

THE WAR ON NORMAL PEOPLE: THE TRUTH ABOUT AMERICA'S DISAPPEARING JOBS AND WHY UNIVERSAL BASIC INCOME IS OUR FUTURE

(ANDREW YANG)

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Just in time for the first Democratic presidential debates, I have finished candidate Andrew Yang's manifesto, *The War on Normal People*. From its title, which subversively suggests there is such a thing as normality, you can tell that Yang is trying to be different. From its subtitle, you can learn of Yang's core big idea, universal basic income, UBI. I was prepared to be unimpressed, but really, the book is well written, and UBI, as Yang explains it, has a certain attraction, even though it's utterly unachievable in a democratic system. In the coming less-democratic system, however, maybe there is something here we can use, and at least Yang is offering something new, which may get him traction in the Democratic field.

Unfortunately for Yang, instead of just calling for UBI because it's better than the system we have now, he ties his call for UBI to a supposed looming massive change in America, what he calls the "Great Displacement." This is the Chicken Little idea that within the next few years, tens of millions of jobs in America will permanently disappear. The culprit? Well, it's hard to get a glimpse of him, because he keeps changing his shape, but depending on what's convenient for Yang's point at the moment, he's mostly either "automation" or "artificial intelligence." But automation is not new, useful true artificial intelligence is a stupid fantasy, and there exists no hybrid of the two that will dramatically change America. (It is also unfortunate that Yang's catchphrase echoes the "Great Replacement," the idea among certain sectors on the Right, notably the Christchurch shooter Brenton Tarrant, that superior white people are being globally replaced by inferior non-white people. When Yang published this book in 2018, nobody had heard that other term, so his seemed like a good one. I predict he does not use the term again.)

I could spend hours on the flaws in this idea, but I will restrain myself, since I have to get to UBI. In short, Yang begins by claiming that "Automation has already eliminated about four million manufacturing jobs in the United States since 2000." This is the only statistic he

offers on the topic, and he offers it repeatedly, citing multiple secondary sources, such as the *Financial Times* and CNN. But all of them point to one document, a 2015 study from Ball State University. That study's claim is that four million jobs were lost to increased productivity; its authors do not specifically say from where that productivity increase came, other than to suggest much of it probably came from technology, specifically "information technology." (The study's primary goal is to counter other studies that show bigger job losses from globalized trade.) However, technology is not equivalent to automation. This is a basic error, so we still don't really know why these jobs disappeared.

True, this is a somewhat pedantic objection; the jobs are still gone. My point is that Yang presumes without demonstrating that this process is certain to continue and accelerate, and will eat entire new sectors of the economy, totally outside of manufacturing, destroying jobs, rather than, say, merely turning good jobs into bad jobs (like Amazon does). Why we are not exactly told, but it appears to be because of the supposed imminent arrival of artificial intelligence. We get lots of phrases such as "Unprecedented advances are accelerating in real time." What advances, exactly? We are not told. We are informed "The Great Displacement is already here and is having effects bigger and faster than most anyone believes." None are shown, merely predicted. Still, we are lectured, we need to grasp "what's coming and prepare to fight."

Instead of proof, or even evidence, we get appeal to authority. We hear from software executives, venture capitalists, and (over and over) the consulting firm McKinsey (which Yang never identifies, assuming everyone knows who they are, thereby showing a certain mindset). The vast majority of those to whose authority appeals are made are those with an interest in selling something (although the annoying Steven Hawking also shows up, as usual talking about things totally outside his competency). These "authorities" tell us, for example, among many similar claims, that for clerical work, customer service AIs will replace humans totally in the very near future. This is utterly stupid. No human being alive is currently able to get any adequate service from any automated customer service system, other than that which has been possible for decades, such as "Press 1 to hear your account balance." And that x.ai can send out form emails asking people when they can have a meeting, is just silly when offered as evidence for the looming replacement

of secretaries, who anyway were largely replaced decades ago, when young people learned to type. How many people are there who don't keep their own schedules? Not many, and none whose needs could be met by any form of automated assistant.

