteria, the shares of all corporations listed in this sector “Steel” are worth “70”, “114”... or what not, meaning 7%, 11.4%... , of all the shares on the Market. To simplify the calculation, let’s say that they are worth 10% that is “100”. Amongst the producers of this sector, let’s now identify one — call it “Nazareth Steel” — and say its shares are worth “10”, that is 10% of all the shares of the sector .

To spread a net below shareholders during transition, the State could put a standing offer to buy at anytime the shares of any producer of the “Steel” sector, after the sector “Steel” has been declared “in transition”, at a price that would be corrected in relation



to market price to reflect the performance of this sector. Suppose “Steel” is down to “80” from “100” while the Stock Market is up to “1200” from “1000”, then the correction factor applying to the price at which the State’ standing offer would be transacted would be  $1200 \div 80 = 1.5$ , and should the shares of Nazareth have followed the trend of the sector and be down to 8, the State would buy these shares at  $8 \times 1.5 = 12$ , on the assumption that it is transition and the phasing out panic in the Steel Industry that have prevented the shares of Nazareth, a steel producer, from moving up with the global market, a phenomenon for which Nazareth and its shareholders should not be penalized.

At first, it seems that a simple “rule of three” puts a solid concrete floor beneath Nazareth, and that the game becomes either to win or to win more. Not so, since although the approach eliminates competition amongst the various sectors in transition, it leaves the door open for competition on equal terms amongst all producers of a sector. Why bet Nazareth, if “Galilee Steel”, for instance, has the same handicap and seems a better horse ? Why use the standing buying offer to get 12, for a nominal 8 with a loser, if you can get 18 for a nominal 12 on a sound investment ?

Galilee and other steel producers that look healthy will draw the crowd away from unimpressive Nazareth, and may send it down to a nominal 6, selling then, even to the State, for a money losing 9 compared to its initial value of 10. Enough investors, impressed by Galilee and others, may also turn this “80” for the Steel sector back into “100”, or even have it maintain its share of the market at “120”, turning then into a heartbreaking real 6 (since no compensation would apply), the price the State would pay for the nominal 6 of those who had thought some good might come from Nazareth. Even

with the “net below”, shareholders in a nincompoop company would still lose; the way they should, if a free enterprise system is to have any meaning at all.

Of course, the illustrative figures above could never become a reality. Investors — particularly institutional investors who will manage the funds of Johnny Worker turned shareholder — will have their computers discount, within milliseconds, the cumulative impact of trends and of the State’s compensation. Global value of the shares of the sectors in transition will keep within infinitesimal distance of their initial referential value: “Steel” as a sector, with the State’s guarantee, will be glued to the average Stock Market mark, in relation to which Nazareth, Galilee and all the others will fluctuate according to their performances, although they will, as a group, show resistance to downward trends.

A net below shareholders is absolutely essential, even to-day, because as the huge institutional investors rather than individual investors have come to run the show, the impact on the market has been the equivalent of replacing a couple of hundred pigs by a dozen smart elephants on a small boat precariously balanced. Weight may be the same, but we face vastly increased hazards that the wise but curious beasts may all run together to take a look at the landscape on starboard and topple the craft.

With a standing order to buy shares, are we not going to end up owning collectively most of the shares, and thus achieve indirectly the State-ownership of industries that we want to avoid ? Not a chance! Once the net is in place, there are no more possibilities for panic in the industries in transition than in any others , much less as a matter of fact. Why should the investors sell in a rush out of fields of production in which, globally, things simply *cannot* go wrong ?

Participation in a stable market is quite advantageous to the shareholders. So much, that the State will have to make sure that it remains stable and that transition does not become the greatest bull market of them all. It will reach this somewhat anticlimactic result, with a policy to sell back its shares, on the open market, the minute they reach the price the State has paid for them. This will put a practical ceiling also on Santa's generosity and on capital gains in these sectors, leaving aside of course the eventual technological breakthrough that will be the future equivalent of striking gold or winning a modest sweepstake.

When the message gets through to speculators that there is actually little risk of losing money on the market by playing the industrial sectors in transition, but little chance of making a killing either... then, they will leave industrial production to Johnny Worker turned shareholder and to his so clever investment managers, and they will go speculate on something else. This decision will reflect the reality of industrial production. It will have turned into an elegant middle-age lady with white gloves, still loveable, but hardly the woman with whom to get involved for heart-pounding experiences. It is Johnny himself, from this moment on, who will have to care for the gentle lady's happiness.

### **3. Boardrooms, big and small**

He will take care... but don't think he will be all excited about it. January Sale and nets below shareholders will help a lot, because they will spread ownership of the means of production over almost everybody and defuse a few annoying issues. But it will not be enough, for the sale is not candid and portfolio entrepreneurship is not real entrepreneurship yet...

*The new decision-makers*

What makes that move less than perfectly candid is that, as they become investors, we will pretend that the common folks are getting closer to the decision level of our society. Which will not be true, of course. Workers will not really be invited to sit in the boardrooms of Exxon, G.M. or I.B.M. because, in case somebody hasn't noticed, the seats there are already occupied. The man who will physically pass the threshold of the big boardroom to displace an attorney/estate-administrator is most unlikely to have calloused hands and drink beer; he will be the smooth attorney/manager-of-the-Pension-Fund, trained to think and act as an investment manager... and to talk friendly to executive production managers.

As Top-dogs shake hands and congratulate themselves on their swindle, as workers are happy about their new purchase, managers will go on venerating both Wealth and the People... and paying them as much attention in day-to-day business as to a most sacred relic of the Holy Virgin. Managers, come what may, will go on running the production show, wielding the real power as long as a corporate industrial production system will endure.

Candid or not, passing the buck of corporate ownership to Johnny Worker is rather innocuous since, should the Big Bum Cheque be allowed to bounce, we would all in fact take the great shellacking together, no matter the name in the Shares' Registry. So why argue? Let's keep our eyes on the shining horizon; portfolio entrepreneurship, in a creative society, will be only the beginning. It is not only lacking in candor, it is also rather irrelevant. Profit participation and portfolio entrepreneurship will be a little beside the point, because the "swindle" works both ways. When the worker

has shares in Exxon, it does not mean he has acquired power..., but it does not mean that the system has acquired his unconditional dedication either.

If *given* the shares, or personally invited to join by the Top People, the worker may see his participation as some kind of “recognition” and break his back for a while. For a short while though, because, very soon, awareness is bound to dawn upon him of the tenuous link that exists between his own work-output and the ups and downs of Exxon’s shares on the market on which depend the money value of his shares, the real, tangible, material reward vested in his participation. The worker will soon find out that he, personally, has no impact on these variations.

Enlightenment will occur even more quickly if the worker has had to buy the shares and actually stands to LOSE money on the venture! Even in the best of cases, though, the pride of “owning” A.T.&T or an equivalent Blue Chip is unlikely to be sufficient to move out of bed, and through the punch clock, the average worker down with a cold or a great “morning-after” hangover. Capital participation in large corporations will be a glamorous but rather ineffective move, not because it is fundamentally wrong, but because it does not really address the problem of motivation.

Sharing in the profits of a large corporation is far too remote a reward to be effective for the day-to-day motivation of the workers. We will need something else as an incentive, something entirely different than selling each worker one-millionth the share-capital of his own mammoth employer; we will need something that will link more efficient work to more money, for instance. Selling Cornucopia to the workers will not achieve this result.

Good to invest and to gamble on somebody else, but much better to have everyone gamble on himself! The best way for the system to derive all the advantages of the motivation that comes with profit, is to go back to the old “sow and reap” approach, to try to have all profits correspond to the risks, at all decision-levels...

Peasants of yore were not so enthusiastic about pure entrepreneurship, but neither was Johnny Worker happy in his decision-free job for machine. Absolute bliss, for human beings, is to have a constant choice between risk and security. Drive forward and build your ego, then relax and feel proud; this is why we go skiing, make war or make love. Could our production system fulfill that dream and remain efficient ? The answer to-day is **YES**.

Decision-makers may, or may not, be working for a profit and be “taking risks”: those who do are entrepreneurs. In the early industrial production system, when there was a small minority of owners/deciders and a mass of workers/doers, “profit” could look like a dirty word. In a creative society, it is the worker who is the moment-to-moment decision-maker, the prospective profit maker in a production process in which machines *do* and the human actors are introduced specifically to *decide*. In this revamped production system, with Helots doing the leg work and GIA providing for security, the decisions of each worker have a new significance; they have a definite impact on results and it becomes a reasonable choice to relate once again rewards with results. We may now offer the best of two worlds to the workers: entrepreneurship at will and a net below.

As every decision-maker takes the risk for his decisions, not only does he work with more enthusiasm, but he is also granted more leeway from “above” to do it without hindrance. The net result is that it becomes

possible, then, for all decisions that are needed to be taken without delay, at the lowest level where all the information is available and by the very same worker who is closest to the situation: this means efficiency. More profits, both individually and collectively. This is the way of real momentum, the way of *direct entrepreneurship*..

If our production system, the great Cornucopia from which we derive our wealth and welfare, is to continue to rest on private initiative, as we suggest it should, rather than to fall into the hands of our own equivalent of “Commissars” for some “American S.S.R”, we must not rely only on the acumen of the few — or even the of many — to pick the right horses. Commitment through investment will not be enough. We will need direct entrepreneurship. We must broaden the base of entrepreneurship and have each and every worker feel that results and rewards are once again related to decisions and achievements at the execution level, which happens to be the truth, now that workers are not interchangeable anymore, but are expected to become creative.

How close can we get to the reality of work, reproducing the old peasant’s “sow-and-reap” situation and pegging the worker’s compensation to concrete results ? Entrepreneurship should mean that the worker is given a chance to mind his own business, to be the senior partner in a going concern and to manage a profit-center of his own. Can we get initiative and entrepreneurship in the workshop, and deal with Johnny Worker running *his* own boardroom ?

*Direct entrepreneurship*

Direct entrepreneurship is not only possible, it is all but inevitable. Its already gathering momentum from day-to-day, and it will take over at the moment we have GIA for security. It will, for the same reason that free labour got the better of slavery in Rome: a well pampered, unionized worker, on a 9-to-5 schedule, is no match for an ambitious self-employed person with an eye to profit. The latter can simultaneously bake a bigger cake for himself, his clients and Society. Entrepreneurship is also, by the way, an immediate if not final answer to the workaholics' backlash and the threat of decadence.

How will we put profit back into the game ? It is through managers that entrepreneurship will infiltrate Cornucopia and ooze through the holes in the GIA net. Having the best of two worlds, the manager may links some of the security of GIA with his initiative and apply it within the job framework: he is the Trojan Horse for universal entrepreneurship. At first, we need do little to help things along; just relax and take advantage, both of "trustophobia" and of a growing tendency, for large corporations and conglomerates, to let some divisions operate almost as independent units.

This tendency reflects the understanding, even today, of the necessity to give more room to managerial entrepreneurship, to facilitate profit participation and to increase motivation and incentive. After GIA, which will give more freedom to both employers and employees to terminate a relation, motivation will be foremost in everyone's mind, leading to more options and perks for star managers. After the "January Sale", when workers will become shareholders, but rather unenthusiastic shareholders, will it be surprising if we



end up with managers working on “profit-sharing only” compensation plans ?

