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**The Economics of Freedom for Black Americans  
in a Technological World: A Brief Futuristic Essay**

by

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**Abstract**

During the second half of the 21<sup>st</sup> century, automation from robotization and the use of artificial intelligence may produce an opportunity for considerable freedom: “Doing what one wants, when one wants, the way one wants.” We may very well experience a world without work. This brief futuristic essay answers the question, “How free are we?” today. It explores what freedom looks like in a technological world. It discusses the role of entrepreneurial production in a world without work. It considers how a social system that facilitates real freedom can be ushered into existence. All of this analysis is undertaken from a Black American perspective. Consequently, given Black Americans’ historically disadvantaged position in the US, we also entertain the following questions: Should Black Americans remain in a new US economic and social system that permits these freedoms, or should we opt for forming our own nation? The topic analyzed in this essay is just one that must be considered as Black Americans develop a long-term strategic plan for a future that is unfolding rapidly.

## Introduction

Freedom or liberty can be defined as “doing what one wants, when one wants, as one wants within the context of a social contract.” The latter clause, “within the context of a social contract,” must be added because we all live in a society. Consequently, from the outset, we must concede some of our liberty as long as we are operating within a society.<sup>1</sup> But this essay is not about defining the fundamental parameters of a social system. Its purpose is to describe how a type of ultimate economic freedom can be realized by modifying, at the margins, an already existing social system in a technological world. The essay unfolds in the following manner. First, we answer the question: “How Free are We?” Second, we describe “Freedom in a Technological World.” Third, we consider “Production under Freedom.” Fourth, there is a discussion on “Realizing the Requisite Social System” by modifying the existing system. Fifth, we consider “Nation Formation as an Option for Black Americans” in light of the economic freedoms that may be realized in a technological world. As the title of the essay implies, the entire analysis is from a Black American perspective. The intent is to foreshadow the type of economic and social systems that Black Americans may confront in the second half of the 21<sup>st</sup> century.

## How Free are We?

Let’s start by asking the following question: Which economic agent is better off: A westerner living an urban life or an African Bushman? Note that when the African

Bushman awakens from a night’s sleep, he has many options: He can till his small garden; can go fishing in a local stream; can collect nuts and berries nearby; can travel a short distant to visit a fellow Bushman in an adjacent village, can tinker around at his hut; or he can simply decide to do nothing. On the other hand, an urban westerner has just one choice when he awakens—go to work. Does this tell us anything about freedom?<sup>2</sup>

Of course it does. It tells us that freedom begins with choices. One’s knowledge of choices immediately establishes a marker concerning one’s freedom. The more one knows, the more one may want to do. “Doing what one wants” is the starting point for freedom. But it does not stop there. There is the question: Can one do what one wants?

The westerner in an urban environment may seem to have limitless choices. The African Bushman may seem to have somewhat restricted choices. However, who is freer—able to “do what one wants”? Clearly the Bushman is “free” to operationalize any of his choices. He is not constrained. He can delay any of the choices in lieu of one that he selects. Importantly, he can delay choices almost indefinitely—with the constraint that he must have food, clothing, and shelter with which to live. The urban westerner, on the other hand, although he may have seemingly limitless choices of things to do, really only has one choice—at least in the short-run—and that is to go to work. If he chooses to operationalize his “freedom” and defer going to the office or factory, then he will find that he does not have a job. Without a job and a source of income, most “freedoms”

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<sup>1</sup>Nobel laureate, James Buchanan, makes this point abundantly clear in his 1975 book, *The Limits of Liberty: Between Anarchy and Leviathan*.

<sup>2</sup>In a 2014 Internet post, Boston College’s Professor of Psychology, Dr. Peter Gray, describes the free lifestyle of Bushmen-like hunter-gatherers, including

the fact that their society lacks the conception of “work,” the toil-less manner with which they sustain themselves, and the absence of “forced work” from their lifestyle (see <https://libcom.org/library/why-hunter-gatherers-work-play-peter-gray>).

disappear—as do access to food, clothing, and shelter (except that which might be offered by the state, and it will come with strings attached).

