

## INTERVIEW

# Robert McChesney: Capitalism Is a Bad Fit for a Technological Revolution

BY

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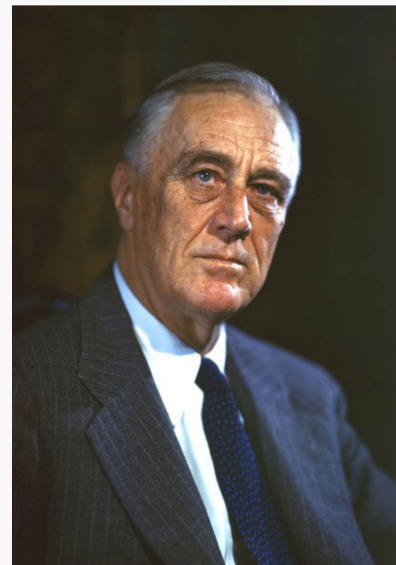
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*What will happen when technology replaces people in the service, manufacturing and professional industries of an already struggling economy? In their new book, Robert W. McChesney and John Nichols explore the possibility of reclaiming the future for the people, before it's too late. Noam Chomsky calls *People Get Ready* "lucid and informed" while Thom Hartmann says it's an "essential book." Get your copy by making a donation to Truthout today!*

In this interview, Robert McChesney, author with John Nichols of *People Get Ready*, discusses their new book, its challenge to the idea that technological advances always benefit humans and a framework to envision a digital age that will benefit workers over the super-rich.

**Mark Karlin: Let me start with the grand question raised by your book written with John Nichols. I think it is safe to say that the conventional thinking of the "wisdom class" for decades has been that the more advanced technology becomes (including robots and automated means of production, service and communication), the more beneficial it will be for humans. What is the basic challenge to**



"In 1944, FDR gave arguably one of the most important speeches of his life in his State of the Union address. He said to prevent fascism in the United States and to put democracy on solid footing it was necessary to add a 'second bill of rights' to the constitution, also called an economic bill of rights. This included the right to a job at a living wage, the right to healthcare, the right to housing, the right to food, the right to education, the right to not have monopolistic firms dominate the economy, and so on." (Photo: FDR Presidential Library & Museum)

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that concept at the center of the  
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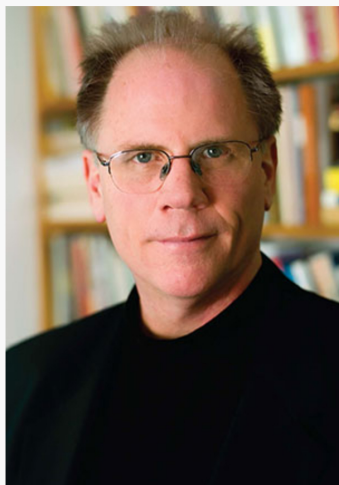
**Robert W. McChesney:** The conventional wisdom, embraced and propagated by many economists, has been that while new technologies will disrupt and eliminate many jobs and entire industries, they would also create new industries, which would eventually have as many or more new jobs, and that these jobs would generally be much better than the jobs that had been lost to technology.

And that has been more or less true for much of the history of industrial capitalism. Vastly fewer people were needed to work on farms by the 20th century and many ended up in factories; less are now needed in factories and they end up in offices. The new jobs tended to be better than the old jobs.

**“The idea that technology will create a new job to replace the one it has destroyed is no longer operative.”**

But we argue the idea that technology will create a new job to replace the one it has destroyed is no longer operative. Nor is the idea that the new job will be better than the old job, in terms of compensation and benefits. Capitalism is in a period of prolonged and arguably indefinite stagnation. There is immense unemployment and underemployment of workers, which

we document in the book, taken from entirely uncontroversial data sources. There is downward pressure on wages and working conditions, which results in growing and grotesque inequality. Workers have less security and are far more precarious today than they were a generation ago; for workers under the age of 30, it is a nightmare compared to what I experienced in the 1970s.



Likewise, there is an immense amount of “unemployed” capital; i.e. wealthy individuals and US corporations are holding around \$2 trillion in cash for which they cannot find attractive investments. There is simply insufficient consumer demand for firms to risk additional capital investment. The only place that demand can come from is by shifting money from the rich to the poor and/or by aggressively

Robert W. McChesney. (Photo: Brent Nicasio)

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and obscenely high.