The present giant corporations will subdivide, rather than offer more options and perks, and it will become common procedure for managers to renounce salaries in exchange for profit sharing and capital participation only, not in the huge corporation themselves, but in smaller corporate entities that will be offshoots of present corporations and in which the impact of good management can be felt tangibly on profits.

These smaller offshoots are unlikely to break all ties with the parent corporation, for sometimes “big” is beautiful also; the parent or head corporation will retain responsibility for things that can be best handled in common. The embryonic model for that relation already exists in American conglomerates and, most of all, in *zaibatsus* , the old Japanese tentacular trading corporations.

Honorable ancestor company will manage the overall policy planning, financing, marketing, the relations with the State and sometimes the research and development of the whole group of participating or subsidiary companies. It will also vouch for the all-important financial, technical and ethical credibility of the participating companies and their products. From there on, the more autonomy with the companies and the less intrusion from the huge parent corporation the better. Let the managers’ entrepreneurship prevail.

“Zaibatsus”, or conglomerates if you prefer, will go on belonging to shareholders — mostly their own employees — and their shares will go on selling on the open market to keep the traditional money game going. How could the managers’ entrepreneurship not prevail, though, when all key-personnel is paid on a “profit-

sharing only” basis, and it is managers who are both the major shareholders of the zaibatsu and the owners of the smaller offshoot companies.

Managers doubling as major shareholders will be the first step from portfolio to direct entrepreneurship. The very essence of the creative society though, is that managerial entrepreneurship will not be enough. How do we get it to apply all the way down the line, and how do we get the last worker/decision-maker in the shop, in symbiosis with his Helot, to become profit-conscious and involved in results ? Here, necessity will follow a tricky back-and-forth path.

It will begin, as we said, with the security of GIA and a gambit on leisure. Workers will first become entrepreneurs, moonlighting steadily on a “4-to-3 for leisure” schedule. Some will show imagination, and whole new chapters of Ripleys and Guinness will have no doubt to be rewritten. Most of the workers, though, if there is any demand for it at all, will try and do in their spare-time more of what they know best how to do, that is of what they get paid to do in the job framework. In all the sectors that do not require expensive equipment, they will succeed and soundly trounce competition from salaried employees.

This will lead, in those sectors, to less demand for employment, more leisure for workers, more competition from self-employed, more profit-sharing being offered as an incentive, until the whole sector is operating solely on a mix of self-employment and limited partnership with profit sharing rather than on the usual approach of jobs for salaries. Facts will bear out what managers had thought all along — (but were not inclined to tell, as long as they were working for salary, perks and hyperjobs, and hiring for Epsilon-drive gratification) — that almost any job will be done better

by a person working for a profit than by a salaried employee.

The message will not be lost on profit-sharing managers. Workers/entrepreneurs will be invited to join rather than lick the system. They'll be back on their own terms. For a zaibatsu in the hands of entrepreneurial managers whose remuneration will be derived only from a participation in the corporation's profit — and even more so for manager-owned smaller corporations — subcontracting and consulting will become the common way to do business.

“Brain-work”, be it the planning of a marketing strategy, the development of a new technology or what not, everything except decision-making, will soon be handled by independent consultants or teams of consultants hired on a project basis and paid, at least in part, according to the results of their “projects”. Except for Executive Secretaries — (hired directly by their own boss, since a secretary and his boss are such a natural mini-team of their own) — secretarial work (pool-type) will all be sub-contracted; so will borderline cases of clerical work for or with monster gigabytes computers, so will maintenance, security, etc.

Now, leap forward and suppose that **production** itself is subcontracted. Once a zaibatsu has its strategy, controls its market, has obtained financing, enjoys the necessary credibility, maintains privileged relations with the State and has paid consultants to prepare plans for production, why not subcontract the realization of these plans, on a project basis, to a “production team”? The President of a zaibatsu named GM may call upon Mr. Smith, Mr. Jones or Mr. Doe — each one a Director of so many different teams of production managers — and ask for proposals or bids for the production, let's say over 5 years, of so many units of a particular

model just designed by the zaibatsu's engineers or, more likely, by a team of engineers and designers working under contract with the GM zaibatsu.

When a contract intervenes between GM and Mr. Smith, for instance, the latter's team will be in business. Big business. According to the conditions of the contract with GM, Mr. Smith's team may have more or less financing of its own to do, but Mr. Smith and his colleagues are certainly not going to do it by mortgaging their homes: they will act as a corporation ... and get their own large boardroom, complete with oak panelling and crystal chandeliers. Mr. Smith and his colleagues will certainly get some more managers on their team on a permanent, profit-sharing basis, but they will otherwise follow the same pattern as the GM zaibatsu: hire consultants... and subcontract as much of the work as they can. Why so ? Because by letting go one by one of the fabrication modules for instance, and keeping in-house only final assembly, Smith & Co. will be sure that all subcontractors — working for a fixed price, and with their own profits dependent on their own productivity — will really be driven to work as efficiently as possible.

The subcontractors may be entrepreneurs of their own, maybe a small team of specialists, maybe another zaibatsu that will itself break up the tasks along other lines and redistribute them to other subcontractors ... And so on down the line, of course. How far down the line ? Pretty far... because entrepreneurship will have bloomed also *within* the corporations.

### *Teams and piecework*

How do we get entrepreneurship at the operator's level? Once upon a time, most workers in industry were entrepreneurs of a sort; they were paid by the piecework. One would load so many tons of coal, or sew so many hooks or buttons, and would receive so many dollars and cents. Neat and effective... and totally inhuman when there is a surplus of manpower, since a minimum of workers will then be driven to deliver all the goods and unemployment will be maximized.

Inhuman in times of manpower surpluses. However, in years that will follow Clause #1, years of full-employment, guaranteed income and a will to leisure, it will be another story altogether. Piecework will not solve the problem of entrepreneurship in a creative society, but to reject it on principle and for the wrong reasons would be a mistake.

To have a sensible discussion on piecework, let's remind first our left-of-center friends, who see red whenever it is mentioned, that it is not a purely capitalistic trick to exploit the workers but a way to reward efficiency when efficiency is needed. Let's remind them of the great comradely institution of "Stakhanovism" that flourished in the U.S.S.R., and made heroes of those who could really let loose and break production records. It worked, but could have worked better, if in what was definitely not a situation of "affluence", stakhanovites had been issued more food stamps and fewer medals.

Second, let's understand that piecework did not lose ground because it was inhuman, or because Trade Unions objected, but because chain-production made it impractical. There was no way, simultaneously to have the advantages of chain production and to let each

individual worker go at his own speed. We decided to accept the standardized pace that the dumb machine would impose, and to have all workers produce at the working speed of the slowest man on the line. We all became “average”, but it was not a victory for social justice: just a matter of expediency... which happened to kill dead any motivation that might otherwise have survived mechanization.

Now, we want motivation back, GIA will control the exploitation threat and, try as you may, “thinking” is not done on a production line but at one’s own pace and rhythm. The debate, therefore, should be open again as to whether the workers must go on being paid by the clock, for elapsed “thinking time” spent on the job... or whether it should be linked to results obtained: so much for a job done, so many dollars and cents for a working “idea”.

Agree to it in principle, agree to peg reward to results once again, and you are back on the right track, ready to think in terms of real entrepreneurship. With some hard thinking required to make it operational, because, more often than not, the nature of work in modern production will not lend itself to piecework compensation in the traditional sense. This is not because results cannot be assessed properly, but because so much of it is teamwork: if piecework compensation is used, what is yours and what is mine, when it is “our” common work and we are both indispensable ?

Wouldn’t the obvious solution consist in breaking down the production process into functional units, along the lines that technology imposes, linking the compensation of those “teams” as closely as possible to the results they obtain... and then letting the “team workers” discuss their individual pay-checks amongst themselves, within their team, within the family-size

functional unit to which they would belong and to the success of which they could visibly contribute ?

It has been sometime now, since we realized that workers will identify more closely and develop more loyalty towards smaller units than towards a parent company. Intuitively, the workers are doing the right thing. Although it is known to bring positive as well as negative results — usually positive results for leaders and negative results for the followers, identification to another entity than the self, large or small, is probably a mild or serious form of madness. We all do it for emotional security, “to belong”... but it is probably less nefarious for us, little ducklings, to take up as a mother a small group, than to identify with some vast impersonal object as the State or the Corporation.

As we move towards more personal family-like relations and a more benevolent, even paternalistic leadership in a more democratic creative society, the urge will manifest itself to identify with small groups, each member of which we know personally, and so to contribute to power building from the bottom up. This urge will have an impact in the corporate world, because it will merge with and reinforce the trend towards entrepreneurship and will lead to “*teams*”.

Not only will outside teams be hired as consultants but, even within the company itself, workers will also be encouraged to act as teams and to take over full-responsibility for some well-identified and measurable aspects of the production process. These teams will become not only the basic production units but, eventually, will grow into genuine small corporations in whose results and profits the individual workers will participate, and in whose success a visible and significant contribution can be made by the efforts and motivation of each individual.

Teams will be paid for results, maybe on a piece-work-like basis. Isn't it the proper way for corporations to be paid ? Teams will bring not only motivation and efficiency but also the cross-fertilization of increased mobility, since they will switch allegiance periodically.

We can go pretty far down the team line. Until most work and even the overwhelming majority of present jobs are performed by workers whose compensation depends on the result of their work: entrepreneurs, professionals singly or in teams, all the "profit-sharing" managers and profit-rewarded workers acting as decision-makers in zaibatsus, subcontracting corporations and teams down the line. Until most of the income in our society is derived, not from salaries, but from *profit* and goes to members of "boardrooms", big and small.

#### **4. The great buyer's market**

The creative society will be a buyer's market. This will make marketing more critical than production and it explains why the zaibatsus will deal with marketing themselves and subcontract production, rather than the other way around. Once Clause #1 has cured the production system of its produce-to-work chronic disease — leading to new ways of working that will result in the re-structuring of Cornucopia into new manageable, family-size, production units — we will witness a complete re-definition of our production objectives and a drastic transformation of the relationship between corporations and their customers. The marketing-oriented zaibatsu will really dedicate itself to the satisfaction of its clients and then... Surprise! The system will begin to produce what the people want.



*Escape from hysteresis*

Don't we produce what we want? The prevailing theory is that there is almost perfect congruency in our society between what the people want and what the system produces, since almost everything that is produced is eventually consumed. "*If goods were to be produced that were not wanted*"- argue our far-seeing economists — "*the producers would go bankrupt and production would readjust to effective demand*".

Let's not even argue the loaded question as to whether or not effective demand is a proper estimator of the needs of a population, since it is not even effective demand at all, but the momentum of production itself that presently sets the goals of production and determines the consumption patterns.

For quite a while now, it has been the momentum of production itself, not our wants, that has defined the production objectives of our society. No flaw in the democratic process, no tenebrous conspiracy; prior to Helots, no consistent political option could have modified this situation substantially. Our production patterns were not a matter of policy that a new Administration could change, but a matter of necessity, of bowing to the technological imperative of "hysteresis". Inextricably meshed in the very fabric of a machine-based industrial production system, is the obnoxious tendency to try to get the most out of the fixed capital, producing more of what it already produces.

It began naturally with the imperfect slave, then went on with the the "job game", as we strove for employment and every manufacturer was strongly encouraged to keep on its payroll all the manpower it could. The rules were to produce in order to work, to produce

more of the same... and to produce first and see later if it would sell... More often than not it did, for there is such a thing as the absence of alternatives.