From a pure freedom perspective, we might conclude that the African Bushman is better off mainly because, even though his choices may be somewhat restricted, he can actually operationalize “doing what one wants” more so than can the urban westerner. Importantly, the Bushman can not only “do what he wants,” but he can also operationalize his choices “when he wants and the way he wants.”

What does all of this tell us about freedom? It tells us that, as urban westerners, our freedom is fairly tightly constrained. Yes, we have to work. However, we can use the resources that we garner from work to “do what we want” over weekends and during vacation periods. We may even seek to exercise our freedom in the evening when our presence is not required at the office or factory. However, given our ties to employment, everything that we want to do is affected by the job to which we are tied. We are constrained in exercising our freedom “when we want and the way we want.”

Another important and clear message from the foregoing is that resources are integral to freedom in the world (society) in which we live. The more resources that one has, the more one is able to “do what one wants, when one wants, the way one wants.” We obtain legitimate resources through earning income from work, or as a result of inheritances.

Because Black Americans are much less likely to be the recipients of bequests, we know that our freedom is constrained due to the absence of this resource.<sup>3</sup> Increasingly, Black Americans’ incomes are rising to levels that are comparable to that of the United States’ average.<sup>4</sup> Therefore, we may have incomes that permit us to exercise some of our freedoms. However, what we know is that Black Americans have over 12 times less wealth than European Americans, which certainly means that we are considerably less able to exercise our freedoms because we have considerably less resources.<sup>5</sup> If an “enjoyable” and “happy” life results from exercising freedoms, then Black Americans are in a much less favorable position when it comes to experiencing such a life simply because we don’t have the resources.

So what are we going to do about this inequality? Should a child that arrives in the world, without a choice, be forced to experience a much less favorable life simply because he or she is the daughter or son of Black American parents and not of European American parents who—mainly because of racism—have a high probability of having more resources than Black American parents? Clearly a European American child has a much greater chance at experiencing an enjoyable and happy life (as we define it) than a Black American child.

The foregoing condition reflects the realities of an unfair game when it comes to Black Americans, and there are four optional responses when one is facing an unfair game: (1) Do nothing; (2) peacefully renegotiate the

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<sup>3</sup> For a discussion of Black-White differences in bequests and inheritances, see Signe-Mary McKernan, Caroline Ratcliffe, Margaret Simms, and Sisi Zhang’s 2011 report, *Private Transfers, Race, and Wealth* from the Urban Institute; <http://www.urban.org/publications/412371.html>.

<sup>4</sup> See page 2, footnote 3 of our essay “How Would US Afrodescendants Vote?”;

<http://www.BlackEconomics.org/BEFuture/HOWAV.pdf>

<sup>5</sup> On December 5, 2014, Keven Moore, an economist with the US Federal Reserve Board, provided unpublished data on net worth by race from the 2013 *Survey of Consumer Finances*, which reflected this outcome.

rules of the game; (3) resort to hostile and disruptive action to alter the rules or outcomes of the game; or (4) quit the game altogether. History shows that Black Americans are unwilling to sit idly by and do nothing. Given European Americans' unwillingness to peacefully renegotiate the rules of the game (and rightfully so), it turns out that peacefully renegotiating the rules of the game is not a valid option. At the same time, Black Americans do not appear to be well organized enough, and do not have the fire power, to engage in hostile and disruptive actions that would alter the rules and/or outcomes of the game. Therefore, Black Americans' logical response to an unfair game is to quit the game altogether. Unfortunately, at this point, we do not seem to be prepared to undergo the difficulties that are associated with quitting the game.

Quitting the game, in the strictest sense, is to depart the United States to establish our own nation, or to take up residence in another nation. The problem with the latter action, is that no nation in the world is untouched by the United States. Therefore, quitting the US for another country that is not our own only reduces slightly the impact of living in America. On the other hand, if we were to found our own nation, then we would still feel the impact of income and wealth inequality, but it should be less severe and such inequality should be purely economic in nature—not the result of racial discrimination.

In a less strict sense, quitting the game could imply engaging in strategic non-action while remaining in the US: e.g., refusing to work outside of our areas of influence; refusing to purchase other than necessities except within our areas of influence and from Black-owned establishments; and refusing to engage in most political, social, and cultural actions. That is, we could sit down within our areas of

influence and literally do nothing—or very little. This action would draw attention to the unfair nature of the game, and possibly produce some action to increase the fairness of the game.

