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What have the robots ever done for us?

Charlie Woods (Core Solutions Group / Scottish Universities Insight Institute) \cdot Wednesday, August 8th, 2018

A good friend of mine was recently surprised to see a robot cutting the grass around a well-known landmark in Edinburgh. Coincidentally this was around the same time as I came across a speech given by Adair Turner in April this year entitled "Capitalism in the age of robots: work, income and wealth in the 21st-century."

In this speech Turner argues that the rapid and unstoppable development of automation – which will play out over the next fifty to a hundred years – will have very profound implications for how we live and work. He envisages a world where most of the goods and services we need to live well will be produced with very little human input. To put it in other words the production problem will be solved. This begs a number of questions – what will we all do, how will income be earned and distributed, how should we measure progress, etc.?

Turner acknowledges that in many respects John Maynard Keynes got here first almost ninety years ago with his essay "Economic Possibilities for our Grandchildren" in which he said "for the first time since his creation man will be faced with his real, his permanent problem, how to use his freedom from pressing economic cares, how to occupy the leisure, which science and compound interest will have won for him, to live wisely and agreeably and well"

There are a number of possible implications in a world in which income is derived less from activities essential to human welfare; where more attention is paid to how things are distributed rather than created, and where the way in which income and wealth is shared will be critical. There are many different dimensions to the distribution question – for example, distribution within countries, between different regions and social groups and between countries. It also throws into even sharper relief the value of using GDP, as currently calculated, as a measure of societal wellbeing.

If income is unequally distributed (and grows ever more unequal as income earning assets become more concentrated) it is likely that the have-nots will spend their time serving the haves, and growing ever more resentful at the inequity and lack of hope.

In a world focussed on distribution it is also likely that there will be a growth in zero-sum activities, which cancel each other out in terms of overall welfare, as people struggle to secure their share. Some of these activities are more obvious than others such as cyber criminals and the police that try to stop them. However Turner also cities activities that fall into this category which might not seem so obvious at first glance e.g. tax accountants and tax officers, marketing and advertising

executives, regulators, lobbyists etc. Some 'elite' education which is aimed mainly at securing a position in society might also be included.

In this environment rent seeking is likely to become more prevalent and the assets that will be most highly valued will be those whose value is physically constrained and/or subjective such as land in desirable locations, brands and beauty.

Indeed the early signs of these trends are all around us with a growing number of low paid, precarious jobs, alongside an increasing proportion of 'zero-sum' jobs, while the value of non-produced assets such as land now exceeds produced assets and populist politicians respond to growing feelings of discontent. Perhaps we are the equivalent of frogs in gradually warming water – incremental change can be very hard to perceive.

What has all this got to do with mediation? Turner concludes: "...the most crucial challenge will not be how to produce more output for a given work input, but how to manage in a fair and sustainable way disputes about the distribution of those goods, services, and assets (both created and natural), which automation does not make available at ever falling and close to zero prices." So it looks like the skills that mediators deploy are likely to become ever more important in trying to ensure that interests are met as fairly as possible and that what might look to be zero-sum contests can be managed in a way that adds as much as possible to the sum of human wellbeing – without destroying the natural world in which we inhabit.

As an aside, a world of increasing artificial intelligence and machine learning does also beg the question of how might a robot mediator work and how long might it take to develop?!

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