Well Grubbed, Old Mole!

open source and the undermining of capitalism

Maurice Naftalin
Wadlerfest, Edinburgh, 12 April 2016
Why This Talk?
Why This Talk?

Java Generics and Collections

O'Reilly

Maurice Naftalin & Philip Wadler
We’re Living in the Future
We’re Living in the Future

We’re Living in the Future

• *PostCapitalism - a Guide to Our Future*, Paul Mason
• Wide-ranging economic and technological analysis
We’re Living in the Future

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• My summary:
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  ‣ 4½ Long Waves
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  ‣ Info-Capitalism
  ‣ Where Are We Going?
“Old Mole”?  

Europe will leap from its seat and exultantly exclaim: ‘Well grubbed, old mole!’  

Karl Marx, The Eighteenth Brumaire of Louis Napoleon (1851)
NIRC vs AUEW

The National Industrial Relations Court has found the Engineering Union of Workers for refusing to submit a member who claimed on his fellow workers during a strike. If the union fails to pay the fine, its funds will probably be affected. If it pays the fine but refuses to re-open the matter, it would have been fined again. Mr. Shropshire of another union with the NIRC is being put to the test.

At the TUC Conference, the AUEW proposed that unions should adopt a policy of not running on income policy while the freeze is on. This action, with this freeze, has finally slammed the stable door just two days after the horse has bolted.

If he finds his position on the General Council he would like to regain some credibility within the trade union movement by this show of opposition. But the fact is that the single most important factor opening the door in some of their wage restraints was the TUC leadership.

In the Government's darkest hour after the freezing of the first day, Mr. Feather came to offer his hand of friendship, and begin a three-month public campaign for an income policy. Mr. Feather supported the Government's plan to do away with the TUC and assure by a campaign aimed at rounding up the back of the bosses to start the campaign against the-capitalists for a decent standard of living. The National Union of Metalworkers was making exactly the same argument for a trade union movement. The TUC had fixed its eyes on rising in the months ahead and when the General Council demanded an explanation for the present freeze.

SHIELD

The effects of the TUC policy on working class living standards are felt even before the freeze was introduced. Tense and poor conditions of work are far from the freeze started to free the workers. The social and economic conditions were far from the workers. It was said that a strike in the service of the freeze was a part of the freeze. But the strike was a part of the freeze. And the strike was a part of the freeze. It was said that a strike in the service of the freeze was a part of the freeze. And the strike was a part of the freeze. It was said that a strike in the service of the freeze was a part of the freeze. And the strike was a part of the freeze.
4½ Long Waves
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Capital builds up
4½ Long Waves

Capital builds up
And invests in innovation

1. Surf's up
Schumpeter's waves accelerate

- Water power
- Textiles
- Iron
- Steam
- Rail
- Steel
- Electricity
- Chemicals
- Internal-combustion engine
- Petrochemicals
- Electronics
- Aviation
- Digital networks
- Software
- New media

- Pace of innovation
- First wave: 1785 - 1845 (60 years)
- Second wave: 1845 - 1900 (55 years)
- Third wave: 1900 - 1950 (50 years)
- Fourth wave: 1950 - 1990 (40 years)
- Fifth wave: 1990 - 2020 (30 years)
4½ Long Waves

Capital builds up And invests in innovation

Productivity can’t keep pace

1 Surf’s up
Schumpeter’s waves accelerate

FIRST WAVE
1785
60 years

SECOND WAVE
1845
55 years

THIRD WAVE
1900
50 years

FOURTH WAVE
1950
40 years

FIFTH WAVE
1990
30 years

Waves of Innovation:
- Water power, Textiles, Iron
- Steam, Rail, Steel
- Electricity, Chemicals, Internal-combustion engine
- Petrochemicals, Electronics, Aviation
- Digital networks, Software, New media
4\frac{1}{2} Long Waves

Capital builds up
And invests in innovation
Productivity can’t keep pace
Crisis: real wages fall
4½ Long Waves

Capital builds up
And invests in innovation
Productivity can’t keep pace
Crisis: real wages fall
Resistance stimulates innovation
The Stalled Fifth Wave
The Stalled Fifth Wave

• As the fourth wave ended:
The Stalled Fifth Wave

• As the fourth wave ended:
  • falling profitability
The Stalled Fifth Wave

• As the fourth wave ended:
  • falling profitability
  • end of Bretton Woods, gold standard
The Stalled Fifth Wave

• As the fourth wave ended:
  • falling profitability
  • end of Bretton Woods, gold standard
    • competitive inflation
The Stalled Fifth Wave

• As the fourth wave ended:
  • falling profitability
  • end of Bretton Woods, gold standard
    • competitive inflation
  • state benefits replacing wages
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• Enter…
The Stalled Fifth Wave

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• Enter… Neoliberalism
The Stalled Fifth Wave

Neoliberalism’s central project:
The Stalled Fifth Wave

Neoliberalism’s central project:

To break the economic strength of organised labour
The Stalled Fifth Wave

Neoliberalism’s central project:

To break the economic strength of organised labour

Has it worked?
The Stalled Fifth Wave

Neoliberalism’s central project:

To break the economic strength of organised labour

Has it worked?