Given that Black Americans earn and contribute over \$1 trillion to US gross domestic product (GDP), if we sat down, then the nation would suffer economic consequences. Certain special interests would be adversely affected by such a sit-down, and members of such interest groups may come to be willing to modify the rules of the game and/or its outcomes. One trillion dollars of today's \$17 trillion economy is less than six percent; therefore, most significant players in the US economy may not be motivated to change the rules of the game.

But all hope is not lost. There remains an outside chance that Black Americans can work to help modify the overall economic system so that, in the long-run, Black Americans can earn the opportunity to enjoy more freedoms.

### **Freedom in a Technological World**

Even with significant inequality in a society, the more freedoms that a society enjoys implies that some measure of those freedoms are enjoyed by even those at the bottom of the society. If, for some reason, a society is able to enjoy new freedoms, then all citizens of that society, theoretically, should gain access to more freedoms. One would expect such an arrangement in the US. As a benchmark, we see that unemployment rates for Black Americans decline (although they continue to remain at about twice the level of European American unemployment) and incomes generally rise when the US economy enjoys

The Economics of Freedom for Black Americans in a Technological World

economic booms.<sup>6</sup> Meaning what? If more freedoms are enjoyed by Americans, then Black Americans are likely to enjoy more freedoms.

How can the US—and the rest of the world for that matter—get to more freedoms? It is a simple proposition. Automate more! It is quite common to find robots performing tasks that were formerly performed by human labor throughout the US and world economies. This applies not only to tasks in manufacturing industries, but also to service industries as well. Two problems have surfaced as a result of this outcome. First, many high-paying manufacturing jobs have been lost to robots. Second, robotization has not proceeded rapidly enough. Why not? Mainly because artificial intelligence (AI) has not developed rapidly enough. In combination and in the extreme case, robotization and AI, when the latter is perfected, can lead to the displacement of most workers in manufacturing industries, and much labor in service industries. While you may see this as inimical to freedom, in reality, this is the basis of freedom.

Using old logic, you might think that loss of employment should mean loss of resources and the loss of the ability to enjoy freedoms. But this logic is no longer valid. In the last half-decade, since the 2008-9 global financial and economic crisis, and even before, we have learned that monetary authorities can, along with the US Congress' fiscal policies, manage the economy quite well by regulating the amount of money in the economy. All that is required is to have established

institutions in place to receive and expend money. In the US, families/households are established institution that have bank accounts to which funds can flow from the Federal Government's coffer. All that is required is for those families/households to expend the funds that they receive. In other words, as long as production is occurring with which to stock store shelves, then all that is needed is to have purchasers. This process of production and consumption makes the economy go around.

Stated more concisely, if robotization and AI evolve to a supreme level sufficient to displace all labor, and if it is conceded that “work” is no longer required to receive income, then enough production can occur to satisfy consumption requirements and enough income can be distributed to facilitate that consumption.

Another element of old logic is that centrally planned economies do not work; that it is impossible to determine accurately consumer demand on a centralized basis. The argument has been that only the “invisible hand” can lead suppliers and demanders to stable and sustainable equilibria. In our view, this may have been true in the past. However, given the power of computers and AI at a 100 percent penetration level, there is no question that it is possible to monitor production and consumption in real-time and manage production so that neither large economic surpluses nor shortages occur.<sup>7</sup> Moreover, even if one or the other (surpluses or shortages) is on the horizon, then those who manage the economy can use the media and

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<sup>6</sup>Our 2009 article “Black Unemployment and Infotainment” discusses the fact that the Black American unemployment rate is generally at least twice that for White Americans (see *Economic Inquiry*, Vol. 47, No. 1, pp. 98-117).

<sup>7</sup>We should keep in mind that, for many key narrowly-defined industries, significant consolidation has occurred over time through mergers and

acquisitions. Consequently, for all intents and purposes, there are near-monopoly producers for these industries that are quite successfully in capturing sufficient information to organize production to meet consumption demand and avoid large imbalances in production and consumption.

prices to reduce or increase consumption as required.

