

# Work and Wealth

## Lecture 10-1

Computers & Society (CPSC 430)

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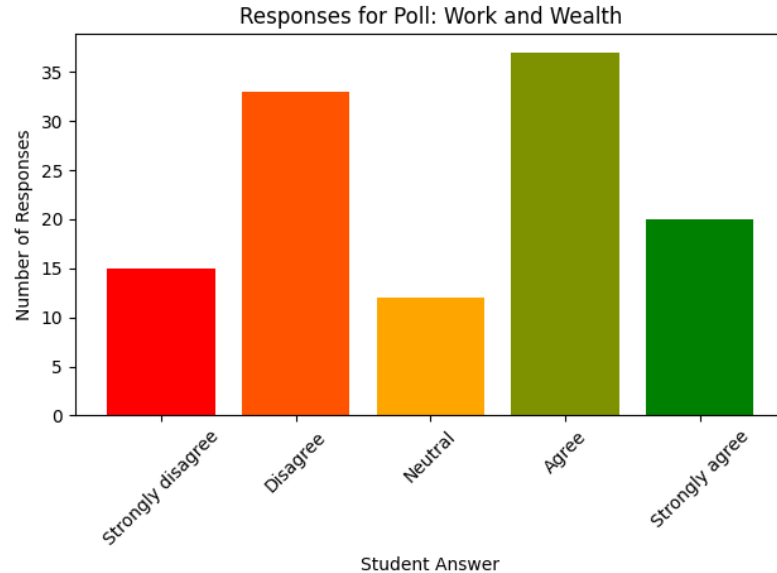
<https://www.cs.ubc.ca/~kevinlb/teaching/cs430>

# Workplace Changes

- Technology has fundamentally changed workplace organization
  - Flattening out organizational structures: reporting occurs between affected people rather than along predefined paths
  - Gig work changing the bar between employees and consultants
  - Email/slack changing the number of people exposed to conversations
  - Pervasiveness of telecommuting; Accelerated changes due to COVID
- *How do you feel about these changes?*
  - *Do you think they improve or degrade employee experience?*

# Work and Wealth

The activity of a company's employees on their work computers, such as what applications they have opened and for how long, should be considered private and may not be tracked by the company.



# Globalization

- The marketing of goods and services across global rather than national scales
  - Manufacturing goods in China, often using Canadian or Australian raw materials, often designed elsewhere
  - Call centers in India
  - Most chips are made in Taiwan
- Effects of globalization
  - Increased shipping and travel
  - Foreign workers (visas), students
  - Outsourcing
- *Do you think globalization is a problem or a benefit?*

# Increase in Productivity

- **Working long hours**
  - North Americans (particularly Americans) work longer hours than other cultures and other times in history
- **Protestant Ethic and the Spirit of Capitalism**
  - A famous explanation of this restless work ethic
  - Linked it to Calvinist theology of predestination
- **We have exchanged leisure time for possessions**
  - *Do you think this exchange is worth it? Would you exchange a much lower standard of living for much more free time?*

# The “Winner-Take-All Society”

- Occurs when a small number of top performers receive a large fraction of the rewards
  - Athletes, musicians, actors, law schools, social media
- Harmful effects
  - Reduces the production of (e.g., cultural) goods
  - Unfair: severe penalty for falling a bit short
  - Leads to arms races
- What can be done?
  - Legal limits (e.g., working hours) to limit arms races
  - Cooperative agreements (e.g., cap on salaries in sports league)
  - Progressive taxation
- Beneficial effects
  - Why shouldn't we watch the best actors, athletes, etc?
  - I enjoy reading the same books as my friends (network effects)
  - Maybe a slightly better CEO (lawyer, etc.) really does make a huge difference to my company

# Inequality

Let's try a class debate:

“It is immoral for a corporation to pay its CEO 400 times as much as a production worker.”

If the last digit of your primary (e.g., mobile) phone number is **even**, you're arguing **for** the proposition.



For



Against

# Likely Economic Impact of AI

- Likely impacts:
  - Increased mechanization of **routine labor**
  - Automation of lower-end **knowledge work**
- Automation is nothing new
  - like other waves of innovation, AI will almost certainly make society as a whole **much richer**
  - but, it may also exacerbate **income inequality**
- What will this mean for the economy of the future?
  - **Post-scarcity** economy?
  - Human labor as a **luxury good**?