YES!!!

deunionisation
The Stalled Fifth Wave

Neoliberalism’s central project:

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demotionisation
wage stagnation
The Stalled Fifth Wave

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deunionisation
wage stagnation
financialization
The Stalled Fifth Wave

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Has it worked?

YES!!!

deunionisation
wage stagnation
financialization
social atomisation
The Stalled Fifth Wave

Neoliberalism’s central project:

To break the economic strength of organised labour

Has it worked?

**YES!!!**
- deunionisation
- wage stagnation
- financialization
- social atomisation

**NO!!**
- increased global inequality
- “weak” growth at least to 2060
  - *assuming*: huge migration
- & hugely greater productivity
OECD Expectations

Figure 1. Global GDP growth is set to slow down over the next 50 years, 2010-2060

Contribution of OECD and non-OECD to global GDP growth (annual average, constant 2005 PPP)
But We Have Innovation!

...don’t we?
But We Have Innovation!
...don’t we?

**U.S. Total Factor Business Productivity**

- **Actual (1947=100)**
- **If TFP growth had maintained 1947-1969 trend**

- **Average annualized growth rate, 1947-1969: 1.9%**
- **Average annualized growth rate, 1970-present: 0.8%**
- **35% gap**

Source: Center for the Study of Income and Productivity, Federal Reserve Bank of San Francisco, *The Economist*
But We Have Innovation!...don’t we?

![Graph showing U.S. Total Factor Business Productivity](image)

- **U.S. Total Factor Business Productivity**
- **1947-rate growth**
- **Average annualized growth rate, 1947-1969: 1.9%**
- **Average annualized growth rate, 1970-present: 0.8%**
- **Average annualized growth rate, 1996-2004: 1.6%**
- **35% gap**
- **Source:** Center for the Study of Income and Productivity, Federal Reserve Bank of San Francisco, *The Economist*
But We Have Innovation! …don’t we?

U.S. Total Factor Business Productivity

1947–rate growth
actual growth

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...don’t we?

1947–rate growth

35% gap

actual growth

U.S. Total Factor Business Productivity

Source: Center for the Study of Income and Productivity, Federal Reserve Bank of San Francisco, The Economist
But We Have Innovation!
...don’t we?

And Britain is far, far worse!
Final estimates for 2013 show that the US, for every hour worked, produced 31 per cent more output relative to the UK.
Where’s the Productivity?
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1. We’re stuck in a low-wage economy!
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2. New technologies are information-based
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   ▸ increasing proportion of the value of the most important goods and services
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   ▪ increasing proportion of the value of the most important goods and services
   ▪ information has no marginal cost of production
Where’s the Productivity?

1. We’re stuck in a low-wage economy!

2. New technologies are information-based
   ▸ increasing proportion of the value of the most important goods and services
   ▸ information has no marginal cost of production
   ▸ can’t be valued by classical economics
Was Marx Right After All?

“If machinery lasted for ever, if it did not itself consist of transitory material which must be reproduced... it would blow sky-high the system based on labour values.”

*Fragment on Machines (1858)*
Info-Capitalism Now

Neoliberalism + Information Technology = “Info-Capitalism”

- Information price sustained artificially – monopolies, DRM
- Market forces pushed into new areas (social relationships, personal micro-services, financialization)
- Zero-hours contracts, portfolio careers – The Precariat
- Unprecedented and growing inequality
- Atomised society
Info-Capitalism – the Future

The Case for Rational Panic

Unprecedented systemic crises:

- climatic
- demographic
- financial
Is There An Alternative?

Systemic crises to late feudalism:

- Black Death, rise of banking, pillaging of Americas, printing press

Capitalism grew up inside feudalism

- Could we help shape something analogous?

- Our goals:
  - Sustainability
  - Material wellbeing
  - Reduced/meaningful work
  - Reintegrated society
Notes Towards a Transition
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Model the world of relationships
Notes Towards a Transition

Model the world of relationships

Break up monopolies
Notes Towards a Transition

- Model the world of relationships
- Break up monopolies
- Socialize the finance system
Notes Towards a Transition

- Model the world of relationships
- Break up monopolies
- Socialize the finance system
- Introduce a Universal Basic Income
Liberating the 1%
Liberating the 1%

“They may not welcome it, but they’ll be happier in a better world”
Liberating the 1%

“They may not welcome it, but they’ll be happier in a better world”

There is good news. The 99% are coming to your rescue. Postcapitalism will set you free.