I remember a cruise along the Niger River, some years ago, during which the whole supply of peanuts and Vichy Water was completely exhausted on the third day of the trip, although none of the passengers had impressed me at first as great potential consumers of these commodities. Faced with a dry bar and a diet that consisted mainly of potatoes and rice, everyone climbed on the bandwagon and went for the available substitutes, although I am positive that what we all really craved for were pretzels and beer...

It is true that most of what is produced is sold, but our consumption patterns, both public and private, have been nevertheless biased by a need to keep wealth productive and manpower at work. For a large share of our production, we do not even have a decision to make: the State does the buying for us. Whether or not I feel insecure has no bearing on the decision to develop new warheads, because nobody will ever ask you or me what the Nation's priorities should be, and neither you nor I will ever have a say about it. No discrepancies can arise in this sector between supply and demand, between our "wants" and production, since military hardware is built on request, all purchases are tailored to manpower requirements, and orders are issued before the goods are even designed. It is great for equilibrium, but since it is demand here that is made to equal supply, it is a little far-fetched to assume that it is our "wants" that are thus satisfied.

Now, of course, new rules for a new game: Helots — the basic fixed capital investment of the future — are highly adaptable, while subcontracting production managers will make it a rule to amortize

“dumb” equipment on a project basis. It is possible, now, to break loose from hysteresis; therefore, it becomes necessary for every producer who wants to compete and survive to take his cue from the clients’ demand. To produce what the people always wanted to get but were never allowed to ask for.

Modern forecasting techniques make it possible to know demand in great detail. When we shall make up our collective mind to give the people what they really want, we will, for a while, look for new ways to assess and forecast that demand. It is unlikely though that the great American zaibatsus will play hide-and-seek for long with the clients, thus suffering a great loss of time, energy and money. We will soon end up with a simpler approach...

### ***Betting the sure thing***

Cornucopia will give up guessing and will **ask** the client what he wants. Why should producers make fools of themselves trying to outguess each other on the matter of the customers’ fancies ? Does City Hall, if a bridge has to be built, get five contractors to erect each their best model and then pick the one it likes best ? Of course not! Tenders are issued, bids are submitted and the choices are made between proposals; competition takes place on paper, without wasting all that steel and ruining any of the contractors. The State, sometimes, will ask potential suppliers for “prototypes” before it decides on a new bomber or the like; but then, it will usually make it worthwhile to the bidder, and we know that the real purpose is to sponsor research and to create high-tech jobs. A contract is signed before we get down to mass production.

Why shouldn't what is good for the State and Boeing be good for G.M. and its clients? Why shouldn't the client say what he wants, place the order and THEN, mass-production begin? We can ask the client now, so we will. It will take no coercion, no special legislation, no intervention from the State. Surviving in business, more than ever, will mean knowing what the client wants and zaibatsus, operating in a subcontracting framework, concentrating on marketing, will simply realize that they can gain a tremendous edge on their competitors by passing the buck of advance planning to the consumer, along with a sizable share of the savings that come with reduced guesswork.

A society that values leisure, and wishes to work only to produce what it wants, will require the customer to give sufficient notice of the durable goods he wants. We will ask him and, to make sure that the mischievous buyer is not joking or misled by unscrupulous competitors after he has made his choice, we will not take his word for it; we will extract from him a firm purchasing order.

*"Tell us today what car you want two years hence" — will come the zaibatsu's sales pitch, — "and we will sell it to you now, at to-day's price minus 15%, not only in the color you want, but with your initials in the upholstery's design if you so wish. Indicate the frills you want, our helots are flexible! Pay later of course! Just sign here, now, so we may go on and build it according to specs..."*

It will happen as soon as a subcontracting system becomes the rule. It might even come before... As one zaibatsu does it, every one else will, because it is more efficient and gives a better deal to all parties involved. People will be asked in advance what car they want and

when they want it; competition will take place before production plans are finalized.

Whether GM will take 40, 50 or 60% of the market for cars will still be the consumer's decision; they will simply say so in time for GM not to do anything foolish ... and for GM's competitors to try harder if they want to increase their share of the orders' market the following years. The system will keep all the advantages of a market economy but will drastically reduce the wastage.

Everyone wins in this deal. Even the usual Joe-comes-lately, who neglects to pass the order in advance, will not be hard put, two years later, to find on the market the Joe-changed-his-mind willing to sell him the brand new car he had reserved but does not want anymore... and who will sell it to him cheaper than could a manufacturer who, not working on a purchasing order, would have to fit in his price a provision for unsold production.

Ford, GM, Chrysler... will probably do it, because they have the credibility to sell a car on the flimsy basis of a four-color catalogue and engineering specs. Should they waffle a bit too long though, let's not forget that, in the wide open labour market which comes with universal entrepreneurship and G.I.A , any zaibatsu with money can move in and do it, since the expertise, in the shape of technical teams of all kinds, will be there for the asking. So repent, Detroit, for your marketing sins!

What can be done with cars can be done for all durable goods. It can be done to buy a house — and that's the way it used to be — or anything from furniture to home computers. Design it, sell it... then make it. When we do it that way, it brings about

fundamental changes in relations with clients and a transformation of our production objectives, because it is not the State nor the momentum of production that will henceforth set the targets, but the consumer himself... and this is the final buyers' market.

Since profit is the price for "iffiness", and the major risk in production is "will it sell ?", this approach is a tremendous plus for producers. They get rid of the uncertainty in consumers' demand, not only statistically at the level of global demand, not with the margin of error of market surveys, but knowing for sure that the client will buy. The buyers' market thus becomes a laughing-all-the-way-to-the-bank Eldorado for sellers too. If we can provide enough credit...

### *Selective Credit*

Remember that profit is the price of "iffiness" and that the major risk in production, next to "will it sell ?", is "will I get paid". To make that trip to the bank merrier still, measures must be designed to extend more credit to prospective clients but, at the same time, to protect producers from the natural instinct in some buyers not always to respect their obligations. As we do that, we can make available to the consumers the great savings that will result from the elimination of collection fees and other nasty expenses resulting from this instinct. The best trick ever designed to guarantee payment is to get paid in advance. The modern way to do this is to withhold payment "at the source", so we'll do it.

Chances are that it will start with some friendly arm-twisting... *"As a good American citizen and loyal employee of this zaibatsu my dear (Mary or John), wouldn't you like to buy one of our cars and help us reach the break-even point to begin production ? Like*

*right now, we mean... Agree to buy the personalized “Super Dooper Splashy Wagon” (delivery in two years) and, by the way, do not worry too much about payments: we will work it out off your pay check, with your agreement of course....”*

It would be so practical. About one American worker in five, for instance, depends on the automotive industry and its suppliers for a living. Get this market well cornered, with prices fixed, dates of delivery set and installments withheld from the pay-checks, and you have a tool for equilibrium second only to the traditional Big Bang panoply. As zaibatsus spread and grow, it will become an increasing temptation.

It will undoubtedly be tried, and it will be the moment of truth. Because, if the Government cannot stop it there and then, it will mean that we have missed a turn somewhere. If large zaibatsus can pressure their employees, consultants and suppliers into buying only their wares, we will soon be out of this profitable market we call the U.S. and into as many segregated small markets as there will be baronial zaibatsus able to strong-arm their victims. The State will stop it, but the basic idea itself, however, will not be lost. It would be a disaster if any zaibatsu could corner the market of those who depend upon it, but a very positive step forward if all zaibatsus together and the State would agree that, with the authorization of the interested party, all payments due on the purchase of equipment could be withheld directly from the individual’s pay check. How great if we could let people buy what they want and not bother them with payments and the like, just take it off their paychecks — good, with GIA, as that gold in Fort Knox !

As a final stabilizer of the production-consumption system, we must have *universal credit*, up to a proportion to be determined of the State-guaranteed income. How nice for a society committed to positive reinforcement! The State will intervene and grant us credit. Credit, but not for the purchase of everything: *selective credit*. The State will agree that, with the authorization of the interested party, all payments due on the purchase of goods from *sectors in transition* may be withheld directly from the individual's pay check.

Buy a car on credit, and installments will come off your pay check. It can be a car every three years, every five years, or, as we start making them to last, every ten years. It is flexible; this very flexibility will give us the proper tools for planning and for adjusting production to match the amortization rate we want on the equipment.

Give advance notice to the production system, and the system will bend backwards to make sure that you get what you want and get it dirt cheap. It will also manage to get you credit, enough credit, at least, to buy everything that it needs you to buy.

### ***The Company Store***

In a buyer's market, a client found should not be lost again. For the enterprising zaibatsus, the next step will be to seduce the client, to hook him for life if possible and bind him fast to one's own production structure. There is a bright future for a formula that will let people pawn their soul for life painlessly at Cornucopia, our society's great collective "Company Store". Credit will be a good way to start, because most clients, even today, do not like to pay large sums of money all at once.



Let's take the car example once again. Most people, after an initial down-payment early in adult life, just bring in their used car for trade-off and never thereafter lay out anything more than installment fees that grow with their income. They act as if they were bound for life, if not to one producer in particular at least to the automotive industry.

It looks like a life lease, so more and more people just *lease* their car outright, rather than go through the boring exercise of buying it. Why not? Goods have no intrinsic value, just the use-value of the services we derive from them. To own anything at all is always a risk; the risk of paying too high at the time of purchase, the risk of malfunctions, the risk of losing on resale, etc... while “services” from a responsible supplier offer much less risks of loss or inconvenience: it works or you don't settle your bill.

Until now, manufacturers have tried to keep at arm's length from troublesome direct leasing, but withholding agreements and State-guaranteed universal credit will create a new situation. Market oriented zaibatsus will not be able to ignore the image, ever present in most of the customers' mind, that equipment leased directly from a manufacturer (Bell, Xerox, etc.) lasts somehow longer and needs less repair than any other type of equipment.

Smart zaibatsus will soon see the competitive edge for whoever sells “private-car transportation services” or “home television services”, etc.; they will slowly withdraw from the business of selling durable goods — a selling job that has to be done and redone time and again — and move into the business of selling services: the “services” of leased durable goods. The sales pitch, here, may go like this:

*“We are not selling you a car, we are putting a car at your disposal. If anything goes wrong, just phone, we will pick it up. Once a week, bring the car in for maintenance; while we toy with it, we will give you a similar car. Every three months, let us have the car a couple of days, for check-up and repairs, always on the same conditions. Next year, we will give you a brand new car, for the same price (indexed for inflation), unless you prefer to keep the same one and have a reduction on your lease price... Forget all the worries and troubles; for a price no higher than your present installment fees, we will put transportation at your disposal for one, two, five years... or until death doth us part. The longer the contract, the cheaper the price, for this is our way to thank you for loyalty to our zaibatsu...”*

The zaibatsu will take care of maintenance and repair, lease used cars in good condition at a fraction of the cost of leasing new equipment, and will thus stabilize the used-cars market as well. The same pitch of course can apply to any durable goods. Maybe it will come from the same zaibatsu, as these will tend to diversify and sell everything to their clients. At this point, the client may become a shareholder in the zaibatsu he patronizes, and it may become unclear whether zaibatsus are really diversified trading/leasing companies, or consumers' purchasing agencies getting special deals from subcontracting production teams... a new shape for Cornucopia, indeed.

