

An Economist Sounds the Alarm

About: Daniel Cohen, *“Il faut dire que les temps ont changé...” Chronique (fiévreuse) d’une mutation qui inquiète*, Albin Michel

by Christian Baudelot

Daniel Cohen addresses the changes in our globalised world with an anxiety rarely seen among economists. The rise of *homo digitalis*, social networks and the robotisation of our economies call for us to seek ways to take collective control of the upheavals currently underway.

Economists rarely express their emotions. And yet that is precisely the exercise in which Daniel Cohen engages right from the very title of his book. “Strange shifts have taken place, sweeping us from one world into another totally unlike that which came before it.” And it is indeed the idea of change that forms the core of this book; a change of considerable scope, sweeping us from “one world into another”, no less.

Drawing inspiration from the periodisation developed in 1948 by Fourastié (*Le grand espoir du XXe siècle*), Cohen maintains that after the age of agriculture and then industry, our societies entered a third age: that of digitalisation and *homo digitalis*. He is not the first to analyse the profound transformations that new technologies are imposing on our lifestyles, mentalities and uses of space and time. Well aware that nothing stays the same, the economist is also an informed reader of a whole host of studies focusing on all these upheavals in a wide range of contexts, beginning with the economic foundations of our societies. The purpose of this book is to give the reader the means to access a holistic view of what is happening to us. That is why he approaches the subject from multiple angles, connecting the viewpoints of economists, sociologists, demographers, psychologists both past and present, philosophers, psychoanalysts, artificial intelligence experts, doctors and biologists, without overlooking the valuable contribution of writers, filmmakers and singers, particularly Bob Dylan. The merging

of all these disparate elements is instructive and original. It builds up a picture that makes the complex dynamic of all these transformations intelligible and disturbing. The changes are disrupting our world to such an extent that entire population groups have become disorientated... including the author himself. The situation is serious! This loss of meaning forms the book's core.

A Loss of Meaning

Where do we come from? Where are we going? A look back at the past makes it easier to distinguish the future that is taking shape, a society with no growth or job creation for lack of economies of scale. In the past, an industrial society in which most of the wealth was produced by and in factories, filled predominantly with workers. Demand was high because it was necessary to provide increasingly large populations with capital goods and consumables required by modern civilisation: housing, cars, aeroplanes, household goods, etc., hence the possibility of a high long-term growth rate. The continual tension—a feature of capitalism—between the harshness of the production sphere with its vertical hierarchy and exploitation of workers subjected to often ruthless working conditions, and the sphere of consumption hailed as a space of enjoyment and individual fulfilment, had become bearable: a continuous rise in purchasing power, a better life for one's children who benefited from higher salaries, better material living conditions and a higher social status compensated for the effort made in the workplace. By offering to the many a level of luxury formerly reserved for the few, capitalism won popular support. Strong growth gave meaning to people's existence: each generation lived better than the preceding one. Everyone had the feeling they were living in a society driven by progress. Trade unions were strong and an overall social compromise had been reached with tolerable employers, as evidenced by the 1968 Grenelle agreements. This is perhaps an idyllic picture, but one that is broadly confirmed by the brutal contrast with the world that is emerging today.

During the 1970s, growth faltered and then shuddered to a halt. Industrial society collapsed and with it the social infrastructures that sustained it. Society bid farewell to the proletariat, the trade unions, the notion of progress and upward mobility for the young. Unemployment continued to rise. In an attempt to counter this growth deficit caused largely by weak returns to scale for manufactured goods, shareholders took back control in the 1980s. The financial revolution forced businesses to cut production costs "at any cost". Since then, the ideal company is one with no employees. Those who remain are doomed to live in a world with no down time. The intensification of labour is the only way to boost productivity gains. Production rates are increasingly set by client demand. Lower communication costs make it feasible to outsource as much as possible beyond the boundaries of companies and nations. The capitalist mindset is no longer driven by the Protestant ethic so highly valued by Max Weber, but rather by limitless greed. The share of the national income captured by the

