

THE ONCE AND FUTURE WORKER: A VISION FOR THE RENEWAL OF WORK IN AMERICA

(OREN CASS)

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I have often complained that human flourishing cannot consist of increases in GDP that permit us all to buy more cheap Chinese crap every year. Oren Cass has arrived to say exactly why that is, and what we should focus on instead. He also adds important related thoughts, including very specific and reality-based policy recommendations. Thus, in many ways, this book completes my circle of thoughts on political economy, providing the basis for an economic program in opposition to the modern verities of both Left and Right.

Aside from that I agree with the author, I'm a good person to review *The Once and Future Worker* because unlike the vast majority of people who will read this book, I actually employ people in working-class jobs—hundreds of people. I have also worked as a blue-collar worker myself (finish carpentry), which further sets me apart from the eggheads who write and read books like this. And let's be honest—Cass is an egghead, and he writes like one. Nobody will give this book an award for its sparkling prose. But that doesn't make it less interesting.

Cass's core datum is what is often noted, but just as often ignored, by our ruling classes—that all the increases in GDP in the past forty years have not changed workers' wages, the median of which (in real terms) has basically stayed still. His concern is not the trendy worry that such stagnation leads to support for Trump (who appears almost nowhere in this book), nor that inequality as such is bad (though Cass thinks that too). Rather, it is that workers with good jobs and good wages are the bedrock requirement for strong families and communities, and only with strong families and communities is long-term economic prosperity and societal flourishing possible. It is therefore not a substitute for good jobs for all workers to instead maximize GDP through societally destructive methods and then hand out cash to unemployed workers to "make them whole"—because neither they, nor we, are in fact made whole by such balance sheet maneuvers.

Cass offers a fresh way of looking at this, by directly rejecting the metaphor of the "economic pie." That pie is treated by both Republicans

and Democrats as the summum bonum of all government policy, when the reality is that pie omits many economic and social elements critical to society. This obsessive focus on “economic piety” (get it?) results in part from the error of prioritizing consumption over production. While naturally consumption and production are closely related, making consumption society’s sole end results in the denigration of producers, and thus of workers. “Most of the activities and achievements that give life purpose and meaning are, whether in the economic sphere or not, fundamentally acts of production.” Another way of saying this, though Cass does not go quite so far, at least explicitly, is that we are capable of being happy if we are productive yet very poor, and much more likely happy than if we are unproductive yet are still able to buy more cheap Chinese crap every year. Cass’s plan, in opposition to “economic piety,” is “productive pluralism”—creating “the economic and social conditions in which people of diverse abilities, priorities, and geographies, pursuing varied life paths, can form self-sufficient families and become contributors to their communities.” Productive pluralism will lead to human flourishing, genuine opportunity tailored to individual needs, and if done right, to a healthier and stronger overall economy over time, one that leads to sustainable growth through increased productivity.

We have triple the GDP we did in 1975 (though not triple per capita), and among much of society, we have broken families, destroyed communities, dependent people, and rampant suicide and addiction. Per capita GDP therefore is not an accurate measure of prosperity. In many ways, Cass is reacting to the portrait of parts of America shown in J. D. Vance’s *Hillbilly Elegy* and Charles Murray’s *Coming Apart*—but he is showing a path out. Cass does not go into great detail about what constitutes a strong family. But it’s clear enough what he means—a two-parent family where the income that, ideally, one parent earns can comfortably support the whole family over decades in the place they live, including children, without government assistance. That family should be based on the obligation to provide and the obligation not to be a burden on society; responsibility is key. Such families, it is indisputable, produce the best outcomes for children, for the parents, and for the communities of which they have always formed the backbone. And it’s good jobs at good wages that makes such families possible. Moreover, increasing such families will erode dependence on the welfare state, and will diminish

the contempt in which workers are held by the professional-managerial elite (I think Cass is wrong about that, though—the contempt comes from class hatred, not economic difference).

Republicans are wrong because efficient markets only maximize GDP, and that is far from enough. Democrats are wrong because their policies, while claiming to help workers, actually cater to a coalition whose interests do not lie with workers, and therefore their “solutions” are no solutions at all. What Cass wants to do is define our social goal with precision, then implement non-partisan policies that achieve that goal, knowing, of course, that everything has costs and benefits. His goal is a stronger labor market, that leads to a stronger society. By “labor” or “workers” he means not the small slice of professional-managerial elite who dominate the national conversation and politics, but, roughly, the “working class.” He doesn’t define that, but it’s apparently roughly coterminous with Joan Williams’s definition in *White Working Class*, the middle 55% or so of families by income, and without a college degree. His purpose is to lift up and renew the lives of that large group of people, accepting that will not be free, even for those people.

