

BOOK INTERVIEW: *A WORLD WITHOUT WORK* WITH DANIEL SUSSKIND

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INTERVIEWED BY PHILIPP CARLSSON-SZLEZAK

Daniel Susskind is a Fellow in Economics at Balliol College, Oxford, and the author of [A World Without Work](#) (2020) and [The Future of the Professions](#) (2015). Previously he worked in the British Government as a policy adviser in the Prime Minister's Strategy Unit, as a policy analyst in the Policy Unit in 10 Downing Street, and as a senior policy adviser in the Cabinet Office.

In *A World Without Work* Susskind argues that technology will lead to structural technological unemployment sooner than many economists believe. This will pose a societal distribution challenge as labor markets will be a less effective way of distributing society's income. The book makes concrete policy proposals to confront inequality and other challenges resulting from technology's impact. In a conversation with Philipp Carlsson-Szlezak, BCG Chief Economist, Susskind discusses the drivers of technological unemployment, monopoly power, universal basic income, the future role of the state, as well as the personal implications for future generations.

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Philipp Carlsson-Szlezak:

Hello. My name is Philipp Carlsson. I'm chief economist of Boston Consulting Group, and you're listening to the BCG Henderson Institute podcast series. Today I'm joined by Daniel Susskind of Oxford University to talk about his book, *A World Without Work*, a provocative account of how technology will destroy jobs in the future. Daniel, thank you for joining me.

Daniel Susskind:

It's a real pleasure to be with you. Thank you for the invitation.

Philipp Carlsson-Szlezak:

Daniel, you're much more confident than some economists that technology will play a big role in the economy again in the future. But you're also more negative than many economists about what that means for jobs and the labor market. So, unlike in the past, where displaced workers found new types of work, you say that machines will incrementally take all our places. Can you explain to our listeners why you're so convinced that AI and other technologies will lead to structural technological unemployment?

Daniel Susskind:

Yes. I mean, I should say that anybody who picks up the book expecting a sort of dramatic account of some looming technological big bang after which everyone wakes up and finds themselves without work, they're going to be disappointed because that isn't what I think is going to happen. Work is going to remain for some time to come. What I worry about is – because of the remarkable technological changes that are currently taking place – that as we move through the 21st century, more and more people for different reasons are going to find themselves unable to make the sorts of economic contributions to society that they might have hoped or expected to make in the 20th century. So, it's a less dramatic and less sort of cinematic story, but I don't think it's any less distressing and any less troubling one.

Philipp Carlsson-Szlezak:

You talked about the substituting effect of technology, which displaces workers, but in the past you say technology also helped in a complementing way, but that complementing force you describe in the book is dying out as machines become more capable. I think this is your main narrative of why work will structurally disappear.

I wonder, there's another way of looking at the future and the labor market, which is more about income and the flow of income. Isn't it true that even in a world of a few very dominant firms that run the machines and own the machines, income – that the owners of that capital have – still has to be spent? So, unless they hold it in cash, it has to go into something, even if it's invested, that will lead to asset purchases. That's somebody else's income, and ultimately, it should find its way into some form of demand for labor, and that may be different types of labor, something that we may be not thinking of today, probably more personalized, more bespoke services, goods, things like that.

Daniel Susskind:

So, I agree entirely with your first observation, that this is very much the sorts of ideas that I'm trying to make sense of, very closely related to questions of inequality. I partially agree with the second observation, which is that inevitably some of this, some of the income that flows to those who own the capital, the increasingly capable systems and machines in the future will perhaps be spent on certain types of labor. My concern is not that there won't be any demand for labor. The concern is that there might not be enough demand to provide employment for everyone who wants it. So, let me just pause there and go back to that first observation.

Today, there are some who are dismissive of the idea of technological unemployment as a sort of threat that lurks in the distance that we don't really need to worry about, and the argument I make in the book is that that is a mistake, that technological unemployment is very closely related to economic inequality. I don't think it's a coincidence that worries about automation are intensifying at exactly the same time as worries about inequality are growing. They're very closely related. Today, the labor market is the main way that we share our income in society. For most people, their job is their main, if not their only source of income. The inequalities we see around us today, where some people get far more for their efforts than others show that in my view, this approach is already creaking, and technological unemployment is just simply a more extreme version of that story, where some people get nothing at all in return for their human capital, for the skills and capabilities that they have.