A condition of no work requirements and perfectly monitored production and consumption begs only one question: How to determine the amount of income that each family/household should receive? The answer is that income in the form of hapines (the word for money in this system) that is received by families/households can be determined as a two-step process: (1) The amount of hapines are based on a formula that takes into account consumption of a certain basket of goods and existing prices; and (2) bonus hapines are distributed based on the happiness that is produced by members of families/households through their actions. On the first part, the basket of goods that are consumed and the related prices are determined in real-time based on production and the monitoring of consumption by households throughout the system. On the second part, with no work requirement, members of families/households will choose to satisfy their freedom requirement in a manner that optimizes their own happiness and the happiness of others. The price in hapines that is assigned to each happiness-producing act will be determined in real-time and established in such a way as to assist in creating economic and social equilibrium.

It is not extraordinary to think that individuals (members of families/households) choose to optimize their utility, where the utility is based, in part, on their and others' happiness. By optimizing their utility, they optimize the level of hapines that they receive and, therefore, set the stage for producing more happiness in the future when they spend those hapines in exercising their freedoms.

One critical question remains: How will the grand payer know about the happiness that an

individual produces? The answer to this question will become a simple issue as we accelerate the proliferation of information collection and processing efforts that will be made possible by AI. Will it mean ubiquitous recording devices? Will it mean that everyone will be outfitted with a body camera? Maybe. The important point is that everyone can decide whether to turn the camera on or off. If the camera is turned off, then happiness production will not be recorded, and there will be no commensurate compensation in hapines. On the other hand, happiness production should be evaluated from the recipient's perspective. Consequently, there may be a need not only for body cameras but for emotion readers. In other words, happiness production occurs when one individual performs an act and a recipient records a surge of happy emotions. Body cameras and emotion readers may be a small price to pay for the related freedoms available in the social system.

How does all of this relate to Black Americans? If we join the effort to help accelerate the robotization of the economy, and if we help accelerate the production and proliferation of AI, then we can accelerate the day when all members of the society can be without the need for work and can realize more freedoms.

Note that, in the social system that we are considering here, bequests and inheritances are not permitted. Given that the social system provides income/hapines for all, there is no opportunity for individuals to be in poverty or to enjoy exorbitant wealth. In other words, Black Americans would be on equal footing with European Americans with respect to the hapines that they receive, as long as they are just as productive as European Americans in happiness production. Indeed, the important constraint is that there should be no bias in the awarding

of hapines for happiness production. As a result, large and persistent wealth inequality should not evolve in the system.

### **Production under Freedom**

What is to be the plight of those who do not want to spend their time enjoying freedom without work, or spending all of their hapines consuming? In other words, what is the plight of entrepreneurs in this system? Freedom without the freedom to save would not be freedom at all. Individuals that save and invest in entrepreneurship will, to the extent that they produce happiness with the goods and services that they produce and sell, will garner hapines beyond those that they receive in exchange for the goods or services that they produce. Yes, they will receive hapines in exchange for their production of goods and services—and rightly so. However, because they have the potential to produce happiness because of the special joy that they engender among consumers will warrant that hapines be awarded to entrepreneurs for their production of that happiness. To ensure that equilibrium is maintained in the social system, entrepreneurial production must be accounted for in the system along with automated production.

Keep in mind that entrepreneurship may be constrained somewhat because the bequest motive for creating wealth is removed from the social system. However, individuals may opt to save and to operate as entrepreneurs if they have some grand consumption goal that cannot be fulfilled using the hapines that are awarded to meet basic consumption needs and as a reward for happiness production. Therefore, entrepreneurship is likely to be a sporadic and temporary phenomenon.

The Economics of Freedom for Black Americans

### **Realizing the Requisite Social System**

Thus far, the analysis has concerned the economics of a social system that does not fit perfectly with the existing social system. How do we derive the social system that is required to facilitate the freedoms we have described? Given a current “democratic” social system as a starting point, it seems feasible that no major changes are required to the existing system to produce the desired social system. Specifically, agents in the current system should express strong preferences for the absence of work, the awarding of hapines to meet consumption needs, and the receipt of hapines in response to happiness production. The freedoms implied by such a social system are unparalleled. Therefore, if such an economic and social system were offered in a plebiscite, the expectation is that there would be hands-down approval. The vast majority of agents in the current economic and social system are workers. Who would not like to live life in the absence of a work requirement? Importantly, those who want to save, work, and generate extra hapines for future consumption will not be prevented from doing so. Consequently, the social system appears to offer favorable conditions all around. Of course, one cannot please all of the people all of the time. Who would not be pleased by the proposed social system? The “one percenters.”