wealthiest 1% has risen from 10% to 20%. As Thomas Piketty clearly showed, the share of wages in people's wealth decreased sharply in favour of capital income. Nowadays, the fewer employees a company hires, the greater its profits. Netflix and Google can double their business turnover without doubling their staff. There are a few winners but many losers. Executives in jobs with high returns to scale get out while the going is good. All other jobs are proletarianised. The surge in low-cost capitalism has resulted in a new pauperisation of the working classes. Above all, it is destroying the implicit solidarities that the former industrial, hierarchical yet united world had built up. The workforce of big industry has lost over a third of its staff to other sectors, artisan workers, workers linked to logistics, drivers, warehouse workers. These people, working in more informal environments in close contact with clients and end demand, have become mere service providers.

The Lost Link

Economic and social insecurity erodes and breaks social cohesion. This has been clearly shown by sociologists, Robert Castel and Serge Paugam in particular: a feeling of isolation and abandonment experienced by a growing percentage of the working classes, a loss of meaning and points of reference, individualism by default. Hence the rise of populism, which has found an outlet through the Front National vote in France. Cevipof's detailed analysis of the factors that determined the results of the 2017 presidential election highlights this new political polarisation.

This is a familiar picture, but it is necessary to revisit it in order to sharpen the contrast with the future that is emerging. The explosion of digitalisation in almost all spheres of existence, the gradual replacement of the human workforce with increasingly versatile and efficient robots, the spectacular advances made in the field of artificial intelligence, the increasingly widespread use of algorithms to oversee the operation of a large number of institutions and activities—these technological revolutions have completely turned both our individual behaviour and the functioning of our societies completely upside down.

What exactly do we know of their long-term effects? Not everything, by any means. Daniel Cohen is right to point out that many technological inventions have gone above and beyond the aims set by their inventors: steam engines were meant to pump water in coal mines, not to power trains. Edison could never have imagined the breadth and variety of the applications generated by electricity. Alfred Sauvy also showed that technological inventions always destroyed jobs but also created many new ones. However, the scale of the technological, economic and social upheavals now underway risks profoundly altering the traditional relationship between humans and machines. First of all, by creating a sharply polarised job market, from which “symbol manipulators”—the project designers—have grown considerably wealthy. Community-based jobs, however, which are by nature unable to

generate economies of scale and increase their productivity given that they require a face-to-face relationship, are very poorly paid and likely to remain so. The number of these workers is increasing rapidly, stemming from both the flows of those excluded from the industrial world and the outsourcing of a large number of tasks to consumers themselves, with the help of software (bookings, administrative formalities, etc.). Even though we know that when it is necessary to act outside of a protocol, human beings, who multitask naturally, are better than robots, and that the future of human labour will depend on society's ability to imagine new complementarities between humans and machines, we also know that the future will be characterised by a severe lack of growth and jobs.

Network Dependency

A paradox of history, the rise of the Internet in its own way is confirmation of the triumph of the 1960s counter-culture which, by breaking with the hierarchical society that imposed the same way of life on everyone, celebrated the primacy of the individual and of freedom, gratuity and equal, horizontal relationships between people. For many progressive thinkers, the Internet was expected to “flatten organizations, globalize society, decentralize control and help harmonize people” (Nicholas Negroponte). Gilles Deleuze and Felix Guattari called for a rhizomatic society. A rhizome is horizontal and immediately multiple with no beginning or end, but always in the middle. The root, on the other hand, creates genealogy, hierarchy and relates to a vertical, religious conception of industrial society. However, the Internet, Facebook and social networks with their elective affinities and lack of a visible hierarchy constitute a clear victory of the rhizome over the root. The idea of a new technological environment was to promote individual development and collective emancipation.