But of course, the other part of the story is that the economy isn't just made up of human capital, it's made up of traditional capital and it's made up of all the sorts of advanced types of capital, the systems and machines that occupied me in the book, and those who are fortunate to own that capital are likely to find themselves rewarded in the 21st century. So fundamentally, and this goes to the second point, I see the economic challenge of the 21st century being a challenge of distribution. How do we share our income in society, when our traditional way of doing so, paying people for the work that they do might be less effective than it was in the past?

Philipp Carlsson-Szlezak:

Let's zoom in on the inequality issue. I think reading your book, it often sounds as though the gains of technology inevitably accrue only to capital owners. But technology is also massively deflationary, already has been, always will be. So in a world where machines produce machines that are self-tuning down the line, we see a massive deflationary force, I would say, that raises real incomes. So, if that is the case, the gains from machines are more widely distributed than just accruing to capital owners, which would be the case if technology is not deflationary.

I didn't see a systematic discussion of deflationary forces of technology in the book. I wonder how do you think about it? I personally think it's quite important, even if you look at the history of the last hundred years, you see sectors such as automotive, where that's basically played out. So you have relentless incremental technological forces and automation in the auto industry, and it's not as though Ford and VW and Toyota were massively profitable today, instead, prices have come down. We have cheaper, better, safer transportation. So some of the gains have been shared out with society at large, I'm not trying to minimize at all the inequality problem that can come with it. But I wonder if it's a little more evenly distributed than it may sound when you think about machines doing everything.

Daniel Susskind:

It's such an interesting observation, and it isn't, as you say, one that I explore in a systematic way in the book. I suppose my reaction to that observation, that there are in a sense two sides, there's two things going on here. On the one hand, nominal income, nominal waging comes might fall. But on the other hand, real incomes might increase to offset that given the sort of deflationary pressures that you're describing. My reaction to it is, and I'd be interested to know perhaps from work that you've done or work that you've read, my understanding is that while it's certainly true that for many consumer goods, whether it be cars or indeed consumer electronics and so on, we have seen the price of those sorts of things fall.

For other things like education and healthcare, for instance, particularly in the US, the price of those things has risen quite significantly. So it's quite a sort of a mixed picture there. But I suppose that in the medium run and in the longer run, the concerns that I have about technology, in my view, just overwhelm those observations about the price of things falling, that that's all very well for those who have a good enough nominal income to spend.

Philipp Carlsson-Szlezak:

Right. I think I share your concern in principle, and you're quite right to point out that the deflationary impact over the last many decades hasn't been uniform and it's been concentrated in certain areas and in services it may well be more difficult to achieve. Yet, AI has the promise to really disrupt the services sector, which previously has been quite immune to a technological disruption, precisely because machines couldn't replicate what makes human interaction a human interaction. If they can in the future, then that could change.

But let me also touch on the subject of monopoly power, which you do cover in the book. We already have pretty strong monopoly power. Obviously, big tech firms are ubiquitous in the economy. They're powerful. They're profitable. They're also maybe already taking some of the jobs and getting that process in motion. Yet, there's no popular backlash against that type of monopoly.

In the US, in Europe, I would say also, there is a high degree of tolerance for their role in society. I wonder why that is, and I wonder what you think why that is. Could it not be related to the fact that these firms are providing free services or services that are bordering on free and are adding certain value to people's lives and that makes for their greater tolerance of their role in society. How do you see that? Why isn't there more backlash from people?

Daniel Susskind:

I suppose that if you were to say that five years ago, I would have agreed with you. I think over the last few years, there has been more of a what's called a tech lash pushback against the large technology companies. But you're right to the extent that there isn't more of one, I think there ought to be. The reason is less because of their economic power, which is how we traditionally think about large companies and far more because of their political power. Now, let me explain what I mean.

What I mean by that is that in the 20th century, our main concern about the power of large corporations tended to be concerns about their economic power. We tended to focus on things like market concentration, profitability, and so on. We had competition policy or antitrust policy to think about whether or not those things were excessive and we had to establish ways of intervening to respond if required.

What I think is a growing concern and ought to be the growing concern of the 21st century is far less the economic power of large corporations and far more their political power, their impact on the way that we live together in society. I don't simply mean by political the impact on the traditional political processes or the great changes of state. I mean far more generally on how we all live together, the social scaffolding on which we all live our lives.

