

Work and Wealth

Lecture 11-2

Computers & Society (CPSC 430)

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<https://www.students.cs.ubc.ca/~cs-430/>

Original slides by Kevin Leyton-Brown.

Increase in Productivity

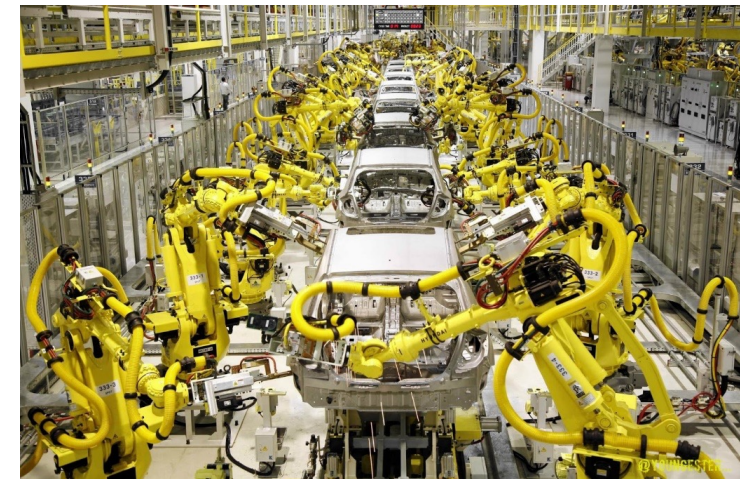
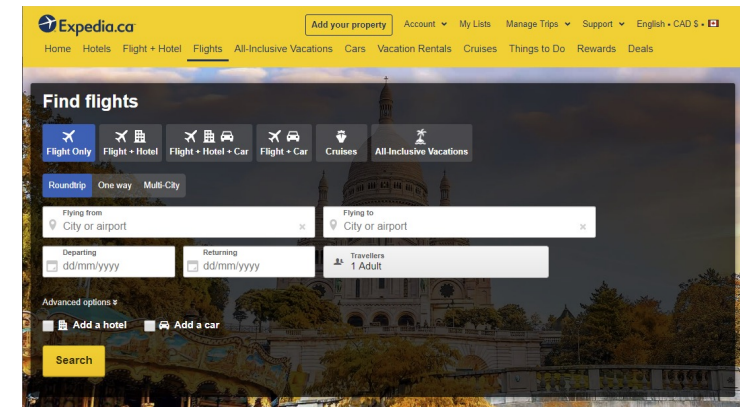
- **Working long hours**
 - North Americans (particularly Americans) work longer hours than other cultures and other times in history
- **Protestant Ethic and the Spirit of Capitalism**
 - A famous explanation of this restless work ethic
 - Linked it to Calvinist theology of predestination

The “Winner-Take-All Society”

- Occurs when a small number of top performers receive a large fraction of the rewards
 - Athletes, musicians, actors, law schools, social media
- Harmful effects
 - Reduces the production of (e.g., cultural) goods
 - Unfair: severe penalty for falling a bit short
 - Leads to arms races
- What can be done?
 - Legal limits (e.g., working hours) to limit arms races
 - Cooperative agreements (e.g., cap on salaries in sports league)
 - Progressive taxation
- Beneficial effects
 - Why shouldn't we watch the best actors, athletes, etc?
 - I enjoy reading the same books as my friends (network effects)
 - Maybe a slightly better CEO (lawyer, etc.) really does make a huge difference to my company

Economic Impact of Artificial Intelligence

- Likely impacts:
 - Increased mechanization of **routine labor**
 - Automation of lower-end **knowledge work**
- Automation is nothing new
 - like other waves of innovation, AI will almost certainly make society as a whole **much richer**
 - but, it may also exacerbate **income inequality**
- What will this mean for the economy of the future?
 - **Post-scarcity** economy?
 - Human labor as a **luxury good**?



Course Evaluation

10 minutes to fill in course evaluation (on Canvas)

Inequality

Let's try a class debate:

“It is immoral for a corporation to pay its CEO
400 times as much as a production worker.”



For



Against