So contemporary capitalism is increasingly seeing profits generated not by its fairy tales of entrepreneurs creating new jobs satisfying consumer needs, but by monopolies, corruption and by privatizing public services. It is hardly hitting on all cylinders.

More important, the digital revolution is rather unlike other technological breakthroughs, a point understood almost immediately when computers were first introduced in the 1940s. It is not just making a stronger or faster vehicle or a faster or stronger shovel. Artificial intelligence can replace the thinking part of labor, and ultimately the human role in much or most or eventually all of labor. This promise was only hypothetical until recently because computer power was insufficient to replace most labor. But after staggering increases in computer power over the past 50 years, computer power is now capable of replacing even the most sophisticated types of human labor.



John Nichols. (Photo: Robin Holland)

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The former head of the robotics program at DARPA (the Pentagon's high-tech incubation lab that spawned much of the digital revolution) wrote last year that the coming developments in robotics and artificial intelligence are almost impossible to grasp. He compared them to the "Cambrian explosion," the period 540 million years ago when in a relatively short period life went from simple to highly diverse and complex forms. He said that the one area where the effects will be seen soon and in a sweeping fashion is the economy — many jobs will be easily eliminated by businesses wishing to significantly reduce their costs by deploying robots and artificial intelligence.

Well this is going to be a major problem. The economy will have the ability to generate far more output with much less human labor. But where is the demand going to come from to purchase these products and to give businesses incentive to invest?

So automation and artificial intelligence, rather than liberating humanity and making all our lives better, may have the perverse effect of reinforcing capitalism's stagnation tendency.

Our point is simple: Capitalism as we know it is a very bad fit for the technological revolution we are beginning to experience. We desperately need a new economy, one that is not capitalistic — based on the mindless and endless pursuit of maximum profit — or one where capitalism has

been radically reformed, more than ever before in its history. It is the central political challenge of our times.

**How will the financial windfall of new technology to the oligarchy create a “citizenless democracy”?**

Our argument is that we currently have a citizenless democracy. By that we mean a governing system where all the important decisions of government are made to suit the interests and values of the wealthiest and most powerful Americans, and the corporations they own.

This is not a controversial point, as several prominent political science studies have reached that exact conclusion in recent years. In short, if the vast majority of Americans want something from government and a small number of very wealthy Americans want something else, the rich guys always win. That is citizenless democracy.

This situation is a response to and also accentuates the massive rise in inequality that is so well known. It also generates massive corruption of the governing process. All together this fosters the immense withdrawal from politics that marks the United States. Our voter turnouts and the integrity of our election system rank pretty much at the rock bottom of the world’s nations that claim to be democratic.

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This is always a problem, but especially as we enter the economic crises of the coming years and decades. What we desperately need is a healthy, vibrant democracy that can address the problems before us and convert what appear like tremendous nightmares into glorious opportunities to make the world over again, to invoke Paine.

This is why John and I argue that building out our democratic infrastructure — the institutions and practices that give citizens real power — is the central battle of our times. If we win that battle, and it will be a political revolution to do so, we will be in a position to address and solve the issues of automation, a stagnant economy, militarism, inequality and the environment. We need to extend the democratic infrastructure to our economy. It will not be easy, as those that benefit by the status quo will oppose democratization tooth and nail, but there is no other choice. The great debates and experimentation will concern how to do so justly and effectively.

Fortunately, we are seeing a rebirth of interest in politics, especially among the young and also among the working class in 2016. An interest in politics is no longer a “lifestyle decision,” like deciding whether to follow pro basketball, start a flower garden or do politics. It is increasingly a survival issue. And, to invoke Naomi Klein, that changes everything.

One of your favorite subjects, given your many books and your

professorship in the Department of Communication at the University of Illinois (not to mention your role as a founder of [Free Press](#)), is the consolidation of media into megaphones for the status quo. How does the acceleration of technology impact how most people in the United States receive their news?