Lease, and let the installments come off your guaranteed income salary. It makes for a flexible system, since interest and inflation are such significant factors in the consumer's costs and we may decide that interest-free payments are to be spread over three, five, ten years, spread over a lifetime..., or delayed almost

until Kingdom come. If need be, we can go one better even on that one; on the purchase of certain types of goods, we may agree to withhold payments only from eventual salary *increases*, so the buyer may feel it's all free, a "boon" from the system, or something of the sort. Selective "credit" but it would become in fact, selective gifts, to make the most of what our system produces until we get the whole thing reorganized.

### ***Bound Boons***

This should be really popular with both consumers and manufacturers... After all that we have done to increase global demand for industrial goods, we still have a last ace in the hole. Only military production can be buried, or otherwise summarily disposed of without creating a scandal, but gifts are allowed, aren't they? We can make the final bold move that makes all demand effective: just give the darned things away!

Why should we give things away? Because a good many durable goods that will be produced from now on, if our productive capacity is let to run loose, will not be worth their real labour cost to prospective buyers: their production may go on only if it is subsidized. We, as a society, will pay the difference between what the buyer is ready to pay for these goods and whatever price will be necessary to maintain sales at the level that will prevent the industrial production balloon from exploding into our collective face

We are already "giving it away", in hush-hush fashion, when we subsidize agricultural products, when we sponsor research and development to keep our national producers competitive with foreign imports, or when we make loans to car manufacturers. We simply need look reality in the face and do systematically, with

an eye to change, what we have been doing sporadically and haphazardly.

Let us take cars again, which are such an obvious example. We have in America a huge car building capacity — much in excess of our needs in terms of cars built to last — which it would be inconvenient to dismantle and to put into the garbage can: why sacrifice hundreds of millions of dollars of equipment and get us overnight into the huge problem of recycling millions of workers ? We must phase out a surplus productive capacity — (the time-frame we may choose is immaterial to our discussion) — and dispose of the yearly surplus production during transition until we have reached equilibrium.

The minute we utter the ominous words “phasing out”, though, the capital value of investments in the automotive industry would plummet and we would face a major crisis... unless there is a known threshold below which production or at least profits are guaranteed not to fall. The State can vouch for this steady demand, granting selective credit to buy cars at conditions that turn them into gifts, if it is deemed in our collective interest that a below-cost demand be satisfied, for the sake of a smooth transition to a new society.

State the Father has been making gifts for quite a while to keep the wheels turning. Because we were obfuscated by the sacred role of money as a universal exchanger, our way to make demand effective over the last decades has been to give money away, hoping that a surge in global demand could save the derelict producers. It was totally inept, because the extra money, as we have seen, was not used by the people to increase consumption of the durable goods which we wanted to sponsor but leaked, first into high services, and then into savings and investments. Great

expenditures and little results. “Bound boons” are a more elegant and efficient way to do it: we may create and satisfy a demand to match exactly the needs of production.

We should not give money and hope people will buy more cars, more TV sets, more of anything on whose sales our economy and social equilibrium rest. What we need is selective, self-serving generosity that will not escape into the wrong hands. Once GIA fills their real needs, we should not give people more money, but give them, if need be, the cars, the TV sets, all the industrial goods whose sales we must temporarily promote to have a smooth phasing out. We will call it credit but make it selective to fit our production needs... and installments pegged to salary increases made to match inflation will postpone real payment indefinitely.

It should be very popular. Why should a government bail out car makers and look like it is spending the taxes of the common people to solve the problems of the uncommonly rich.... when it can achieve the same result by notifying its electors that, through some magic, they may now get a new fridge or another TV set, and pay for it out of a reduced salary increase from their employers, meaning that their new paycheck will still be higher and that the new apparatus will appear to come free ?

We will offer boons, although they will be bound to the actual productive capacity of the system rather than to the client’s priorities. We will have “bound boons”, and a new relation between the consumer and the great Company Store that will take into account the power of State, the Crafty Magician, to wave his magic wand in more ways than one.

## 5. The crafty magician

State must have the authority to match its responsibility and authority, in our “positive reinforcement” based structure, means wealth and the right to spend it. As a new deal with the Octopus will give the State responsibility over the management of our human resources and a mandate to sponsor entrepreneurship, it must carry the power to raise and spend appropriately the funds required to attain our objectives. Haven’t you wondered for a while now, how we will pay for all of this ?

### *Give... and take*

Well, let’s realize first, with the proper mixture of awe and contentment, that we are already doing it. Looking at the State’s spending habits — in 1984 of Orwellian fame, for example — we can see that a mere \$24 billion went to general administration expenses and a trifling \$46 billion to what we might call “infrastructure and free-access services”. The real money these days is for “perequation” payments, meaning payments to equalize. \$237 billion on Defense (mostly to keep the wheels turning)..., \$108 billion of interest on the debt... and \$425 billion in transfer payments. Over 90% of the budget is already committed to *equilibrium* between consumption and production, and transferring money as needed, to either the rich or the poor, has become, by far, the modern State’s major function.

Where does the money go ? The State gives money to the Haves paying interest on the public debt and providing a profit on military production contracts; it gives money to the Have-nots through direct transfer payments, of course, but also making it possible to pay

salaries in the military production sector and offering free-access services to both the poor and the rich, which — since the poor do not pay taxes to contribute to their cost — is the equivalent of a transfer payment in kind. The net result of these operations is, at present, a yearly transfer, from “rich” to “poor”, of about \$800 billion in cash and services and the most visible straight “transfer payments” part is growing: 28% of the budget in 1960, 38.5% in 1970, 53% in 1984.

Now, we must understand something very clearly. The question is not whether this transfer is fair or unfair: we are dealing here with necessity. This is the transfer of wealth that our Governments, past and present, believed to be necessary to attain “level of consumption” income.. and thus to keep the wheels turning, maintain the power structure in place, hold our society together and, finally, try and make everybody as happy as possible. Our Governments may have been wrong, up to a point, but not much..., for otherwise the system would have collapsed already.

These transfer figures do not depend on the whim of rulers and politicians, but vary with changes in our technological structure. They can be modified over a reasonable period of time, but nothing in our power — save the destruction of the structure itself — can alter them significantly on the spur of the moment: they express the interdependence between production and consumption in our society. The State has been involved for quite some time, now, in wealth redistribution... and transfers no more, no less, than what it must. The question, therefore, is not whether to transfer more or less through GIA: we will transfer about the same. The noteworthy changes to be expected from Clause #1 will not be in terms of dollars and cents transferred, but in terms of how we will do it.

As giving and spending go, GIA is the most significant step we can take. Guaranteed Income will not only advantageously replace most transfer payments, it will have an impact as well on other categories of “spending for equilibrium”. A decision to work only to produce will turn a revamped military production into just another normal sector of production, and elimination of the employment-related constraints on production may limit subsidies — (except in agriculture, where they obey totally different considerations) — to what is necessary to support a re-orientation of our production objectives. GIA will consolidate the giving half of the “transfer for equilibrium” policy.

The giving half, by all logic, should be only one side of the story. The State has accepted the responsibility for equilibrium and welfare but it does not seem like it can afford it. Public debt has increased fourfold in the last fifteen years, and grew by over 20% in 1983 only! It seems that we are now on a collision course with total financial breakdown, even if we take none of the steps to make a deal on Clause #1 that are so essential to our survival as a society. And we haven’t said a word yet about this Past Due 13-figure bum cheque still waiting to be collected.

To make matters worse, the State, as we move into the Creative Society, will be more and more committed to positive reinforcement... and nothing so rude as taxation, direct or indirect, is likely to be acceptable; even revenues from the sale of services will probably decrease, since it will be very popular to give free services to the population and people will not only resent anything that looks coercive or restrictive, but will expect the State to give more for less, to invent something like the Perpetual Giving Motion...



How shall we raise the funds we need ? Can the State do anything with the means at its disposal to obtain the revenues it needs without creating bad feelings, and to substitute for antiquated methods that are offensive, others that will achieve the same result efficiently and with more elegance ? We certainly had better find something, because our present financial manoeuvres are unlikely to let us avoid bankruptcy.

***“Rev’s” in new garb***

To get revenues for the State has always been something of a headache. Revenuers are not popular. The original primitive method of tax collection consisted in sending armed men to grab grain, hogs or whatever they could in the name of the King. Later on, when collective wealth passed the point where it ceased to be practical to hoard grains and other commodities, GOLD became the symbol of wealth. More compact and easier to transfer, it made it possible for top-dogs to hold more significant wealth conveniently. Possible also for rulers to get at it more easily... The modified primitive method of revenue collection consisted in robbing the gold. From top-dogs if necessary, but preferably from Indians.

Wealth kept growing and evolving. Global assets of the Nation are now worth roughly \$15 trillion — (*millions of millions* ) of dollars, and mark my word that we will soon begin to count like scientists, using “gigabucks” for billion and “terabucks” for trillion...!. Quite a target for tax collection. In real terms, these assets may be said, for our purpose, to consist of two broad categories: goods which have direct welfare value... and “fixed capital”, which is an investment in our productive capacity.

The first category consists of real estate — houses, land on which buildings can be erected — and “durables”, like cars, appliances, etc. These assets have immediate use value. They also have a “price” but, welfare-wise, their price is a simple convention. The fifty-year old house now going at \$100,000 procures today the same welfare it did, two generations ago, when its price was only \$10,000; it will be the source of the same contentment, no more no less, when its price tag, in time, will become \$1,000,000... (which would have been in the Mid-Nineties, if prices had kept the trend of the early Eighties...!). By any price though, it will still be the same house. Real *immediate value and a conventional price*.

Fixed capital is more tricky. Its worth a factor of the expected value of what we expect to produce with it. The value of fixed capital fluctuates with these expectations, so the second category of assets has conditional rather than immediate value, and it is to this *conditional value* that a price is applied, a price that is also conventional, of course.

This is in terms of real assets, but wealth has kissed reality good-bye a long time ago. When it attained the critical mass beyond which it could not be expected ever to be transmuted back into anything material, but simply to remain forever an instrument of power, wealth left behind the excessive “materiality” of gold itself and a third broad category of wealth was born. The third category of wealth consists of “credit instruments”, money and the like, intrinsically worthless paper recognized as wealth by “Authority”... and therefore as a promise of welfare. It has symbolic value only and is pure “price”: with credit instruments, *it is the value, that becomes conventional*.

“Authority”. There were bankers in Florence and China who thought about “credit instruments” long before it became essential for wealth to “go symbolic”. When time was ripe, though, the State alone had the Feds and Marines to make its word stick; so wealth-as-power was entrusted to the State. It became the duty of the State to issue and distribute, as “money”, the power chips needed for optimal stress and equilibrium. It was, needless to say, very convenient for the State to have wealth rest on faith and trust... in the State.

Before, the only way to increase wealth, restricted then to the first two categories, had been to work, discover, dig for, or produce some more... For the State to get its pound of flesh, it had been necessary to go and get it. Nasty. With credit instrument-type assets, the way to have more wealth, would now be to print more. Not even to print more, actually, merely to sign up and wish them into existence. It would no longer be necessary, in order to obtain revenues, to send men in arms around the countryside; the State had a magic wand: it could print as “wealth” all the power chips it required...!

Within limits... To be acceptable to the money holders, the arrangement would demand that the State show commendable restraint in its printing activities. The lucky one with greenbacks could feel he had something worth fighting for — and money, thus, could remain the symbol of wealth and power — only insofar as there persisted a relative scarcity of the things that money could buy and, most of all, a scarcity of money itself. Since the “power chips” had no real value, more of them standing as symbols for the same quantity of goods would obviously have each chip represent less of reality... and would reduce its conventional value. A dollar might keep its “price”, as a dollar, but might

represent one Coke in the Eighties — rather than twenty in the Forties... or stand for 1/400, rather than 1/35 an ounce of gold.