“One percenters,” the owners of the means of production, would essentially be displaced over time in the proposed system. That is, at the startup of the proposed economic and social system, production of goods and services would be highly automated through robotization and AI, and the returns from production accrue to “one percenters.” Production and ownership would continue unaffected under the proposed social system. However, the “one percenters” would not be



able to transmit their wealth via bequests at the end of their lives. The controllers of the social system (government), which will also be highly automated, would assume control of the wealth and means of production left behind by “one percenters” at the point of death.

Obviously, such an outcome is unfavorable for “one percenters,” and they are likely to use all means at their disposal to prevent such a social system from being ushered into existence. Media campaigns and other actions filled with lies and innuendo are likely to occur to prevent the new economic and social system from arising. However, history tells us that it is possible to birth a system that reflects the preferences of the majority. That majority must be aware and vigilant to prevent saboteurs from preventing the system from arising and from being sustained.

It is appropriate to note here that the foregoing analysis has focused mainly on realizing freedom in the domestic, not international, economy. Implicit in our analysis is rapid development of the global economy throughout the 21<sup>st</sup> century with the concomitant spread of technology and AI. In other words, the assumption is that by the time the US economy can realize the economic freedoms that we have described herein, other nations of the world will be in the same or a similar position. Therefore, the spread of technology and AI, along with the evolution of international economic organizations, such as the International Monetary Fund, World Bank, and World Trade Organization, should make possible the simultaneous realization of freedom, as we define it, the world over.

## **Nation Formation as an Option for Black Americans**

Given the near inevitability of the just-described social system, Black Americans must weigh eventualities and decide whether it is in our best interest to opt for our own nation or to hope to enjoy freedoms within a new US economic and social system. Why? Because, our black skin will continue to serve as an easily identifiable marker for discrimination. In addition, there will be many in the new system who will argue that the near absence of Black Americans from the technology and AI fields today means that we played a miniscule role in making the new system possible and, therefore, we do not warrant equal and unbiased treatment in the new system—even if there are no shortages in the system.

If Black Americans fear the impacts of this potential outcome, then we would be better off opting to produce a favorable social system in our own new nation. While the initial economic and social system that we would likely be able to produce in a new nation might not be as highly automated as the above-described US system, we should be able to produce a highly automated system within a reasonable period of time. This should be achievable because we can leap-frog many old technologies and operationalize technological and AI systems that permit us to move quickly to an absence of work, awarding of hapines to meet basic consumption needs, and receipt of hapines for happiness production. Importantly, if we organize our new nation such that “one percenters” are prevented from gaining control of the system, then at least the hurdle of defeating “one percenters” in the fight for freedom should be avoided.

If we do not opt for our own nation and remain in the US, then the level of income and wealth equality that should evolve in the social system described herein will facilitate high rates of intermarriage and the eventual decline of the Black American population. However, in our view, it would be a great disaster if, after over 400 years in America, and with all of the battles that we have won, the ultimate outcome would be the disappearance of Black people as we are known today.

### **Conclusion**

Today, Black Americans are engaged in civil actions to wrest justice from a society that appears to discount our value. Even if we are able to improve outcomes through these actions, given history, we can never assume that we will always receive treatment that is

benign or approbate. We must look scrutinizingly to the future to determine which barriers will arise to turn the clock back or push the envelope forward favorably. If, in the future, there is a world without work, how will we fare under such a system? This is a question with which we should concern ourselves today so that we can make decisions now that will position us well for that future. This is consistent with a requirement that Black Americans develop a long-term strategic plan. While such a plan does not exist today, this essay has provided, hopefully, food for thought for at least one aspect of such a plan. The future is clear, the world of tomorrow may very well be a world without work and considerable freedoms. The questions that we must answer are: Should we enjoy such freedoms in the US or is it better to bask in these freedoms in a land of our own?

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