Professional journalism as it developed in the United States always had its deep flaws. It relied on people in power to set the terms of debate and the range of legitimate discourse. That is why on issues of war and peace and on issues of corporate control of the economy, professional journalism has often been either asleep or propagandistic. But at its peak in the 1960s and 1970s, mainstream journalism had certain strengths including a commitment to factual accuracy — even if decontextualized — and there were considerable resources to cover communities. Dissident social movements got more of a hearing than they had at other times. It was commercially lucrative.

**“Building out our democratic infrastructure is the central battle of our times.”**

Two great developments in the past 40 years have reduced commercial journalism in the United States to the shriveled and pathetic corpse we see today. First, was concentration of media ownership, or what Ben Bagdikian famously called the “media monopoly.” Hundreds of independent commercial media companies consolidated into a couple of dozen much larger firms over the last three decades of the 20th century. In a more monopolistic environment, these firms could cut back on resources for journalism without fear of losing advertisers or market share. And that is exactly what happened. The 1990s was a period of tremendous profitability for news media corporations, but it was also a decade where cutbacks in the number of reporters commenced in earnest. And this was before the internet was anything more than a hypothetical threat to “old media.”

The emergence of the internet in the past 15 years has accentuated and made permanent what monopolization had begun. The business model of commercial journalism is dead. It had been based upon advertising providing the lion’s share of the revenue to media firms. With the internet, advertisers no longer need to bankroll news media — be it old media or digital news media — to reach their target audience. Advertisers can go directly to the target online. This is why corporations and investors have been largely abandoning journalism as an investment. And it is also why those commercial news media that remain are in dire straits and more susceptible to compromising editorial integrity to pay their bills.

Bottom line: There are less than half the number of top reporters and editors today on all types of news media than there were in the late 1980s, on a per capita basis. Many newsrooms have shut down, and the remaining look like the Polish countryside in April 1945. In this context, working conditions for reporters are plummeting.

The general public is unaware of this to a large extent because on the surface — cable news, internet websites — it seems like there is a blizzard of news on every conceivable subject. In fact, it is a desert hidden behind bells and whistles. There is precious little reporting going on, just a lot of spin, gossip, salaciousness and mindlessly reporting on what people in power claim.

In our book, John and I argue that rejuvenating an independent news media is a public policy issue of the highest magnitude. It is a cornerstone of the democratic infrastructure that a self-governing society requires. As we have written about at length, the framers of the US Constitution — while they were far from proponents of democracy in many regards — fully understood that creating a free press was mandatory for a free society and job one for a government dedicated to self-government. We must return to their wisdom posthaste.

**In turn, how does the sensationalistic coverage of the 2016 election as entertainment reflect these shortcomings?**

The coverage of the 2016 presidential election has been pathetic. I would grade it as an “F,” and that is using a generous curve. There are rare occasions of an actual journalist doing some actual reporting, and when they occur, they briefly remind us what actual journalism looks like, and how much better our election campaigns would be if we had a regular diet of it.

But for the most part, especially on cable news channels that dominate campaign discourse, all the worst features of contemporary commercial/professional journalism dominate. This also includes NPR and PBS, though without the salaciousness. What do I mean by this? An obsession with spin and tactics and how well campaigns BS media and voters; an unquestioned “conventional wisdom” about politics that is equal parts inaccurate, self-serving and absurd. A distinct bias toward candidates that are in the “center,” and the center is defined by one’s compatibility with the status quo; i.e. to society’s owners.

The dreadful coverage of Sanders on the centrist or even “liberal” channels CNN and MSNBC has been the source of endless frustration. The term “double standard” barely begins to capture the polar opposite treatment of Hillary to Bernie. Hillary people and advocates abound and her position is treated like the official position and her eventual nomination is taken for granted as the natural and proper and

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necessary course of events. There is a complete lack of interest in pursuing any actual journalism concerning her fundraising, her incredible corporate shakedown speaking tour that put \$21 million into her personal bank account from 2013-15, or the links between her conduct as secretary of state and the Clinton Foundation. The corporate media/NPR are barely there, and the protesters of the real

media/INER are not true newswall, and the protectors of the team.