Another limit to printing, which was a direct consequence of the first, was that wishing more credit instruments into existence modified drastically the balance of power between holders of “real” and “symbolic” wealth. Owners of things of “real value” would then see the “price” of their assets increase, while holders of credit instruments would see the “value” of their symbolic wealth decrease. The latter would lose, but someone would be on the receiving hand of the operation: the winners would be the debtors and, amongst those, the State itself...!

Temptation... How would the State use but not abuse its Jovian power to issue wealth and power? Self-control... Trust... Confidence... Credibility... It would be vital for the State to dissipate the fear that the printing press might be churning away at night, about to make all the power chips worthless through uncontrolled inflation.

### *The juggling distraction*

To show good faith, the State, although it was now the privileged issuer of all power and wealth, went through the act of running after taxpayers. To begin with, it swore to let the Federal Reserve Bank issue the power chips impartially; then it established elaborate modern fiscal policies, the equivalent of annually showing its hands clean of printer’s ink.

The State was to get its revenues from “indirect” and “direct” taxation. They represented a vast improvement over primitive methods, but both direct and

indirect taxation were counter-productive. These “modern” ways to obtain revenues had in common the serious drawback of hitting the taxpayer at the most inappropriate moments, precisely when he was doing one of the things that we most wanted him to do. Indirect taxation, “sales tax” and the like, struck at the consumer when he was *buying...*, while direct taxation, “income tax”, caught the worker when he was *working* and the investor when he was *keeping wealth productive...*! Neither did these methods take full advantage of the modern State’s position as the sole issuer of power chips. So, with the impact of affluence, interdependence, the trend toward positive reinforcement that made taxation more unpopular still, and the necessity of increased transfer payments for equilibrium, self-discipline became harder for the State to maintain.

Governments like to be popular and would rather get away from taxation by indulging in some magic, such as always giving things away and never asking for anything in return... Where would the money come from ? Through the ups and downs of the “economic cycles”, our modern governments began to cheat a little.

You have heard a lot about economic cycles, haven’t you ? If you already know all there is to know about them don’t bother with the next five paragraphs but, if you are still a little puzzled by it all, just read on; we are going to make it insufferably simple and thus create for ourselves some enemies amongst far-seeing economists.

“A cycle is a cycle is a cycle” .... meaning that we do not have to argue here where it begins. Very sophisticated calculations exist to try and prove that, in such and such specific occasion, the real cause of the

cycle was with this rather than that factor, but this is of no interest to our present purpose. There are economic cycles, that's all. Let's jump aboard the cycle at the point interest rates go down, for instance, which is as good a point as any, more precisely when the State lowers the interest rate on Government bonds.

What happens when the State reduces the interest on Government bonds ? Well, all other interest rates on the market follow suit, since they do not have to compete anymore with Big Brother's higher rates, and capital owners make less money. This is a blessing, first to entrepreneurs who can get cheap capital and increase production, and then to the labour force for whom there is more production, meaning more employment, more income and more demand for the added production: very simple.

Simple as juggling with delicate crystal-ware! Day after day, demand fluctuates to respond to facts and fancies, and may exceed production, causing people to offer more money — then in “surplus”- to obtain the goods temporarily in short supply, thus creating inflation and a loss of faith in the purchasing power of the dollar. Power chips in trouble, white hair for top-dogs. The State will react against inflation, by increasing the interest rate on Government bonds, producing exactly the reverse of the effect we have just seen. Extra burden will be put on the entrepreneurs, leading to less production, less employment, less effective demand and — because greater efficiency is obtained in times of hardship and manpower will be reduced more than production — an adjustment of demand to production and “equilibrium” for a while at a rather low level of consumption. The positive result, though, will be regained credibility for money.

With consumption and therefore expectations at a low level, you may drop the crystal-ware from the other hand, because production will exceed demand, very “credible” but high-priced money will find no takers amongst entrepreneurs, and the problem will be glut. Global glut we have discussed at length before, but if the official soothsayers’ verdict is that we face “distribution-related glut” — and it is believed that too much money stays with the “rich” who hoard it, rather than go to the “poor” who would spend it — the State will take from the rich, one way or the other, and transfer money to the poor: the easiest way to get it is taxation. Redistribute, and you have more effective demand and more entrepreneurship, reaching out to greet the desire in money owners to keep money active, even at a lower yield

The State then makes it possible by lowering the interest rate. And on..., and on..., as we alternate the manic-depressive cycle of booming inflation and “no-nonsense” money credibility, stopping inflation just before investors lose their nerves, then recessions just before consumers/workers lose their temper. This, in a nutshell, is the essence of our “economic cycles” policies and the rest depends on the appraisal of the risks, the twist of the wrist, and the clown’s talent for juggling crystal-ware.

### *The magic wand*

It may look like our juggling act has been quite erratic for a while, but in fact it has been nothing short of miraculous, because behind an apparently inept juggling used to distract our attention, was hidden an act of great and potent magic. There is one well-known way always to give and never to ask for anything in

return : it is called “robbing Peter to pay Paul”. Except that, in this case, Peter gives his consent, so we call it “borrowing”. While the juggling with interest rates went on, the issuer of power chips, which is also a debtor, could borrow all it needed and pay its debts with inflation. The State began to cheat a little and to use this discreet source of income at its disposal. Better than direct and indirect taxation, “borrowing” has become the third and best way to finance the State. Over the last three decades, the public debt has increased every year without any significant exception. Only twice, during all these years, has the State paid back to the Peter-Haves some of the money it has been borrowing from them to maintain the Paul-Have-nots at the consumption level and keep the production system operational. In the years it did, the public debt decreased by less than 1%; over the period, it increased by 600% !

It is not just borrowing, but borrowing plus an inflation that has wiped away, over the last 15 years only, 66 % of the value of these State-issued power chips that so aptly remind the mark that he should have put his trust in God rather than in money. We may be hypnotized by the one trillion dollar public debt of 1981... or realize that, thanks to inflation, it represented then less than 35% of the Gross National Product, while the “modest” \$256 billion debt of 1950 meant, at the time, 96.9% of GNP and a much heavier burden. We quietly got rid of almost two-thirds of the burden during these three decades, although at no time were any significant repayments ever made. Magic.

With a negative real yield, the all-important credibility of the State should have become disastrous and the wise money should have been out of the Treasury Bills and Bonds’ market log ago! Not so... for the truth



is that there is simply no other place for Big Money to go that would not instantly depress the market and defeat the purpose. With the huge surplus of capital floating around, and the recognized and accepted need for some redistribution, a reasonable negative yield on risk-free capital is seen as a social bargain and the State can write its own ticket with investors.

It may be a tough ticket: the late Seventies and early Eighties' combined rates of inflation and progressive taxation worked like a hidden tax on capital to redistribute an average \$300 billion a-year! Inflation financing, then, discreetly amounted to the equivalent of more than half the budget of the State.

Inflation is the essence of modern financial magic. Dark witchcraft if it is merely a tool for speculation, but benevolent white magic if it contributes to equilibrium. Rather than deny evidence, the time may have come to stop toying with financial gears and wheels that do not respond and to make full use of the potent Olde Magick... We must learn to handle the magic wand with greater gusto, though, for there is much more to inflation than just borrowing; it must be a whole financing approach.

## **6. The treadmill approach**

Taxes are counterproductive and are not the way of the future. The Income Tax, for instance, was imposed as a temporary measure to have both ends meet, at least in the books, when we had to face the expenses of World War I. Had we had more time to think about it, we probably would have come up with something more ingenious, because Income Tax is unfair, arbitrary, rather ineffective, expensive and cumbersome to administer, incites cheating.... and is highly unpopular!

The reason it has survived until to-day is precisely because, in the minds of some of our social thinkers, Income Tax is “just” because it is unfair: it takes away some of the “too much” from the income of people whom social thinkers feel are earning too much.

***The unobtrusive shakedown***

In fact, from an entrepreneur’s point of view, an income tax is uncommonly stupid, since working, and making money to prove that there is a demand for what one does, seems socially constructive. System-wise, it is hoarding that may, or may not be immoral, but is certainly inefficient. If there is a problem of some people being rich and some being poor, it certainly should not be at the moment of earning — which is when incentive is most needed — but later on, when money is hoarded, that the State should attempt redistribution.

This raises the question of a less embarrassing method of getting revenues for the State, in a society that will be fully dedicated to positive reinforcement. Is it less obtrusive to rely even more on Income Tax, or to turn to capital taxation? It depends a lot on who is making the choice, of course, so trust a society of entrepreneurs to feel that, if taxes have to be imposed, it should be on wealth itself, not on income, and that we should hit not at active, but at idle capital. Inflation has been for some time the privileged way to finance the State’s redistribution operations; watch for the inflation treadmill to pick up speed again as soon as we outgrow the Reagan Reaction, for the new majority will have State, the Crafty Magician, try to obtain even more revenues from inflation, which is a tax on capital.

Actually, we will rely more on inflation financing. Entrepreneurs will ask for it, and THEY will be the new majority. Inflation helps entrepreneurs, and the future of tax collection lies with the proper handling of the inflation treadmill. This does not mean a social show-down, though, for the situation that prevailed before the Reaction will not come back. The proper scenario is not to confiscate what private capital remains in the land and we will not let capitalists disappear, at least not in the near future.

The problem is not inflation as such, but random inflation: panics occur in times of uncertainty. So let's not crusade for "no inflation" or "low inflation", but rather think in terms of controlled institutionalized inflation, with the treadmill set at the decent pace that the situation suggests...

Used honestly, and as a precise tool for financial policy, inflation will not bring panic, but will turn out to be salvation for all payers, payees and bankers involved in the great bum cheque affair. Pure magic. Before we rely more on inflation financing, though, we will extend a net below liquid wealth, just like we will have extended a net below shareholders.

### ***The "x" negative yield***

The best way to protect money is "**indexed deposits**". It is to commit the State to be the universal banker, *dealing in constant dollars*. The State should always be ready to borrow all the money it is offered, and to reimburse on sight the money it has borrowed, adjusted for inflation... minus a premium of x% per annum since the day of deposit. To have such a net below money is a social and economic necessity but the "x" figure itself

will be a political decision: “x” is the rate of confiscation, the speed of the treadmill.

Whatever the rate we will decide upon, it will be quite flexible since it is an open contract between State as the borrower and the investors. The “x” negative yield may be considered a “tax” on capital to finance the State’s equilibrium-maintaining role. It may also — as it is the maximum loss in real wealth that can now be incurred by the “lazy” investor over the period — be seen as a premium: the price that the capital owner has to pay to keep his idle capital “insured” against wild inflation.

This “minus x%” determines the threshold of dynamism below which wealth becomes fair game. It is also a revenue for the State, and can be set to cover any portion of its redistribution-for-consumption outlays. Take note, however, that once Indexed Deposits protect investors against inflation, it is immaterial to the State’s financing whether investors take advantage of it or decide to run their chance on the private investment market... State is the issuer of power chips. Until now, money has been printed on the authority of the Federal Reserve Bank, watchdog of the interests of the Upper Kennel to make sure that we did nothing foolish... like just writing-off the 13-figure bum cheque with inflation. When it is clear that we are not going to do anything of the sort, since capital invested with the State is indexed for inflation, we may give up the rigmarole of periodically issuing Bonds and Bills and simply go on and print the money we need: power chips. Money itself is no more sacred paper than the Bonds, and we will not need the built-in delay for repayment anymore.

