Solutions to “The Hard Problem”

We propose a collaboration between NYU's Global Institute for Advanced Study and the Berggruen Institute to work on a three-year study of what we have been calling the “hard problem,” which can be defined, very abstractly, as follows. The jobs created by the industrial revolution did at least four important things. First, they produced goods. Second, they gave employees (and shareholders) income. Third, they created new forms of community. And fourth, they gave workers a source of meaning, if they were lucky, in their lives. Many of the old industrial jobs that combined these four functions have disappeared. Part of the reason is that intelligent machines have made it possible to increase production at the same time as reducing the number of people needed to carry it out. And the new jobs tend to require more human capital. An expanding service sector provided some replacement jobs for those displaced in this way, but failed to provide many of them with comparable incomes or the satisfactions provided by the best of the older forms of labor. We can, apparently, increasingly produce the material and digital goods and the services people want with a diminishing share of the population. The hard problem is to find new social and economic forms that meet the need (1) to produce and (2) to acquire income, while providing frameworks for (3) sociability and (4) significance. (A longer document drafted by Professor Appiah as the basis of our first discussions is attached.)

Many people are already thinking about dimensions of this problem. The basic-income movement aims to solve the second issue, for example. People are thinking about the difficulties posed by increasing inequality as a precariat with low social, cultural and financial capital, increasingly faces an alienation—a loss of significance—that has led to a reduction in life-expectancy among the poorest whites in the United States. And there are, of course, those techno-optimists who believe that any new technology is bound to create new jobs that serve all the four functions we identified at the start. Those views, even on optimistic assumptions, have consequences for education at all levels, which have also received some attention.

But we think that there has not yet been sufficient attention paid to bringing together the social scientific and the ethical and political issues here in a way that will allow us to imagine the new ways of making meaningful lives possible for as many human beings as possible. This will require philosophical as well as historical and social-scientific expertise (and, perhaps also, the engagement of imaginative artists). We have already begun to think together with Angus Deaton, Arne Kalleberg, Pankaj Ghemawat, and Anne Case, about how to move ahead with these questions, and the first three are committed, after our first meeting, to forming the core of a working group.

We have agreed that there was a lot of research in the policy world on “the future of work,” so we are not in that business. We also agreed that it could be good to reflect hypothetically on what could happen if leisure came to fill a larger share of the lives of most people, even if there are techno-optimists who think that new technologies will always create more jobs in the long run than they destroy. (One reason for thinking about this is that it might actually be better to have lives less defined by selling our labor, whether in production or in services. Making and doing things for others may be essential elements of a satisfactory life for most people, but that doesn't mean our income has to depend on it.) And I think we all thought that there was no reason to let our imaginations be limited (in the first instance, at least) by the thought that a proposal would not go down well in our current culture e.g. because many Americans dislike what they think of as “handouts.” That's in part because we also all agreed that there are important cultural differences that will condition possible routes to solutions of what is not a local but a global challenge.

So far as products go, our aim is to work towards a document that analyses these problems and suggests some policy directions: a white paper, in short.

We have already agreed that it would be helpful to expand our core group to include people with a variety of forms of disciplinary expertise. We think, to begin with, that it would be helpful to have the advice on someone who understood the process by which the old dispensation was produced: an historian, in other words, of the formation of the European working class. We would like to add someone who has thought hard about basic income. Also, a philosopher-economist; an economist who works on the
consequences of the rise of robots; and some people who bring comparative perspective on the cultural issues. Craig Calhoun of the Berggruen Institute would join us in his professional capacity as a sociologist.

As for how we plan to proceed. We propose to hire three post-doctoral fellows, one in Economics, one in Sociology and one in Philosophy. Their first task would be to carry out literature reviews of work on these questions in their own (and related) fields. This process would be guided by the core group. These documents would provide the basis for meetings each semester, starting in the Fall of 2018, working towards ideas that would be summarized in documents we would circulate for comment among ourselves and to others whose input we decide would be helpful. The post-docs would also work on early drafts of our white paper.

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The jobs created by the industrial revolution did at least four important things. One, of course, was producing goods. A second was providing employees (and shareholders) income. A third was creating new forms of community. And the fourth was giving meaning, if you were lucky, to your life. The Working Men’s Associations of nineteenth-century Britain were reflections of growing pride in manual labor. People came to appreciate that the goods they helped make were important to their country and its people and were often valued by other people around the world. They took pride in their status as workers. And the associations, unions and clubs they formed, in which people who worked together, played together, came to perform a role in political life as well.

Working men and women also needed more education. Following written instructions and keeping proper records presupposed literacy. Many jobs required calculations involving basic arithmetic or geometrical calculation. And in the factories themselves people were trained to use more and more complex machines. As unions and legislatures pushed back the length of the working day and defended the weekend, and as working wages increased, workers came to have the sort of free time that had once been the privilege of their social superiors. Leisure was no longer a middle class distinction, let alone a mark of the aristocracy. Over time working people, too, came to seek the advantages of education for its own sake.

They were following here a path earlier set by the middle classes. Through the course of the nineteenth century romanticism encouraged an ideal of self-development. Playing and listening to music, reading literature, writing and reciting poetry, painting and sculpting and visiting art museums, learning history and social science: all came to be part of what was expected of an educated middle class man or woman. The Germans called this form of cultivation Bildung, and European societies had a growing class of what the German’s called the Bildungsbürgertum, the educated bourgeoisie.