Cass rejects the idea that automation will effectively eliminate workers. He correctly identifies that if the prophets of automation are correct, productive pluralism is a fool’s errand. But he says all the indicators show no movement at all to workers losing their jobs to automation. Instead, to the extent automation grows significantly, it will mostly just make workers more productive, not obsolete, thereby increasing output with the same number of workers. This truth is masked by that output has been held basically constant for some time—if it were allowed to increase, the same number of workers would be employed, just to produce more. Recent GDP increases, in other words, have not come from increased output. Increasing output by each worker is practically the definition of economic progress. (This line of thought is a variation on Say’s Law.) Automation is not a phase change; citing Robert Gordon, Cass notes that even the fantastic technological advances of the late Industrial Revolution never powered output increases greater than 2.5 percent per year. Everything takes time. Plus, a great many jobs simply can’t be automated, whatever boosters like Elon Musk may say. Therefore, automation is not actually an existential threat to workers’ jobs, and may in fact benefit them hugely.

I agree with this analysis from personal experience. As I have discussed elsewhere, neither strong artificial intelligence nor things like true driverless cars are ever going to arrive, if “ever” means in my children’s lifetimes. Six years ago I spent quite a bit of money trying to design robots to perform the industrial functions around which my business revolves (basically, putting liquids into bottles). It did not work. The simple fact is that for my business, which involves a wide range of constantly changing form factors, people in combination with “dumb” machines is an infinitely superior solution—and it always will be. My industry will never be any more automated than it is. For similar operations that have fewer form factors, the same is true—for a long time, there has already been more automation in those types of operations, but again, it is “dumb,” with minor incremental improvements over time, and making it smart would add nothing at all. True, other industrial processes may be susceptible to automation. For example, we tend to think of car manufacturing—but their production has been automated for decades, and Cass cites “experts” who tell us that among the most automatable jobs “are tour guides, real estate agents, and fashion models,” along with school bus drivers. My conclusion is that this is all vaporware, and it’ll never arrive at all, since it’s based on the same defective magical thinking as driverless cars. But if it does, Cass is probably right that the impact will not be disastrous at all for workers, and he’s also probably right that a more likely technological future is more jobs for workers from jobs in new industries like additive manufacturing (i.e., “3D printing”).

Cass also defines “work.” It is labor activities that are actually productive, and known and felt by the worker to be productive. Substitutes are not acceptable. Cass has no patience with Andrew Yang, tech entrepreneur and pusher of the “universal basic income”—the idea government should pay all people for existing, wholly disconnecting consumption from production, because automation is going to take all their jobs, and that video games are an excellent preparation for, and if necessary substitute for, work. Cass holds that productive work is meaningful to the worker because it allows him to provide and offers him a role, in his family and in his community, which set of roles and actions creates the building blocks of society. It does not matter if his job is considered a “dead-end” job by the professional-managerial elite. To make those

jobs exist and to make them available, social policies should encourage domestic industrial growth through regulatory reform, adopt specific worker-friendly education policies, limit immigration and unbridled cross-border trade, both expand and modify collective bargaining, and change tax policy. Each of these five areas Cass addresses in turn.

First up is growth-killing regulation, with a focus on environmental regulation, where he attacks the fantasies of benefits and ignoring of costs that drive regulations that kill enormous numbers of good jobs. He points out that just because past environmental regulation was beneficial, it does not follow that more is still needed, and will always be needed. Mostly, he blames Congress, not regulators. In truth, the blame is really shared, since the administrative state is a law unto itself, and further shared with the federal courts, who often collude with left-wing plaintiffs to avoid not just the democratic process, but the regulatory process, through consent decrees imposing new regulations. Cass is right, though, that only Congress can fix the problem, through mechanisms like revising the Clean Air Act to eliminate new source review (making it extremely difficult to build new facilities, but allowing older facilities to continue operating), and streamlining NEPA (requiring environmental impact reviews), mandating real cost/benefit analysis along with a regulatory budget that limits the total costs impossible across the entire government, and forbidding new rules to be issued after final rules are issued under any given statute (instead of permitting, as we have now, completely new rules to be issued under fifty-year-old laws).

Next is education. I had no idea that only about twenty-five percent of America's young workers have a college degree. No other industrialized country follows America's system of pushing all young people into a college degree from which they often receive little benefit (and is often socially destructive). Instead, they use tracking of students in early high school (disfavored here for a long time on grounds that it was anti-egalitarian, and totally eliminated forty years ago); in other countries, up to seventy percent of high school students are on vocational or apprenticeship tracks, often in cooperation with local industry. Cass points out that the innumerable charts braying that those with college degrees make more money over their careers say nothing about causation. He also points out that the trillions of money we have thrown at

education have produced a grand total of zero additional achievement. The goal should not be college as an abstraction, but the right track that allows each student to get the right job, in order to be able to support a family while contributing to and building society. In most cases, this will be technical or vocational education. (I suspect that Cass thinks, or would think if he allowed himself to be honest, that such tracking would necessarily result in different tracks for men and women, but he does not address that question.) He notes that the huge subsidies we give to college (the federal government spends eight times the amount on college funding that it does on vocational funding) are handouts to the employers of the professional-managerial elite.