I think we can see this emerging. If you look at concerns about Facebook, for instance, yes, there are economic concerns about their economic power, but more and more there are concerns about their political power. For instance, the role that they had in the 2016 election. Or if you think about Twitter. Again, you can point to perhaps economic dimensions of the company. But far more concerning, I think is the impact it has on political deliberation, the information that we gather, the view of the world that we see. It's these political impacts of these large technology companies that seem to me to be becoming increasingly significant as we move through the 21st century and ought to become the primary objective of concern.

The challenges, and it might sound like I'm shooting myself in the foot here and also shooting you in the foot as well, is that these issues of politics, of things like liberty and democracy and social justice are not particularly amenable to traditional economic analysis. It's not the sort of thing that competition policy however effective it might be in thinking about pricing and profit and so on. It's not the sort of thing that those intellectual frameworks really grappled with. I think we need very different types of institutions staffed by very different types of people to antitrust authorities and economists if we're going to deal seriously with these political consequences of these large companies.

Philipp Carlsson-Szlezak:

Let's move on to future potential solutions, which you cover in, I think, the third part of your book. If there is a future of more abundance, but work is more scarce, there's an inequality problem, how do we share out the gains from technology and you zoom in on UBI, universal basic income, but you also write a lot about the meaning that comes with jobs and that the meaning in people's lives will be lost in the future without enough work. You then go on to propose a conditional basic income. Can you zoom in on that? Tell our listeners how you think about that and why you think it will be effective at dealing with both these challenges, both the inequality piece and the meaning of work piece.

Daniel Susskind:

I suppose just by way of run-up, it's useful to distinguish just in the book two different types of technological unemployment that I worry about. One, which I think we already face today is what I call frictional technological unemployment, where there are jobs out there to be done. It's just for various reasons people aren't able to do those jobs.

The traditional reason is that they don't have the right skills and capabilities, that there's a skills mismatch. But I also think there are other mismatches too. Mismatches of place where people simply don't live in the right geographical location for work, where work is being created. But also mismatches of identity, that people have particular conceptions of themselves, and they're willing to stay out of work in order to protect that identity.

A universal basic income though, it seems to me as a solution to a slightly different problem, a more serious type of technological unemployment, which is what I call structural technological unemployment. Where there's simply not enough work to be done, full stop. What a universal basic income does, or at least what the basic income part of it does, is that it solves the distribution problem that we've spoken about earlier in this conversation. How do we share our income in society when we can't rely upon the labor market to do it, when people can't get an income through the work that they might have hoped to do?

Well, the argument that I make in the book is that the only feasible mechanism to replace the labor market is the state. We need the state to take a larger role in sharing out income prosperity in society. One way to do this is through a basic income. To that extent, I'm quite sympathetic towards a universal basic income because it solves the distribution problem. It shares out income, independent of your labor market status. What worries me though is the universality that everyone gets it with no strings attached. The reason that worries me is that today my sense is that social solidarity comes from a feeling that everybody is pulling their collective economic weight through the work that they do and the taxes that they pay. If they're not in work, but they're able to work, there's an expectation that they look for work or retrain for work.

A universal basic income - emphasis on universal - my theory is that undermines that sense of social solidarity. That while it might solve the distribution problem (how do we share our income in society?). It ignores what I call the contribution problem, which is how do you maintain this sense that everybody is contributing to society, pulling their weight in the absence of the traditional economic ways in which they might have paid in to that collective pot. The argument that I make in the book is that we need a conditional basic income, where the basic income is conditional in part on people making some sort of non-economic contribution to the collective pot.

Now that might sound a bit radical but actually look around us and we already see a sense of what that might look like. So today in the UK, for instance, 15 million people volunteer regularly each year. That's about half the number of the total number of employees in the UK, huge number of people doing what's often thought to be socially valuable activity but not receiving a wage in the market in return. And that sector, I think, is estimated by Andy Haldane at the Bank of England to be about 50 billion pounds a year. So same ballpark as the entire UK energy sector. So that's the sort of activity, I argue, that we could perhaps recognize as being socially valuable and important in return for a basic income. And that's why I think the conditionality is so important. And that's why I argue for a CBI rather than a UBI.