At the end of the nineteenth century in many places in Europe and North America, new institutions were created to extend the benefits of Bildung to workers. Beginning in the 1880s the settlement house movement in Britain and the United States moved middle-class “settlers” in alongside working-class families, in part so that the former could share their “culture” with the latter. In 1899 Ruskin College was founded in Oxford to offer a college education to workingmen who did not have access to Oxford University. The democratization of learning became one of the founding aims of the British Broadcasting Corporation in 1922, under the leadership of John Reith. A modern democracy rightly gave the responsibility of choosing who would govern to the people, but the people needed an education if they were to perform this great responsibility well. The vast expansion of higher education in the United States after world War II, beginning with the GI Bill, was guided, in part, by the same thought: though it was also true that the more lucrative opportunities in the modern workplace were going to those with college education.

There were thus three different ways of conceiving of the purpose of education: one was as a source of enrichment for people in their private lives, another was as a preparation for civic responsibility, and the third was as a preparation for the world of work.

One way of understanding the crisis in employment in the world at the start of the twenty-first century is to grasp that the economy is producing fewer and fewer jobs that serve all four of the basic functions. Technological change means that fewer and fewer people are needed to produce the same quantity of goods. The reason that there is a vast army of underemployed labor in the old American industrial heartland isn’t really that manufacturing has moved. We are producing more than we ever have. But we don’t need a vast army of workers to do it. The result is that there are many people whose only income comes from the state and private philanthropy. There are no jobs to provide them an income. That means,
of course, that they also don’t participate in the community of the workplace. And, with people now able to telecommute, even those who do have employment may not gain the experience of community from their work. Increasingly, then, one source of meaning in human lives—the job, the career and its sociability and its achievements—is going away. And, though this problem developed first in the North Atlantic societies, it will eventually spread everywhere.

It may be good that the efficiency of production grows, in the sense that it takes fewer and fewer people to make things. We can still make the things that were at the core of production in the old economy; indeed, we make more and better things. But that leaves income, community and meaning unattended to. You could solve the problem of the disappearance of the wage by establishing a basic income guaranteed to all citizens. (This would probably not be easy to get done in the United States for cultural reasons. In many of the countries of Northern Europe, though, the idea already has some support.) But that wouldn’t help you with the loss of community and the loss of meaning.

The basic social and economic challenge of our time, I believe, is to find ways of involving people in meaningful activity that will, at the same time, distribute the social product by giving everyone a satisfactory income while producing the goods and services we need. This is what I am calling (with apologies to my friends in the philosophy of mind) the “hard problem.”

It is not obvious how our current institutions will meet this challenge. To begin with, the solutions—whatever they are—require a kind of thinking for which most people, even those with advanced educations in the social sciences, are not prepared. Social scientists mostly see it as their task to understand what is going on, not to provide blueprints for a better future. Capitalism can fund the development of new ideas if there is profit to be made from them. But the market is not especially good at recognizing solutions whose point is not basically financial. Politicians in the modern world are too busy dealing with short-term questions—including, in the United States, raising the money to get re-elected. They don’t have the time—or, usually, the inclination—to develop and propose new ideas.

The intellectual foundations of the old political economy—the Fabian ideas that structured the social welfare state in Britain, the answers that Social Democracy offered to what the Germans called the “social question,” the republican social compact with the state that was central to the economy in France—all these were developed by a kind of public intellectual that may well no longer exist. Beatrice and Sidney Webb or John Maynard Keynes in England, for example, or Adolf Wagner and Gustav von Schmoller in Germany in the generation before, worked in and around the university, but also in and out of government and public institutions, and their circle included novelists and playwrights, and natural and social scientists. The ideas that managed the North Atlantic democracies in the post-World War II period were the products, in short, of long years of work by an intelligentsia, not the insights of politicians or capitalists.

As industrial capital began to lose its vitality in the seventies, the groundwork was laid for a new approach, associated not with social democracy but with a new kind of conservatism, of which Ronald Reagan and Margaret Thatcher were representative. They were hostile to the unions that had been so central to protecting the economic conditions of the successful members of the industrial working class. They were skeptical about the social welfare system that had been imagined by people like the Webbs: they thought it undermined the incentive to work and made people irresponsible about issues such as family size. And they believed that the state that managed these systems had grown too large, intruding too deeply into what should be the sphere of individual judgment and responsibility. When Thatcher said there was “no such thing as society,” or Reagan asserted that the “most terrifying words in the English language are: I’m from the government and I’m here to help,” they were expressing this skepticism about the state. There is no consensus as to exactly where these ideas came from. But they were driven largely
by hostility to existing institutions not by a vision of an alternative. Like Mrs. Reagan’s drug policy, her husband’s proposals often amounted to, “Just Say No.”

The most decent impulses of these new conservatives were, paradoxically, liberal: they were worried, above all, about freedom at home, as well as the defense of democracy in the wider world. But they did not develop an alternative to the old dispensation that addressed the hard problem. What is left of Reaganism and Thatcherism is not much more than hostility to the state. This limits the capacities of their heirs to imagine a role for government in solving it. The social democratic alternative depends on a vibrant economy with close to full employment most of the time and taxes paid by prosperous workers. Without a new dispensation, it will not work either. If the Old Left wants to try to resurrect its solutions, it will have to explain why they failed so spectacularly in the twentieth century. It is time, then, for thoughtful people who recognize the problem to get organized to face up to the challenge. We can’t blame politicians or business leaders for not pursuing options that no one has articulated.