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Watch Out For Trickle-Down Technology

By Jeremy Rifkin

WASHINGTON
Bill Clinton spent much of the Presidential campaign attacking the trickle-down economic policies of the Reagan-Bush years. Sadly, however, our new President seems to be subscribing to an equally damaging economic myth: trickle-down technology.

On Monday, the President offered a 36-page plan to rejuvenate the economy through technology. It calls for a partnership between the Government and corporate America to spur high-tech industries. This technology renaissance would be fueled primarily by transferring billions of research and development funds from the Pentagon to civilian commercial uses. Biotechnology, robotics, artificial intelligence, digital imaging and data storage are areas all high on the list.

But instead of reviving the economy, the President's high-tech vision could lead to further unemployment, an erosion of the fortunes of the middle class and even greater disparity in income between the rich and poor.

The last century has seen unparalleled technological innovation. New technologies have increased productivity, quickened growth and provided jobs. Even when technologies replaced human labor, new fields opened up to absorb the displaced work force. When the mechanization of agriculture forced millions of workers off farms in the late 19th century, urban manufacturing industries were waiting to absorb them. And when automation of the factories forced a second mass dislocation of blue-collar workers in the 1950's, service and white-collar industries were able to take in much of the surplus labor.

Today, new technologies are beginning to force a similar dislocation. The problem is, no new jobs are waiting.

One doesn't need to look far to get a glimpse of things to come. The Postal

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Service plans to cut 47,000 workers by 1995, predicting that computers will be able to read letters and sort mail far more efficiently than humans. Similarly, A.T.& T. intends to replace up to 6,000 operators with robotic operators that can distinguish key words of speech. Postal service and A.T.& T. workers are not alone. Most American workers are employed in tasks that can be done by computers, automated machinery and robots.

The Clinton Administration hopes to speed up these advances. It wants to construct a high-speed computer network — an information superhighway — that promises to do for communications what the interstate highways did for the flow of goods. "Virtual" communities will increasingly replace "traditional" communities as millions of people carry on the business of daily life — from shopping to banking — over the computer transom, bypassing face-to-face exchanges in the marketplace.

If the Clinton vision succeeds, millions of U.S. workers will be replaced, with little or no prospect of further employment. A 1986 study by Wassily Leontief, a Nobel laureate, and economists at the Institute for Economic Analysis concluded that the demand for clerical and service workers as well as for semi-skilled and unskilled workers will fall with technological innovations. "The role of humans as the most important factor of production is bound to diminish in the same way that the role of horses in agricultural production was first diminished then eliminated by the introduction of tractors," Mr. Leontief wrote.

Employment opportunities are likely to increase only among professionals, particularly scientists, engineers,

computer specialists, managers and teachers. And their numbers will be small compared with the pool of millions of white- and blue-collar workers who will be permanently displaced.

Worse, even if there were jobs, there's another flaw in the Administration's strategy. Though President Clinton and Labor Secretary Robert Reich talk enthusiastically about retraining programs, can we really expect the Government to teach an aging population of unemployed white-collar and service employees to compete in the high-tech job market?

None of this is to argue that high technology is without any merit. We would benefit from new pollution control technologies, electric cars and high-speed trains. Yet, the Administration proposal for upgrading the economy relies far too heavily on high-technology investment.

Mr. Clinton would do well to concentrate less on the technological infrastructure and more on the human infrastructure. Millions of low-tech jobs could be produced in health care, housing and energy conservation. If the President doesn't change his emphasis, he runs the risk of creating a new and dangerous America — one in which a small high-tech elite of corporate professionals exists in a nation of the permanently unemployed. □

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