Philipp Carlsson-Szlezak:

How does that square with the other problem you identify, which is the meaning of work? People derive a lot of personal satisfaction from what they do and they see a lot of meaning in their lives defined by where they work and how they work. In a CBI world, if essentially your community makes demands on your time in return for the income you receive, that meaning though would come through somebody else defining what is meaningful. So, it's not so much a matter of personal choice perhaps at that point. So it's quite different from volunteering, isn't it? It's what's needed on the community side and then it's put on you as a request, isn't it?

Daniel Susskind:

Yeah. And so what I think what you're getting at here is, and this is the final chapter of the book, there is a big piece of thinking for us to do collectively as a society about the relationship between work and meaning. The threat of technological change, as you say it, isn't simply that it will hollow out the labor market and provide people without an income, but that it might also hollow out the sense of meaning and purpose that some people have in their lives. And so we need to think very carefully about this relationship between work and meaning.

The argument that I make is that if we do find ourselves in a world of structural technological unemployment, then people won't simply be able to spend their spare time as they see fit. Their spare time will be divided in two parts. That part exactly, as you say, that the sort of community or society demands of them, that they have to spend that time in a particular way. And then also part that they can spend in their way as well.

There's a broader point, which is that one of the things I'm trying to do in the book is interrogate this relationship between work and meaning that I think it is true that today instinctively many people think there is a strong relationship between work and meaning. What I try and do is to show that actually for many people today, they don't get a strong sense of meaning and identity from that work. That actually the relationship between work and meaning is far murkier than commonly supposed today.

And it's also changed a lot over time. And if you go back to ancient times, you can find very different relationships between work and meaning. If it's right, that the future is less and less one about the future of work and more and more one about the future of spare time, the future of leisure, how people spend their times and how people can do that in a way that allows them to flourish, but also in a way that allows them to be seen, to be contributing to the community of which their part, if these start to become the issues, then we've got to have more of a conversation about, yes, these issues about the relationship, it's all work and meaning.

Philipp Carlsson-Szlezak:

I wonder what you think about the feasibility also from a fiscal perspective of UBI or a CBI as you propose it. So it seems to me that if technology plays out the way you think there's going to be higher real growth in the future. Which also means there's more real resources for policy makers to pursue. Do you think it becomes eminently more affordable, UBI? And do you think the transition could be quite fast if technology plays out at a pace that it might.

Daniel Susskind:

Let me make two observations here. One observation is quite how much the debate has shifted around what is fiscally prudent and responsible in the last six months? This book was originally published in January at the start of the year. And some of the proposals for instance, around a basic income were met with suspicion and skepticism about the feasibility. And then a few months later, we found ourselves in a world with less work, not because the robots took all the jobs, but because the virus just completely decimated the demand that so many of those jobs relied upon. And the interventions that we adopted to contain the spread of the virus made these economic matters worse. And Andrew Yang, former presidential candidate, said on Twitter, "I should have been talking about pandemic instead of

automation," because there is a real sense in which many of the challenges that we currently face at the moment are precisely the ones that I'm writing about in the book.

Now, why do I say all of that? Well, because a basic income quite literally overnight went from being something that was treated by lots of different corners of the political spectrum, as something to be treated with sort of suspicion and skepticism, to being completely mainstream, completely commonplaces as a proposal for dealing with this pandemic. Now this sort of economic debate that dominated the last 10 years in Europe, in particular, how austere should we be? Now just very quickly felt like it applied to a sort of parallel economic universe that we simply no longer inhabit. Now, why do I say all of that? Because I think we find ourselves in a very different fiscal environment now with very different attitudes to spending and spending to support the most vulnerable in our societies than perhaps we might have faced six or seven months ago. And that's quite important, I think, to bear in mind. So I think that we now find ourselves in a more permissive policy space than perhaps six, nine months ago.

The second point I want to make is with relation to a basic income relates to an observation you made in your question. The book is fundamentally an optimistic one and it might not have sounded like it from the sort of tenor of our conversation so far, but it is fundamentally an optimistic one. And the reason is quite simple, which is that technological progress in the 21st century is going to make us more collectively prosperous than ever before. Bring us very close to solving what's been the fundamental economic challenge that's plagued our ancestors for centuries. Which is, well, how do we make the economic pie large enough for everyone to live on?

