Work and Wealth

Lecture 10-2

Computers & Society (CPSC 430)
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https://www.cs.ubc.ca/~kevinlb/teaching/cs430
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
Economic Impact

• 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**?
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.
Course Evaluation

10 minutes to fill in course evaluation. It’s at:

https://seoi.ubc.ca/evaluations