Print power chips and produce inflation. Printing more money is not the only factor of inflation; there are others like velocity, expectations, etc... For the sake of

simplicity though, let us consider here only this most basic of inflationary factors and see what happens when the volume of credit instruments increase.

Suppose, as a limit hypothesis, that investors should deposit so many funds with the State, that the “minus x%” of these funds, as will have been determined, would be sufficient to cover all the State’s expenditures. The State, then, would have no extra money to print and, in theory, would produce no inflation; the investor who withdrew his deposit would receive his investment minus the x% as determined, in money that would have kept the same value. But this is pure theory. Chances are nil that enough money be deposited with the State to make inflation unnecessary. A “minus 6%” rate would have required that \$14 trillion be deposited with the State, in its capacity as guarantor of Indexed Deposits, to produce the \$850 billion that was needed for the budget of 1984...! Conversely, we would have needed that same year a totally ridiculous “minus 40%” confiscation rate to cover our expenses out of the mere 2 trillion presently floating around.

The realistic hypothesis is that investors will deposit with the State much less than it needs, and will go on investing on the market as entrepreneurs. Short of cash, the State will activate its printing press to cover its expenses, and thus will create “inflation”. Thanks to indexing, though, those who will have deposited their money with the State would not be harmed by this inflation except for the agreed and pre-arranged “minus x%”: the risk of inflation would be supported entirely by the investors on the open market, the entrepreneurs looking for high yield.

Should most of these investors get this high yield, it would be a sign that the economy is booming, and who will complain? Save that, in constant-dollars, inflation would reduce these high yields to reflect what real economic progress has been achieved. Should investors not get these high yield, some of them will come back to the security of a “minus x%” deposit with the State, reducing inflation... and making it easier for the others to succeed.

### *Suburbia and the Disappearing Act*

Indexed Deposits are only part of the solution, though. To protect capitalists as an endangered species, we must not only spread a net below capital as liquid wealth; we must also make sure that all partners of “have” status, and not only the “rich”, will contribute to the “redistribution for equilibrium” policy. To achieve proper inflation financing, we need controlled inflation, a well-tempered treadmill, but we need to go also after the illusory, inflation-induced “paper profit” of the property owners. We must use that purely symbolic wealth increase as security for the equally symbolic transfers which regularize, in the books, the Santa Claus operation that distributes the surplus production of the industrial system free to the Have-nots.

How do we do that? Let's see how we would have financed the same 1984 budget, for example. Suppose, for the sake of argument, that there is presently on the market \$5 trillion worth of real estate, the price of which increases with inflation, and \$7 trillion worth of credit instruments whose value decreases with inflation. Let's say we set the treadmill speed at “minus 6%” for “U.S. Government Indexed Deposits” and offer holders of Government securities to

swap them immediately for Indexed Deposits. It is an offer they are not likely to refuse, since holding securities that bear a fixed interest when the declared intention of the State is to promote inflation is not a comfortable position. With this swapping, plus the money of those who will feel a little nervous, we should end up with a reasonable \$2 trillion in deposits. This, at “minus 6%”, brings in \$120 billion in revenues for a starter.

As a second step, with the target a 6% inflation for that year, print another \$420 billion in credit instruments, equivalent to 6% of the \$7 trillion outstanding, bringing the kitty up to \$540 billion. Then, let’s go after the windfall in real estate, in Suburbia and everywhere, and budget to tax property owners the equivalent of the inflation-induced capital gains they shall have made by year’s end on their \$5 trillion assets.

This will bring in another \$300 billion, if the 6% inflation rate materializes, and we will have a total of \$840 billion, comparable to the \$852 billion spent in 1984. If it does not materialize, of course, it proves the market is more resilient than we thought... and we just print more power chips. On the other hand, should inflation soar more, the extra money obtained from the tax on real estate more than covers up for the Indexed Deposits, and the State may either print less money, reduce the negative yield, or do both, all of which will tend to reduce inflation

But, naturally, if we really wanted a lot of dynamism and were ready to run the risk, we could also make it a 7% negative yield, 7% inflation and rake in \$980 billion. Or we could keep the negative yield at 6%, but print money to increase inflation to 7%, giving a modest break to the quiet investor and an incentive to

deposit with the State... Or the other way around, producing the opposite result. It's flexible.

What about the horrified reaction from the effective majority of homeowners ? It will simply not happen. The average homeowner, if he so wishes, will merely mortgage to any institution — or to the State itself — at rates that will reflect the negative yield on capital — the inflation-induced growing equity on his home. This will be the equivalent of an inverted Indexed Deposit; the mortgage will grow cumulatively, its value will be indexed to inflation and the chosen “x” negative yield will apply.

The homeowner will live happily as ever, in a house which will not offer less comfort merely because the State or an institutional lender might hold in it a growing equity. An equity that will not prove an obstacle to normal real estate transactions, since it will be transferable without fuss to future owners and most often then not will *never* be paid back. It will be a paper debt cancelling the paper gain of inflation, and the effect will be exactly the same as if people were offered to pay their Income Tax with an I.O.U. rather than money: it will create the liquidity we need to sponsor private entrepreneurship and enough Indexed Deposits to cover a significant part of the State's new obligations.

If the owner insists on paying the bill annually, so be it; there will be no law against hoarding in real estate, and capital gains may still be made by homeowners, although they will tend to depend on the condition and relative value of the house itself rather than be an automatic phenomenon. But, just like “Book-of-the-Month” members are inclined to accept rather than refuse the proposed selections, so may we expect homeowners to take the offered State's



mortgage covering the tax on inflation-related added value, and either to play their money safe on Indexed Deposits... or go for real risk taking.

Yet, in this option, the homeowner is still losing the automatic profit he now takes for granted and that he will not be making anymore. Crisis ? Rest assured that the homeowner will live more happily than ever, indeed, in his State-mortgaged house, when he is informed by State the Magician of the Great Disappearing Act. With this type of inflation financing, **we do not need the Income Tax anymore**, nor will the Federal Government need any other sources of income whatsoever. Except for what local levies may be kept to care for local needs, taxes may simply disappear.

### *Eldorado*

What is the difference between a “no income tax + face-value negative yield on investments + inflation tax on property owners” policy on the one hand and, on the other hand, the present situation of “interest + inflation + income tax” ? Both approaches hit just the same at the “lazy money” that carries no initiative and give a free ride to the middle-class, but there are four major differences.

First, Indexed Deposits with the State will force the indexing of other loans throughout the system. These will bring a higher yield than the deposits with the State, but it will still be negative yields, except for extremely high risk ventures, since the gap between the interest on private loans and Indexed Deposits will remain the same as the present gap between these private loans and the Government security of similar terms. Investors and financial planners will know where they are going, at last. Without the cost of uncertainty

due to inflation, we can expect rates lower even than what mathematics would suggest for mortgages, corporate and personal loans since we will have removed from the system one major element of “iffiness”.

Second, no Income Tax means no penalty on profits and initiative, no progressive taxation factor to penalize success and hinder motivation. This is an advantage for entrepreneurial investors in the high-income brackets, comparable to what G.I.A will mean, in terms of extra protection, for the entrepreneurial people with lower income.

Third, there is flexibility. We can plan a 6% negative yield from the start on Indexed Deposits, but this is a day-to-day contract. From 6% you can move to 5.5% or 6.5% as need be, or to any figure you choose, since the investor is always free to collect his money if he is not satisfied. Then, the printing activity — and inflation rate — can be adjusted also to meet reality. It is the real inflation rate that will determine the tax on property owners, not the initial forecast.

Fourth, the corollary to this policy is that ends should meet. If a discrepancy appears, it should be corrected immediately rather than spread over the next generations for random inflation to correct. Inflation financing— we may call it the “treadmill alternative” — imposes a continuous reexamination of the State’s budget, an approach which is better adapted to the state of flux of modern economic conditions than the present once-a-year exercise in wishful thinking.

How harsh a bargain would a negative yield be on investors ? Will not money just flee from the U.S. and go to finance the development of those foreign countries where Government Bonds will still bring a positive yield ? Maybe it would... if such a country still

existed on the face of the Earth... As things stand at present, the real yield is negative for top-dogs in all WINs, unpredictable at best in the third world. Ironically enough, it is socialist, planned-economy countries which might come in to compete for capital! We can safely trust, though, that the reaction will not be an exodus of capital but rather the other way around. Where else would the investor find an Eldorado where he could enjoy an insurance against inflation, the social climate of guaranteed income for all, a dynamic society of universal entrepreneurship... and no income tax!

What does the treadmill approach mean for Johnny Worker, you and me ? What would the worker, the small investor, the average businessman and the homeowner in Suburbia win and lose ? There is an easy way to find out for yourself. Suppose we take the 6% inflation, 6% negative yield hypothesis. Pick-up a piece of paper... and write, in two columns.

*On the left*, write (1) your net income after tax this year, from all sources, including transfer payments and (2) if you own properties, an amount equivalent to 6% of their value, to account for capital gain;

*On the right*, write (1) your income (except interest received) before tax or, if unemployed, the normal income before tax of someone who has your professional qualifications and (2) all interest received, minus 6 percentage points (if rate was 6% interest, make return nil; if it was 12 % bring it down to 6%... etc.);

Doing better on the left or on the right ? A crude estimate, but if you profit from the right hand alternative, chances are you would be better off with a tax on wealth than with an income tax... like most entrepreneurs and workers. If you want a simpler rule of

thumb, consider that the capital-taxation approach, at the 6% inflation and 6% negative yield level, is advantageous to all the taxpayers whose interest bearing capital is smaller than *16 times the amount they pay in income tax*.

Enough people would profit from this approach to make it a distinct possibility that the Crafty Magician will bow to the new entrepreneurial majority soon, and will proceed with the Great Disappearing Act, both to make our new plans possible and to control the public debt with a minimum of pain, slowly, and keeping in mind that wealth must remain productive.

## 7. Wealth in motion

Helots will make it possible to have all the labour force at work. We may also protect the shareholders and moneyholders, manage a smooth transition to optimize production/consumption of goods and ease wealth out of the industrial production sector, but we will not have a permanent solution to the crisis until we have found new fields where wealth may remain productive. The heart of the problem is that the growing importance of the *i* factors will not allow the expected compensation for wealth to be derived anymore from the use of fixed capital; so, this compensation will have to be levied directly from the workers themselves in the way that will be the least inefficient and unpopular.

And why, may we ask, should workers part with a share of their income in favor of investors, even when the foremost multiplier of production will have ceased to be fixed capital, replaced in that role by the brain of the worker himself ? Let us explain one last time why it must be so, and why it is not as terribly unfair as it looks.

*Playing the free game*

The purpose of keeping wealth productive is not to protect capital owners — there will be nets below wealth for that — but to make sure that the money game will go on amongst those who enjoy it, to provide the common man both with a model for achievement and a promise of gratification. We will need wealth as a “pot o’ gold” for the foreseeable future, and the money game must go on. The game, after all, does not cost us anything anymore...