Philipp Carlsson-Szlezak:

So in your book, towards the end, when it comes to solutions, you seem to be placing quite a bit of trust and faith in the states and the institutions of the state in implementing and running some of the solutions you propose. But this comes at a time when institutions are politically contested, perhaps as never before and you even go as far as suggesting a solution for the political power of monopolies by way of a, I think you called it a political power oversight authority. And I wonder is this really feasible to think of institutions as being that apolitical when in many countries, including the U.S., today's monopolies already have a fairly deep reach into the state apparatus. And the idea that they might sort of be apolitical arbiters of society's big problems seems quite optimistic. How do you think about this?

Daniel Susskind:

So let me take two things in turn. One, the political power oversight authority, I'm explicit there that I don't want it to be part of the state.

I think one of the mistakes that many people, particularly on the left make when they see large technology companies like Facebook or Google or Twitter and so on, and they raise these concerns about the political power of these large companies. They say, well, let's just nationalize those companies. Let the state take them on. They're public utilities of the 21st century. But what that neglects of course is that the state is equally capable of abusing that political power. You only need to look at how certain technologies are used in China, for instance, to watch over and shape the behavior of large numbers of citizens to be justifiably weary of these increasingly capable systems in the hands of the state, as well as large companies. So that particular body that I have in mind is quite explicitly independent of the state.

But the second thing I want to say though, is that when we're looking at this distribution challenge, the challenge of how to share our income, if we can't rely upon the labor market to do it, I do think we need the state to do it, if the labor market can't do it. I do think we need what I call a big state, but the key thing here is that this isn't the big state of the 20th century. It's not teams of smart people sitting in central government offices with blueprints of the entire economy, trying to command and control all productive activity. That's not what I have in mind. It's not a big state of production. We saw that in operation in the 20th century and it didn't end well at all. It's not a big state of production. It's a big state of distribution. It's a state that takes a larger role in sharing out income in society.

I think that's quite a different and unfamiliar proposition to the role of the state that, or at least the role of the big state that many people are familiar with. So I share, I think we're in more agreement than you might think on that, that the role for the state that I have in mind is not the traditional one.

Philipp Carlsson-Szlezak:

A final question, Daniel. And this one is about the personal implications of the topics we discussed and your research. I don't know if you have children. I do. I have a first grader and a second grader. Their life expectancy is about 100 years. So all the things we discussed here squarely are in that window of time. So how do you think about those personal implications? What are the best strategies today for that next generation? I mean, currently my kids go to school. They learn much the same stuff I learned and in much the same way I learned it. So what is the strategy you think for that generation? I think it'd be nice to hear how you translate your work to the personal level.

Daniel Susskind:

I have a two and a half year old daughter, so I spend a lot of time thinking about what the world will look like when she is older. I think it's important to be clear about time horizons here. For now and in the medium term over the next decade or so, I think the main challenge that we face at least from a technological point of view is a challenge of frictional technological unemployment, rather than a challenge of structural technological unemployment. There will be work for people to do. The challenge is how we prepare people to do that work. Again, in the medium term, I think our most powerful response to the sorts of changes that are taking place is educational. It's what skills or what capabilities are we providing young people with as they go out into this new world.

And very crudely, I say there are two strategies here. Either you try and compete with these systems and machines, you try and do the sorts of things that these systems and machines cannot yet do. In spite of all the remarkable technological changes that are taking place, clearly there are large realms of human activity that remain out of reach of even the most capable machines, certain types of problem solving tasks, certain types of creative tasks, certain types of interpersonal or communication skill and so on. There's then a different strategy, which is that instead you try and become the sort of person who can build these systems and machines, who's capable of designing and operating and putting to use these increasingly capable systems.

If you were to put me on the back foot and say, which of these do you think is the more compelling one if you had to choose? I'd probably say the latter one, because if we're looking deeper into the 21st century and these systems and machines are just going to become more capable, it seems to me the return to being the sort of person who can design and operate them is only going to increase.

I think the challenge for how we currently prepare many young people is that at the moment, if we're honest and we look at educational systems around the world, we tend to do neither of those things, neither compete nor build. In fact, we tend to prepare young people to do precisely the sorts of routine tasks and activities that many of these systems and machines can already do and will continue to be able to do in the future.

The most concrete piece of advice is that you face two strategies. You can either compete or you can build, and if on the back foot I'd go with build.

Philipp Carlsson-Szlezak:

Great. Thank you so much, Daniel, for joining me today. I really enjoyed reading your book. I highly recommend it. Thanks again for joining me.

Daniel Susskind:

Not at all. Such a pleasure.

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