Cass then turns to borders. Unsurprisingly, he calls for sharply restricting admitting unskilled immigrants and for privileging skilled immigrants. He rejects that there are many jobs Americans simply won't do. As far as illegal immigrants currently in the country, he suggests a LIFO approach—last in, first out. If you just got here, you get kicked out right now. If you have been here for five years, you get a work permit for some years. Longer than ten years, you get ten years of work, and a path to citizenship. Then Cass cues up global trade. He goes through an analysis not dissimilar to Clyde Prestowitz's in *The Betrayal of American Prosperity*. Cass's key point is that free trade isn't good for us in the long term if trade is imbalanced in type (exchanging electronics from China for our garbage, the same example on which Prestowitz focuses) or funded with debt. Those imbalances with key trading partners result largely from the deliberate intervention by foreign governments to achieve specific strategic objectives benefitting their countries in the long term. We have no such policies at all. "The trade war has already started, but only one side is fighting." This imbalanced trade reduces our productive capacity, encourages a focus on consumption, and erodes our future relative ability to trade on good terms. And it harms American workers—who, to be sure, are also consumers, but their being able to buy more cheap Chinese crap does not offset the erosion in their wages, their stability, and their communities.

That said, the solution isn't tariffs, which are a crude and easily politically-distorted device, nor should we get rid of agreements like NAFTA, which are mostly beneficial to workers. Nor does Cass really endorse the mercantilist policies found in many other countries (which

I, on the contrary, think would be a good idea, but not in the current American ship-of-fools political dispensation). Many of the other policies Cass advocates in his book, including vocational education and regulatory reform, he thinks would also help here, along with others specific to this area, such as greatly expanded government funding for R&D in manufacturing. That's carrot; stick should also be applied, in the form of punishing trade-discriminating countries by denying student visas (read: China, whose students flood American universities), denying medical technology, and denying access to capital markets, as well as prohibiting any imports tied to stolen intellectual property, and blocking or taxing Chinese acquisition of private assets in the United States. Cass has little patience for claims that free flow of capital is some form of wonderful benefit, and in any case, as with all these policy prescriptions, he is more than happy to trade off some drag on GDP for an economy with real strength, and workers who can contribute to a better society.

Next is unions. Cass thinks that regulatory costs, applied with a broad brush by government functionaries ignorant of workers' real needs, often harm the ability to offer good jobs—but the goals of regulation, such as worker safety, are often sound. But as with new environmental regulations being issued using as authority fifty-year-old laws, the National Labor Relations Act is past its use-by date. The solution is to allow workers to collectively bargain with employers—not through traditional unions, which are wholly corrupt and, since most of the old goals of workers such as safety were achieved long ago, spend their days demanding “destructive work rules, circuitous grievance procedures, and counterproductive seniority systems.” Moreover, they are merely a tool of the Democratic Party (ninety-seven percent of political donations from unions go there), not advocates for actual workers. Workers know that unions as constituted now don't actually represent their interests, which is why union membership has dropped so sharply and is still dropping. (Cass only addresses private employee unions, not government employee unions. This is probably because for the most part government employees are not workers in the sense Cass uses at all; they are parasites, and in any case unions of government employees should be totally forbidden, for reasons I have laid out elsewhere.) Instead, we should have “co-ops,” partially on the German model, and also integrated with the vocational/apprenticeship model

that Cass recommends when discussing education. The co-op can tailor workplace conditions more precisely, including by negotiating certain terms of workplace regulation. It would be forbidden from engaging in political advocacy. Such alternative collective bargaining arrangements are currently illegal under the NLRA, so again, Congressional action would be needed.

Cass caps his analysis with offering generally applicable prescriptions, mostly relating to tax policy. Rather than encouraging domestic investment through narrowly-tailored subsidies like the Wisconsin Foxconn plant, or cutting corporate taxes to encourage investments, which acts as a bludgeon with much of its benefits not accruing to workers, we should encourage hiring by offering companies large direct tax credits for each worker employed. Most of all, though, we should simply offer a wage subsidy—government payments that increase worker pay without increasing employer expense, thereby encouraging employment. This is most efficient and least distorting solution. Sure, it's redistribution. So what?

I'm a member, or rather my company is a member, of our local Chamber of Commerce. That's only because we get ten percent off health insurance that way. Otherwise, I hate their guts. Every time they say something, I cringe, because their view is the same "economic piety" that Cass attacks. I just was never really able to say with specificity why that was wrong (though much else the Chamber says is obviously wrong, like their stupid virtue-signaling advocacy of leftist social demands). Cass has helped me identify the flaws in their thinking. Of course, the problem is that if I went to a Chamber meeting and said all this, they would look at me like I was the problem. They would be completely uncomprehending and just think I was some kind of drunk cretin. That's the problem—there is no powerful constituency for any of these proposals, or even for any of Cass's goals. Even if there were, Congress could never bestir itself to adopt any of Cass's proposals. Which is too bad, but doesn't make this book any less worthwhile.