For ordinary folks, “Wealth” is an undefined state of beatitude second only to Heaven as a goal, and almost as intangible. The 13-figure Bum Cheque, for instance, is indeed “Wealth”, but it is a mythical representation and would serve the same purpose as well with one zero more or less. It boggles the mind. This is so true that, were it not simply a figment of our shrewd imagination, this bum cheque would be no problem at all. We could do the way they did to rebuild Germany in 1945, for instance: get to work. Put the active population working overtime for 2 hours a-day, have them part with this money... and we get rid of the public debt within 2 years...!

God forbid! Get rid of Wealth, and you have sinned against something akin to Faith. The immediate impact would be felt not so much on our consumption patterns, as on motivation and initiative, and as a disruption of Power and Authority. We’ll still need Wealth for the foreseeable future, not so much wealth itself as the drive towards it. The wealth-inspired drive that gives us for free the dream dimension, the authority and social stability we need... FREE.

We entertain misconceptions concerning Wealth; one is that Wealth confers something of a “first choice” on what is produced in our society and that, if it were not for the rich, we would all get more of many things. In fact, with affluence, this first choice has turned into a “right of first refusal” for most industrial goods ... while emerging humanism has severely limited the scope of the goods and services on which Wealth can exercise its privilege at all. Wealth does not compete anymore with you and me for access to current goods and services: it is totally dedicated to the power game.

This money/power game is restricted to top-dogs, and is not allowed to have any impact on the non-playing classes of society, because otherwise disequilibrium would occur between production and consumption and the system would collapse. Wealth-for-consumption and Wealth-for-power are not allowed to meet in daily life. We get the benefits of the game free, because although it is widely believed that the rich are getting richer, this is also a misconception. Through income redistribution, the old Marxist threat of wealth concentration has been pared quite effectively in our society; no more money accrues to the rich as a class, just the contrary... It's free, and what Wealth can survive the new rules of necessity must not be jeopardized, simply put into motion.

There is “Wealth-for-consumption”, and it obeys the law of the “level of consumption income”: enough money must be available for everything produced to be bought; if it is not earned, our way to put it in motion is to give it away. Then, there is also “Wealth-for-power”, and it moves by its own rule that **(Profits + Interest) = (Losses + Inflation)**. If the equation does not balance, equality is maintained anyway, thanks to our imagination: the discrepancy reflects on intangible indebtedness

and we change the figures or add zeros to the Bum Cheque. Not perfect, but no other society has ever done better.

To put it in motion and keep this Wealth productive does not mean the payment of interest. It has been well known since the Middle-Ages, that “*money makes no children*” and that somehow, somewhere, someone must lose the exact equivalent that his neighbor receives in interest. It used to be the poor, but to-day equilibrium demands that the prospective loser be someone who has wealth to play the game rather than an active consumer. So, it has come to inside fighting amongst capitalists and entrepreneurs. Since we will do our best to encourage initiative and favor *Profits* over *Interest*, it is a sure thing that, if some progress (rather than overall “losses”) is to be our lot, average *Interest* will at least be compensated by average *Inflation*. The negative yield of Government deposits will not create this phenomenon: it will keep it within reasonable limits! The Crafty Magician will not impose capital to get rid of Wealth, but rather to put it in motion, to have it generate more entrepreneurship, hopes and dreams.

### ***Thrills and haven***

Wealth, to remain productive, will have to make profits and show entrepreneurship, but the occasions to do that will not be in the industrial sector. Where will the wise money go ? How will wealth keep productive ? When we switch from Income Tax to inflation financing, the first reaction may be a rush on the market to buy anything durable likely to gain in value, such as Art of all types, or anything that promises a positive yield, even shares in the industrial sector, as the notion will dawn on investors that the average plus-value for ev-

everything durable will tend towards the inflation rate rather than “inflation minus x%”.

But, after the first burst of activity, things will quieten down, because production will adjust to demand and frantic buying of anything will make for more losses than gains. The wise money will find little interest in joining the crowd of collectors. Some, then, may want simply to relax and enjoy it, in the peace and quiet of Government deposits, knowing full well that there is a price to be paid for peace and quiet in a society of entrepreneurship; they will have found the haven they were looking for.

Entrepreneurship will not disappear, though, nor the desire of some to live dangerously. The high-rollers will move to other adventures for thrills. Some will go on digging for gold or gambling on commodities — since Mother Nature will always gladly oblige and introduce an element of risk in her children’s lives — or maybe marketing hula-hoops and similar 9-day wonders for a quick buck. As the Industrial Age fades out and the human factor once again becomes the senior partner in production, though, it is the idea-generating process that will become the multiplying factor in a creative society. The main demand will be for the production of intangibles, and the boom market will not be so much for investments in creation and enterprises, as for investments in the Creators and Entrepreneurs themselves. We need a system that will allow investors to associate themselves productively with the development of people, and for Wealth to participate in the profits of their creations. The wise money will invest in people and gamble on brains.



*The brain futures*

Let the rich sponsor the creator. Do not think about “loans”, but about partnership. Today, investors tend to make personal loans on the basis of people’s actual income, which is not much of a bet and, except for loan sharks, should not be that profitable. With the State taking initiative for universal selective credit based on GIA, there will be even less of a market for personal loans. Wise investors, in coming years, will not lend money to people and ask for interest; they will gamble on what will be somebody’s income in the near or distant future, and buy a share in these future earnings... This is what we may call “brain futures”.

It is not new for people to invest in people and to participate actively in their eventual good fortune. Anyone who patronizes a young artist or buys his early works is investing in the latter’s eventual success and fame; so any editor who publishes a new author, the manager who spends effort and money to launch a new boxer, so those who invest in the public careers of politicians. It is already commonplace to invest in talent. As profit opportunities become more and more a rarity in the industrial production sector, the investment-in-talent phenomenon will simply grow by an order of magnitude.

In principle, anyone, anytime should be able to buy a share in his neighbor’s prospective earnings, becoming a shareholder in a private corporation that is exclusively created to exploit the talents of this individual. This could be done for anybody at anytime but, as it will become a significant market, the wise will of course apply to it the same rules for profit as to any other market: if you want to buy low, buy early!

The best way to achieve this result will be to participate in the educational process, and to sponsor the multiplying effect of education on the brain-multiplier itself, so “early” will mean as soon as youths will become eligible for Guaranteed Income. The real hot market, for brain futures, will be with new entrants in the labour force: 16-year olds who will pursue further studies and would appreciate an extra income until they reach 25 or so and achieve a higher income bracket.

A smart student, for example, might receive a lump sum, or weekly allowances, from 16 to 25, and then pay back 5, 10, 20% of his income between the ages, let’s say of 45 and 55. This is a sound investment in talent. Reimbursements (dividends might be more appropriate) could come anytime as agreed, and would be a fixed proportion of the income of the worker during any pre-determined period.

As a protection for the worker, who should always remain his own man, there should be an upper limit to the proportion of one’s future income that can be committed as “futures”. Except for that restriction and the exclusion of money from inheritance, most conditions and clauses should be acceptable, regarding initial payment, period of disbursement, period of dividends, percentage of future income, clauses including or excluding windfalls from the worker’s income, etc... All kinds of choices and options, such as the investor receiving 10% of the income of the worker between the ages of 45 and 55, or of his ten “best income” years between 35 and 55..., or anything else you can imagine.

The most interesting scheme may be for investors to sponsor *groups* rather than individuals, and so to spread their risk to make it a better investment. What safer investment could there be, even today, than a share in the eventual income, 20 years hence, of 20

students in medicine in good health ? What could be a better investment than a share in the eventual income of two dozen Harvard majors with high-achievers' profiles and good family backgrounds ? And this type of investment will become even more interesting, of course, as the market in industrial production loses its glamor.

How will it work ? Anyone looking for an immediate extra income could go to a *Brain Broker* — or simply look up proposals in the local newspaper if he so prefers — and offer to sell shares in his future income in exchange for an immediate lump sum or a series of payments over a period to be determined. The broker would check the person's resume, ask for a medical and a psychological report, gather background information... and then propose to the client, either to sell his "shares" directly on the market or to pool them with shares of others, in a package that will seem convenient and attractive.

It is mainly for putting these "packages" together that the brain broker would receive a fee from his clients, since finding investors should be rather easy: with few other outlets for investments, this should definitely be a seller's market. To be valid, all transactions should be registered with the State and all their details — (save the medical and psychological reports and the notes on background) — should be on computer and open to the public. Transparency is important in this case, if everybody is to get a fair deal.

Clients will be mainly young workers, turning 16 and becoming eligible for guaranteed income, who will decide to pursue further studies even though the Pragmatic Teacher will not have put them on the payroll for the education of their choice. Clients will also be workers who will prefer, for a while, to devote

their leisure to something else than lucrative endeavors. These may be promising young professionals, or would-be creators, who would like to have a more substantial income while they cogitate on their own schemes... and can convince investors that they are a sound long-term investment as inventors, writers, artists...

Isn't there a risk that the "kids" will just take the money and spend it wildly ? Of course, but this raises two questions. The first question, which I will not discuss here but leave to experts, is whether 16 is or is not the age of maturity for this type of decision. The second is whether consenting adults, of any age, should be led into the sinful temptation to mortgage so easily their forthcoming income. To this second question the social answer is YES. We are a long way from thrift as a virtue. One of the reasons we have to propose alternatives such as selling brain futures, is precisely because we are so hard put to imagine ways to get money and wealth rolling, short of spoliation or of natural and man-made catastrophes that we dare not contemplate.

The youngster who sells shares of his future income and spends it now *may* make his own life more happy, this we do not know for sure... but he will certainly do us a good turn. The investor from whom he gets the money would *not* have spent it, now or ever, nor would to-day's youngster have spent the money he will pay back to the original investor or his heirs at the moment of reimbursement, 10 or 20 years hence, because, by then, his own needs and desires satisfied, he too is most likely to be playing the money game rather than consume and to be looking for an investment.

With GIA and affluence, the money spent now will not put basic welfare in jeopardy but, to the contrary, every cent of it spent will be a blessing. We must understand that the best social behavior for somebody with money, now and for the foreseeable future, is to go out and spend it ... Thank God, youth is a good spender!

### ***Bridging the gap***

Getting money to roll, however, will not be the main advantage that our society will find in the brain futures market; the most important effect will be to help bridge the gap between generations. It is no secret that the generation of those born in the late Sixties and Seventies shares so little of the previous generations' interest and goals, as to appear like a new civilization coming in from the stars or a new barbarian invasion getting ready to make mischief. Investing in the brain futures will create a community of interest between the young workers and their sponsors. Give money to youth and they will like it, spend it, owe it, work for it.

It may look like a dirty trick to hook kids on our own values, but actually it will be the other way around; they will impose *their* values as soon as they have a voice... the voice that will come to them with money. Sad to admit, our generation has done a very sloppy job of integrating the next; maybe people who have been unable to "understand" their children will understand their own best interest at least, and behave so as to protect their investment.

Youth that owes money to the previous generation will get more breaks; it will get all the breaks that the monstrous baby boom generation, which fills and overfills the labour market, is now fighting tooth and nail not to give the new generation. Action on the brain

futures' market may start as a matter of money, but will end up as a step forward in human relations. The investor will try to help his investment, but will also get involved personally with the person he has sponsored; this may become the basis of a new type of relationship between some Haves and Have-nots, between young and old, that we should not scorn merely because total altruism will not have presided over its birth. People who will share a common interest over decades will know each other better, and will develop SOLIDARITY. This way, our generation shall be granted what may be its last chance to bridge the gap, and we may be accepted as partners by our own children as *they* take the next step in human evolution.