With very few exceptions, one could logically assume that coverage of Hillary was determined after getting a talking points briefing from Hillary's campaign every morning. MSNBC's correspondent who traveled with the Sanders campaign, Kasie Hunt, learned absolutely nothing from the experience. She could have stayed at the cocktail party circuit in Georgetown and emailed in her banal analysis after getting a daily briefing from Gloria Borger or Andrea Mitchell on how irrelevant the Sanders campaign was to anyone who mattered. When Sanders or his surrogates make a relatively rare appearance, one would think the snarky questions were written by David Brock or Hillary herself.

One can only imagine how Sanders would have done if he had coverage from MSNBC similar to what Obama received in 2007-08. Then Keith Olbermann, Gene Robinson and Rachel Maddow presented nightly favorable coverage of Obama's campaign. Every night they debunked the endless asinine charges against Obama being levied by Hillary and her surrogates, whereas such similar charges planted by Hillary's team against Sanders were amplified across the corporate media in 2016. In 2008, this MSNBC coverage was crucial to helping create a very positive media narrative. Sanders has gotten none of that, except on social media. That is nice, but it is not that same.

In 2013, John and I had another book, *Dollarocracy*, that reviewed the idiocy of news media campaign coverage. We concluded that the research showed that mainstream media tended not to favor one party over the other. If anything, mainstream media favored incumbents or those who were ahead in the polls, and they tended to admire the best bullshitters, with only minimal concern for whether the bullshit had any basis in fact or was relevant.

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That analysis was premised on the idea that all the candidates were mainstream, with an affinity for Wall Street, corporate capitalism and the military-industrial complex, which accurately describes most political candidates in the United States. In the case of Sanders, such analysis was meaningless. His massive support among young people, his enormous crowds, meant very little because he was regarded as a person outside the

mainstream. He was treated like the commercial press in South America has regarded massively popular dissident parties and candidates in Venezuela, Ecuador, Bolivia and Brazil, among other places. It is entirely contrary to the self-image of our news media, so we should not expect them to ever quite understand why they are held in such low regard, and increasingly dismissed by people under the age of 30.

And this is ultimately why Obama was the recipient of favorable converge by the corporate news media in 2008: He was embraced by Wall Street

and was a candidate of the status quo, despite very impressive marketing to the contrary. Bernie means what he says, and elites damn well know it.

Then there is Trump, who received unprecedented coverage in the mainstream news media, almost the polar opposite of what Sanders received. Trump is a threat to the political establishment to a certain extent, but he is no great threat to the status quo. And he is great box office, which amplifies the commercial imperatives that drive corporate news media.

**What are some of your proposals for a “Democratic Agenda for a Digital Age”?**

We provide a long discussion of reform proposals in the book, and it would take too much time and space to repeat them here. What is most important, we believe, is developing a framework for understanding the type of change that is possible and necessary moving forward. We do that in the book, and I can say a few words about that here.

We are entering a period of sharply increasing stagnation, unemployment and underemployment. When one looks at the trends it is easy to say, “Gee, in 30 years there will be no jobs, massive poverty and inequality even by present standards, nothing remotely close to democratic governance and life will royally suck for most people. Help!!!” And that is even without factoring in the environmental crisis, or the threat of militarism, both of which are going to be aggravated by the problems in the political economy. The situation appears predetermined and hopeless.

But this is a static way of looking at the situation, and therefore of little value. It is like saying if you get in your car and start driving west, you will inevitably and invariably end up drowning in the Pacific Ocean. Of course that is true if you stupidly insist on driving west even when the road ends and you find yourself sinking in saltwater and refuse to alter your plans or your course. But most people — hell, all people — would change their plans and stop the vehicle long before they were submerged in the Pacific Ocean.

That is how it will work going forward.

The emerging crisis will spawn a political response the likes of which is rarely seen in the United States or anywhere else for that matter. People are not going to be like Rip Van Winkle while the world explodes with problems in the next generation. It will be a period of intense political

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struggles. We are already seeing it across Europe and much of the world. This is just the beginning. Where it will end up is utterly impossible to predict because it will be determined entirely by what happens politically. And the range of possible outcomes is arguably greater than at any other time in human history, because the technologies are so extraordinary.

That is why we call the book *People Get Ready*.