Well, that's not true. Their needs could be met by an automated assistant—if that assistant had actual intelligence. But none of the automation we have seen, Yang's only hard data point, has anything to do with artificial intelligence. That's a problem, because everything Yang promises depends on actual artificial intelligence. Naturally, we would expect a definition of what is meant by artificial intelligence. Yang doesn't bother with such trivialities. But if you squint, you can see that everything he promises relies on, as he mentions in passing once, the advent of "super-intelligent computers." That must mean, although it is not made explicit, actual artificial intelligence, that can at least give a facsimile of general intelligence (even if it is not "strong" artificial intelligence). We're never told any details. All we get is a lot of hand waving about Moore's Law, machine learning, and big data, but Yang always dodges the "here to there" problem. It's coming, don't you know, or are you stupid?

The only plausible claim for computers Yang makes is better sifting of data. But he doesn't prove that's likely to result in anything useful. Maybe what can be accomplished that way has already been done, and any further gains will be marginal. Nor is there any reason to believe that any form of general machine intelligence will result from data sifting combined with speed, which is the essence of Yang's claim, to the extent one can be determined. Thus, for example, computers are used in legal work for keyword searches, to identify documents for possible production in discovery. But I suspect that they will get no better than they are—why should they, since judgment requiring general intelligence is a necessary part of the process? "Data is about to supplant human judgment." From that and other uplifting phrases, we are meant to conclude, without any actual evidence, that general intelligence is almost here, because computers are getting faster and authorities tell us so. Yang even claims that "There has never been a computer smarter than humans until now," which would be true if you dropped the last two words, and replaced them with "and there is zero evidence there ever will be."

Examined closely, all this is a form of bait-and-switch. Yang “examines” five areas of work, from clerical to food service to transportation. For all of these areas, it is implied without quite saying so that something magical will happen to totally change the industry—say, robots with general intelligence that can act as waiters. In reality, what we get instead is a kiosk screen that half the time says “Error in #3eddb9.” Sucker! And let’s not forget the first Automat-type restaurant was opened in 1895. Fancier screens doesn’t mean a revolutionary advance. Yang fails to distinguish between the incremental and the revolutionary, and eagerly ascribes the revolutionary to the mundane. Like many others predicting the same phase-change future, such as Tyler Cowen, this is all driven by religious belief, not scientific belief.

The area in which Yang makes the most specific claims, though as always without any evidence, is the area on which he spends the most time: transportation. He says that transportation, especially trucking, which employs very many people, most with few alternatives, will be completely revolutionized by the imminent arrival of self-driving trucks. *This will never happen.* Neither self-driving trucks nor self-driving cars will ever arrive (if ever means within the next fifty years, and probably not thereafter either). I covered the reasons for this in my review of John Carreyrou’s *Bad Blood*, about the Theranos scandal, but in short self-driving cars are a complete scam, no different than the South Sea Bubble or cold fusion. Yang is astounded at the supposed stupidity of truck drivers, who in 2017 “almost uniformly weren’t concerned at all” about being replaced. Maybe he should listen to the people with the most incentive to know. Instead, he listens to, and quotes, visionary grifter Elon Musk (whom I actually like), taking as gospel his insane promises. Among many other ludicrous gullibilities, he endorses Musk saying that by 2019, “Your car will drop you off at work, and then it will pick other people up and make you money all day until it’s time to pick you up again. This will 100 percent happen.” Then Yang says, in his own voice, “It is obvious Tesla trucks will eventually have the same self-driving capabilities as their cars.” 2020 “will be the first year of mass adoption”! Why does he think any this, which flies utterly in the face of observable reality, and relies wholly on appeal to (psychotic) authority? I have no idea.

As I say, I could go on and on. Actually, I did go on and on. I just cut out three further pages I had already written. You're welcome (though feel free to contact me if you'd like to hear more). Yang caps it off by offering a whole chapter answering straw man questions, and spins like a top trying to explain away that productivity has not increased despite all these supposed miracle advances, but does not answer the real objection, that he has just written a hundred pages of fantasy.