## CONCLUSION

We have been concerned in this book with the *why* of the present crisis and with the *how* of a basic deal with the State. A deal with the Octopus that will give us full employment and guaranteed income, will provide support for the ailing industrial sector while we stop producing for the sake of work, will emphasize freedom and entrepreneurship and give birth to a society of interdependent *Alphas*: people who will be equal but will not renounce the individual drive for excellence.

Nothing less will prove acceptable and, although means may somehow vary and names be different, although we may run for it or drag our feet for another decade and suffer a little longer, something very similar to Clause #1 will be implemented in the near future. People will begin to root for change.... then Acts and Amendment will begin to roll in, and we will get a new social contract, like it or not.

This first deal with the Octopus will also be the birth certificate of a Creative Society which will give priority to thought over toil, and to intangible values over the material. Not because it will say so in the small print, but because there will be no other choice: the

whole structure of society will change. Our children will be Alphas, and our grand children the kind of people that are born in a creative society.

### ***The race to Alphadom***

The passage from the Age of Toil to the Age of Creativity is the normal conclusion of the Industrial Era, and all industrial nations must sooner or later cross that bridge. The questions are when and how... and who will get there first. Where do we stand, as a society, in what may be a race towards “Alphadom”, towards a society in which new ways to work and to rule will apply ? American society may have a double edge on competition as we enter the Age of Creativity.

First, our system of government has never tried for “total” control over individuals; we have been left with a significant part of our private life to ourselves, so we will simply have to increase freedom rather than start from scratch. Second, we have at least paid lip service and maintained token loyalty to entrepreneurship, so we will simply have to clarify the role of the State in production and “privatize” a bit, rather than face the problem of countries which suppressed initiative and will now have to dismantle a large part of their public management structure.

On the other hand, precisely because we made a point of relying entirely on positive reinforcement, we will feel the impact sooner of the new brash and potentially anarchical “take it or leave it attitude” that will prevail in an affluent interdependent Alphadom. Will we be able to contain anarchy until the creative society is well established, and to take advantage of our lead to become the first Creative Society ?



We are not alone in the race. Curiously enough, the country that does not have yet the critical mass in terms of wealth to do it but seems to have the will to eventually take a gambit on leisure, is China. After a brief glimpse — by historical standards — at the extreme left, China is back to the social application of its traditional Middle Path philosophy, the return being itself a good example of a yin-yang alternation between opposites. We better hurry to Clause #1 and a creative society, because it is not at all impossible, in view of the late developments, that China might get there also, coming back from the Left !

Come what may, we will all get there... ready to look even further down the road. We discussed a few things about the Crisis, but very little about the Beyond, about what a creative society will bring, about what life and work will be like in Alphadom, about the kind of pecking order that will arise as new ways to work, to possess and to rule will evolve. We know that the trend will be towards more freedom and more interdependence, with State control over much less of our life. From this, we may guess that the new society will be more permissive, but it would be premature — and quite immaterial to our present purpose — to discuss whether a creative society will allow people to walk naked in the street, to sign up for euthanasia or to buy opium in drugstores.

Small changes will add up and snowball, after Clause #1, until the day we realize that — because both the part of work in Man's life and the role of Man in production will have changed — work and production have become means rather goals... Then, we will be safely out of the Age of Toil and into the Age of Creativity and the whole present social contract between the State and the individual, a contract based

on work and production as the first priorities of the individual, will have come to an end.

This will be an historical change of attitude, and we will long for a totally new relationship with the State, a new framework for our collective efforts to accept the destiny of Man the Thinker. The time will be ripe to draft the rest of the small print, and whatever has been done, by then, against the ingrained habits of the work-oriented culture, will finally be institutionalized to provide a definite framework for freedom. We will live in a Creative Society, and work will still be a necessity but will have ceased to be the axis around which human life revolves.

How close are we to a Creative Society ? Clause #1 is around the corner, since it profits everybody and has no natural enemies but ignorance, prejudice, inertia and, most of all, the fallacious idea that it is simply not possible to tell people the truth. Actually, the system is already full of powerbugs and people like you and me, who think that the time has come for a fundamental change but wish that the change would occur peacefully. Can we do anything to help it along ?

### ***Rooting for Alphadom***

To begin with, let's be "one-track minded" reformers. The objective is to free man from toil, and therefore to increase his freedom and creativity. If it is to be done seriously, now and not a generation hence, it must not be confused with all other ideas that fill the contemporary thought-market. A decision for creativity must not be an attempt to uphold or disrupt a specific political system: it is a normal step in evolution, not a way to achieve a revolution. It should not be draped in red, nor should it require the blessing of a particular

class of society. It should derive from a consensus, and a decision for leisure, therefore, must stand on its own and be profitable to all. There should be no losers.

Solutions to all injustices must be found, but they are not all to be found in the framework we discussed here. Ethics must wait, sometimes, for logistics to catch on, and Clause #1 must be recognized as one step in the right direction, not as a panacea to all evils. A Creative Society will correct some injustices, but if its advent is bound to the realization of the objectives held by all social reformers, nothing will happen.

Work redistribution, for instance, may have an impact on income distribution but it should not be used as a way to achieve this purpose. If it becomes just another devious way to redistribute or not to redistribute income, it will fail to gain acceptance and we will be left with both bad income distribution and bad work allocation. This would make it tougher on everybody, because the jobs are not coming back; we may call what's happening leisure and prepare ourselves to enjoy it... or let it be unemployment and be very miserable.

The rules of necessity will apply. In the end, creativity will be attained in any wealthy society based on machines. We must avoid at all cost making it a partisan issue, for if ever leisure and creativity are cursed with such labels as "leftist", "rightist", "conserver", "liberal"... or what not, the issues discussed here will be side-tracked in favour of much easier fighting grounds for the simple-minded.

The march towards a Creative Society must not be linked to the Left, to the Right, or to any party or group. Let's not "party-ize" the decision for creativity and leisure. Next to this most important thing NOT to do, there are also some positive moves that may help.

Those in Government, or otherwise close to power, can do their best to have us move to Clause # 1 as soon as possible. Those in Business or Labour can play a significant role by doing their utmost best to get away from the “produce to work” approach.

Let managers, in both the public and private sectors, feel free to challenge the communication process that often replaces decisions and action. Let them say “the king is naked !” when the creation of a new committee or sub-committee to occupy Parkinsonian leisure is proposed. Better yet, let them call hyperjobs in the open, not to denounce them, but to have people become aware of the fact that just a minimum part of the time of managers is devoted anymore to the business at hand.

It might be a good thing to promote a “work-to-produce” week, during which all business would be transacted in the early morning, all communications relevant to business would be monosyllabic or put down to paper in a minimum of words, and everything would be done to accelerate the work process, so that Thursday, Wednesday, or maybe Tuesday afternoon, with the week’s work done, people might recess to chat socially, carry on with their own hyperjobs, or go home quietly.

Let’s go through with it once, at least, and become aware of the enormous waste of energy that the 9 to 5 dedication to non-work means to each and every one who still toils in the job framework, either as a misused Epsilon or as misfit Alpha... while there is, for the asking, all the imagination and initiative required to take the jump into the production of what we really need.

Then, let consumers become aware also of their own power in this “consume-to-produce” system of ours. Nothing like a “Consumers’ strike”; this would be too strong medicine and might well defeat the purpose and destroy the system. Just an effort to barter, and thus to understand the new rules of the games.

“Barter clubs” are already sprouting forth all around, but there is still a long way to travel. What about people on Social Security pooling their resources and offering their skills “free” to landlords for minor repairs, or to merchants for such services as delivery, stockroom duties, etc... Against which landlords and merchants could reciprocate giving them “free” certain commodities like food and lodging. Then, think about three-way deals in larger “clubs”: Tommy the Plumber, doing a good turn to Bobby the Tailor, who might help Jimmy, who happens to own a truck that Tommy could use. Learn to barter services, just as well as goods, which is the way of the future. It also happens to be the way to pass the message that the distribution chain is not perfectly efficient, that some personal initiative could improve on it, and that the forgotten Do-not’s *could* contribute.

Last but not least, for everybody from students and housewives to Chairmen of the Board, the best way to help is: pass it on! No occasion should be lost to convey the message that jobs will not be back, that the 13-figure bum cheque may bounce any minute, and that we should move on to a creative society of our own free will before a more acute crisis within the crisis imposes change in less favorable conditions. Let it be known that you are on the side of change, freedom and entrepreneurship. Say it loud and clear and, if you have the stomach for it, *write it!* Let the handwriting appear on the walls.

**i !**

**i  
magination !**

**i  
nteraction !**

**i  
nitiative !**

**The handwriting on the walls !**

## **ABOUT THE AUTHOR**

Lawyer, Economist, and Fellow (Human Resources) of the Organization for Economic Cooperation and Development, Pierre Allard has been Director General for Manpower in Quebec's Ministry of Labour and Manpower, Vice-President (International Affairs) of the Quebec Educational Resources Export Corporation, and an expert-consultant to a score of U.N., Unesco, African Development Bank, OECD, CIDA and World Bank financed development projects in Africa and South America. Married and the father of two, he is presently engaged in Human Resources development projects in Canada, France, Morocco and the Netherlands







Ouvrage réalisé par la  
Fondation littéraire Fleur de Lys inc.  
44, rue Chabot, Lévis, Québec, Canada. G6V 5M6  
Téléphone : (418) 838-0890  
[www.manuscritdepot.com](http://www.manuscritdepot.com)

Achevé en Juin 2005.

Exemplaire numérique en format PDF

Adobe Acrobat

Exemplaire papier imprimé à la demande

DIZONES, impression numérique,  
9060, Avenue Ryan, Dorval, Québec, Canada. H9P 2M8  
Téléphone : 514. 636. 9663.



# ***Crisis and beyond***



**PIERRE ALLARD**

**CRISIS AND BEYOND** was written in the Seventies and published in 1987. At the time, most economists were convinced that there was nothing more to steadily growing unemployment than the competition from developing countries. The situation, they thought, would soon correct itself... It did not.

This optimistic view does not prevail anymore. Indeed, it can be said that Rifkin's bestseller "*The End of Work*" in the Nineties has nailed the coffin for this simplistic view of the work crisis. Maybe the time has come to have a second look at the phenomenon of growing unemployment worldwide, to find its real cause and to propose a solution.

If I were to write **CRISIS AND BEYOND** today, I would certainly make some drastic changes. The downfall of the U.S.S.R - whose might used to put a check on the unbridled ambitions of the American capitalism - has transformed the "final swing of the pendulum" to the Right, which I foresaw as a brief interlude, into something more permanent ... and it makes a social meltdown all the more plausible.

I would certainly like to make some changes to this book, but short of a total revamping of it (for which I have no time now), I thought it might be better to leave it alone than to introduce minor and unsatisfactory modifications. So, this new edition is identical to the 1987 version of a book mostly written at least a decade earlier. To day, it provides historical perspective, rather than innovation...

And then, maybe it provides more than that. Many problems which we faced then, still go unresolved, and many solutions we proposed at the time could still be applied. You will be the judge.



*Fondation littéraire Fleur de Lys*

First non-profit French language  
editor on the Internet.  
[www.manuscritdepot.com](http://www.manuscritdepot.com)

**ISBN 2-89612-116-1**