However, numerous surveys carried out in the United States on the functioning of social networks have analysed the profound changes they effect on the young generation's mental frameworks, behaviours, morale and relationships with others. The digital society leaves little room for individual free will. Identity is that of the network, not that of the individual, who can hide behind it. The digital world encourages addiction. Through television series, iPhones and instant communication, people are kept in a permanent state of anticipation of emails, text messages or information. Everything becomes a drug. The young iPhone generation, as a result of spending six hours a day using a device, is less rebellious, more tolerant, less happy and very ill-prepared for adulthood. Experiments have shown that Facebook reduces people's well-being: the more we indulge in it, the more likely we are to say we are unhappy. Social networks help to de-socialise people and make them lose their sense of the future by trapping them in the swamp of a permanent present. The world of technology eliminates the future because it constitutes its own surpassing. People's relationship with reading has been transformed more by two decades of Internet than by several millennia of

writing. The impact of all these new technologies on people's mentalities and behaviours is so great that there is a serious risk that this time humans will adapt more to machines than machines will to humans. Fuelled on every page by the new feats of applications deriving from artificial intelligence and new territories conquered by revolutionary algorithms, the future that awaits us becomes apocalyptic. Would the rational economist, Daniel Cohen, give in to the siren calls of an apocalypse?

It may not be that simple! Particularly considering that things are far from being rhizomatic and horizontal in our societies. The financial, social and ideological power of new tentacular, globalised companies such as GAFA (Google, Amazon, Facebook and Apple) largely dominate economic life while exerting permanent control over our lives, about which they eventually learn every detail.

It is clear that Cohen pushes the contrast between the past and the present to the extreme in order to illustrate the point. Not everything was rosy in industrial societies; nor is everything black in the digital world. And he does indeed state all the positive advances of digitalisation in the sphere of healthcare and education in particular. The book's chief merit is to draw attention to the loss of meaning brought about by all these major upheavals that are as yet very poorly controlled. This loss of meaning, most acute among the social groups furthest away from the centre of this great maelstrom, is also felt by growing numbers of citizens who find it difficult to imagine the future that awaits both themselves and, above all, their children and grandchildren.

What Next?

In the final pages of his book, Daniel Cohen points out a number of actions and measures that he believes should be taken to counteract the most damaging effects of the new order. These mainly concern the implementation of new social regulations by states: better monitoring and regulation of the activities of GAFA; creating public databases on subjects of major interest; handing control back to public institutions, hospitals and schools; working to counteract loss of privacy on social networks; opposing the sale of data and demanding greater transparency of algorithms; organising "computer/iPhone/Internet-free days" in order to "recivilise" interpersonal relationships; and providing young people with better training in order to steer them back towards reading. And finally, to guarantee new protections against the vagaries of life and the probable loss of millions of jobs, a universal income should be established.

All of these measures are no doubt needed, but, as well as being difficult to implement they are also likely to be insufficient. Growth is not the only thing in crisis. Faced with this new order, the creative imagining of new solutions and of economic, political and democratic

projects equal to the major changes we are experiencing is also largely in crisis. The disappearance of the political left is just one symptom of it. The book therefore concludes with an urgent call for a citizens' revolution that would consist in collectively debating the "best ways of satisfying our true needs," to use the words of André Gorz who, as Daniel Cohen rightly reminds us, was one of the first people in France to identify the new challenges facing our societies.

So far, the best solution capitalism has provided to solve economic crises of such magnitude has been warfare. We destroy everything and start over. This is a very real possibility today. The arsenals of numerous countries are replete with sophisticated weapons ready to be deployed. However, this time a new dimension could shift the order of things: the unforeseen speed of global warming. The astonishing swiftness of climate degradation will force us to cut back on high-pollution production (cars, aircraft, etc.) Rising transport costs may then risk forcing each country to bring back within its own borders at least part of the industrial and agricultural production required for its subsistence. The fight against climate change will thus force humans to invent new ways of "satisfying our true needs". A great many local initiatives and citizens' groups already exist in the area of agriculture and craftsmanship. Are they federable? Are they the beginnings of a new society? How is it possible to use all the resources of the digital world, algorithms and AI within social settings that are outside the scope of GAFAM and police states? These are the fundamental questions that Daniel Cohen's book calls on us to explore.

Reviewed: Daniel Cohen, *"Il faut dire que les temps ont changé..." Chronique (fiévreuse) d'une mutation qui inquiète*, Albin Michel, 2018. 224 pp., €19.

First published in laviedesidees.fr, 29th October 2018.

Translated from the French by Susannah Dale with the support of the Institut français.

Published in booksandideas.net, 4 February 2019.