Of course, Yang is certainly right that there are huge problems with American workers and American society. He points to many of the same problems that everyone from Oren Cass to Jonathan Tepper to Tim Wu to James Bloodworth have written about in the past few years. Workers don't share in increases in GDP; job security is nonexistent; inequality is rampant; communities have been destroyed or hollowed out. The "normal" American (by which Yang means "average," after saying "sorry not sorry" about using the word "normal"), doesn't have a college degree, has very little savings, and is facing a bleak and uncertain future. But there is a subset of Americans, for whom life is very good, living on the coasts and participating in the high-tech economy, attending the best schools (to get a credential, not an education) and more and more separating themselves from normal Americas, whom they exploit when they're not ignoring them. Normal America has fewer and fewer opportunities, and in an echo of my complaint that being able to buy more cheap Chinese crap isn't human flourishing, Yang says "Cheap T-shirts, a booming stock market, and a wide array of apps are cold comfort when you don't own any stock and your local factory or main street closes." Society is atomized, commodified, and fractured, as the result of massive social changes over the past several decades. And while Chicken Little is wrong that the sky is falling, he is not wrong that it is lowering, and may yet drop further.

All of this is well-covered ground, though Yang does a competent job describing it, sounding in many places like a Cliff Notes version of Charles Murray in *Coming Apart*. I suspect his pointing out that children, including those of professional women, need two parents, and acknowledging that white men are dying at unprecedented rates when they're not substituting video games for work because those meet male needs, aren't likely to win him much credit in the Democratic virtue-signaling sweepstakes. But that's probably intentional.

Yang works up to painting a nightmare scenario of civil war, overtly citing Peter Turchin's *Ages of Discord*, which tries to mathematically prove we are on the verge of war. He doesn't mince words. "If there is a revolution, it is likely to be born of race and identity with automation-driven economics as the underlying force." He says, in short, that white people who lose their jobs, while those at the top, "educated whites, Jews, and Asians," who instead of addressing the problems of poor whites suppress their speech and police their behavior, will protest, and that protest is likely to trigger mass violence. I agree with this, though Yang ignores the third and most important contributing factor, that the entire Left media/Democratic Party complex is now devoted to overtly spitting on and actively harming any person not showing his intersectionalist bona fides, which means most of all straight white men, a very large group. And he's not wrong that if such men experience broad unemployment, trouble is likely to result.

So far we've gotten optimism about technology and deep pessimism about its effects. Now we go back to optimism, riding on the wings of Yang's solution, Universal Basic Income, which he calls the "Freedom Dividend," in a somewhat pathetic attempt at branding. It is simple—every adult in the country gets \$1,000 per month and "the vast majority of existing welfare programs" would disappear. The cost would be "an additional \$1.3 trillion per year on top of existing welfare programs," about a thirty percent increase in the federal budget (or, given the deficit of about one trillion dollars, a forty-five percent increase in needed added income to government coffers, though Yang is silent on that way of looking at it). This will be paid for by a VAT, a value-added tax, that is, a consumption tax, of ten percent, on top of current taxes. Yang says this is what should be done for the country, something broad and deep, benefiting everyone, not just the well-connected (Yang correctly slags the 2008 bailouts as benefitting the rich and the coasts).

The goal is to meet "the ongoing challenge [which is] to preserve a mindset of growth, responsibility, community, humanity, family, and optimism." UBI is not welfare, because everyone participates regardless of need. It will stimulate the economy, he says, though Yang ignores that people may have more to spend, but that money comes from the government seizing money that could be spent, so unless monetary velocity increases, the stimulus effect seems very dubious. Similarly,

though separately, a ten percent tax on consumption is certain to, all other things being equal, reduce consumption, and likely to do so even if people have more money in their pockets. Aside from stimulus, though, UBI will have other benefits, such as making provision of aid to those needing welfare more efficient, since it will cut out the middleman (Yang endorses the same for foreign aid, citing an outfit called GiveDirectly, which sounds interesting). UBI will also encourage entrepreneurship, something that has dramatically dropped in recent years. Most of all, though, it will change the way people view our society and their role in it.

Yang addresses objections, here using fewer straw men than when talking about automation. Citing a few times UBI has been tried in limited circumstances (and noting that versions have been endorsed by everyone from Milton Friedman to Richard Nixon to Bernie Sanders), Yang says that UBI will not discourage work. First, \$12,000 a year is barely enough to keep body and soul together. He says the only group likely to cut back on work is mothers of small children, which is probably true, and would be an excellent societal effect, as would the likely knock-on effect of women having more children. (Hungary has recently unveiled a set of financial incentives for women to have children, so other experiments along the same line, though not using UBI, are being conducted.) Yang thinks people will still work (and should, citing Voltaire that work keeps people from “boredom, vice, and need”). They will not simply up their consumption of vice. Instead, their work can be more fulfilling and give them more meaning.

Really, nothing Yang says here is obviously wrong. Much of it is actually modestly compelling. And since our current system is terrible and getting worse, why not? The sticking point is that his idea that UBI will replace “the vast majority” of welfare is utterly unrealistic, since it would mean cuts in many welfare benefits, and no American welfare benefit has ever been cut in the last hundred years. If I am getting disability payments of \$1,200 a month, I’m going to scream when it’s cut by \$200. If am getting Social Security of \$2,500 a month, I’m going to scream even louder, and shriek to heaven when my wife dies and I can no longer collect money for a dead spouse, so-called “survivor benefits.” Will UBI replace Medicare? I sure doubt it. Will it replace pensions for government bureaucrats? Certainly not. The only program it might, maybe, replace is disability, which Yang correctly points out is now

mostly extended unemployment insurance with particularly perverse incentives. So, in practice, in our existing democratic system, UBI, if it ever became real, would simply be slapped on top of existing benefits, destroying most of the reason why it might be attractive.

Finally, Yang returns to fantasy mode, this time crying out for “Human Capitalism.” This sounds like it should be channeling Wilhelm Röpke’s *A Humane Economy*. But it’s not, it’s a proto-totalitarian nightmare. He demands that “the federal government reformat and reorganize the economy, particularly using technology to serve human needs.” What he means is spectacularly vague, but it involves “drastic intervention” and recognizing that “humanity is more important than money” and “markets exist to serve our common goals and values.” The actual tools for this, other than granting yet more enormous and unaccountable power to federal bureaucrats to achieve goals within their discretion, would be things like “Digital Social Credit.” There’s already a name for this system. It’s “China.” No thanks.

Yang should have stuck to UBI. But he’s a candidate, so he needs a complete manifesto, I suppose. He rounds out his manifesto with calls to pay bureaucrats more but limit the revolving door; citizen exchange programs; more support for vocational schools and less for wealthy colleges; and single-payer healthcare. These are candidacy points, of course, and Yang’s candidacy interests me. On the surface, I have a lot in common with Yang (other than that nobody has ever heard of me, and I’m not Asian). We’re both successful entrepreneurs, about the same age, and interested in public policy. I admire his work with Venture For America, a program that encourages entrepreneurship in flyover country, which, God knows, can use it. And if he’s like me in some things, he can’t be all bad, I figured.

I went to his campaign website. It is interesting, even if much of it just regurgitates this book. He offers three major items: UBI, single-payer (“Medicare For All”), and Human Capitalism. He offers a long list of other items, ranging from serious to silly to thought-provoking. True, it’ll limit his appeal in any national election that on any cultural matter, Yang is hard Left. (More gun grabbing! Free abortions for all! More gay!) Other ideas seem pandering or small scale (end airlines bumping people; kill the penny; unionize mixed martial arts). Some are dodges (we’ll fix immigration by consulting experts!). Some are just

dumb (making sixteen the voting age). But beyond that, much of it is reasonable center-left, and some even has broad appeal, such as tort reform and more nuclear energy. My conclusion is if he can speak and debate at a high level, Yang will probably do very well in the Democratic primaries. Being half Joe Biden's age won't hurt, either. Sure, none of his program will ever go into effect, since the problem isn't lack of ideas, it's the end-stage of the system. But having Yang run, and maybe even having him be President, would be more amusing than watching some other Democrat, so at least he has that going for him.