

AUTO-INDUSTRIALISM

DIY CAPITALISM AND THE RISE OF
THE AUTO-INDUSTRIAL SOCIETY



PETER MURPHY

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London EC1Y 1SP

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2455 Teller Road
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B 1/I 1 Mohan Cooperative Industrial Area
Mathura Road
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SAGE Publications Asia-Pacific Pte Ltd
3 Church Street
#10-04 Samsung Hub
Singapore 049483

Editor: Natalie Aguilera
Editorial assistant: Delayna Spencer
Production editor: Vanessa Harwood
Marketing manager: Sally Ransom
Cover design: Jen Crisp
Typeset by: C&M Digital (P) Ltd, Chennai, India
Printed in the UK

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First published 2017

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Library of Congress Control Number: 2016951859

British Library Cataloguing in Publication data

A catalogue record for this book is available from the British Library

ISBN 978-1-4739-6171-5
eISBN 978-1-4739-9883-4

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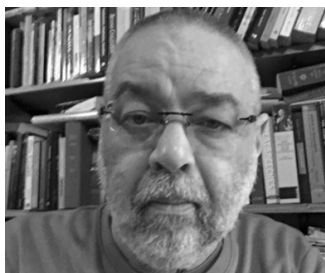
Dedicated with much love to Christine Mintrom

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ILLUSTRATION

- 1 US employment by major occupational group, 2014 and projected to 2024

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ACKNOWLEDGEMENTS

While I was writing this book, I benefited from stimulating discussions with Ian Atkinson, Warwick Powell, Craig Browne, Tony Dann, Peter Dansie, Glenn Porter, Thorry Gunnersen, Katja Fleischmann, Ken Friedman, Anders Michelsen, David Salisbury and Chris Hay. Thanks to Chris Rojek for commissioning the book. Some of the material in Chapter 2 is drawn from an article, 'The desktop factory of the new industrial revolution', published in *Quadrant* magazine in October 2014.



INTRODUCTION: THE RISE OF AUTO-INDUSTRIALISM

AUTOMATION AND THE AUTOMATIC SOCIETY

We have entered a period of momentous structural change.¹ For those old enough to remember it, the shift we are experiencing is like that of the 1970s. Then we saw the onset of the post-industrial age. Mass manufacturing industries in the leading economies contracted. Parts of them were exported abroad — to China and elsewhere. The number of well-paid, blue-collar industrial jobs shrank dramatically. Lesser-paying service jobs expanded along with white-collar, professional and para-professional work. The latter was fuelled by an expanding public sector. The government-education-and-health slice of the economy swelled. Theories of human capital and public goods boomed in popularity. This was accompanied in the private sector by the growth of media and communications industries and the information and knowledge economy. Information technology (IT) became pervasive. Computers appeared everywhere. Processes and products were digitized and networked.

The post-industrial world, which we became familiar with, is now itself beginning to disappear. The shift to a markedly different social model — auto-industrialism — is underway. The signs of this are all around us. Go to any big supermarket retailer today and you will see arrays of self-service check-outs. The auto-industrial era is an age of self-service. It is marked by a rising tide of do-it-yourself (DIY), automated and robotic processes. There are continuities with the post-industrial age. The ubiquitous computer remains ubiquitous. However some things are noticeably different. Auto-industrialism does part of what post-industrialism did. But it automates it. Customer-facing retail jobs were standard post-industrial fare. These are now being replaced by automated online purchasing even at bricks-and-mortar locations.

In the United Kingdom, between 2000 and 2015, 750,000 net jobs were lost in manufacturing and 338,000 in wholesale and retail. Two million jobs in that country (60 percent of the current retail workforce) are predicted to disappear



from the wholesale and retail sector by 2036.² In-store shoppers increasingly prefer to interact with computers that provide information to assist their purchases rather than a sales clerk.³ Instead of being told by a sales assistant that an item is 'not in stock', machine-mediated retailing can sell customers goods that are not in-store but can be ordered for later pickup or delivery. The phenomenon of 'click-and-collect' goods is on the rise with purchases made online and collected by the customer later from a physical location.⁴ The American retailer Macy's is adapting their chain of stores to function as pickup points for online purchasing. Supporting this in the background are computer algorithms that manage the retailer's inventory.⁵ Eventually delivery by concierge-style sole contractors and then drones, driverless cars and other robotic means will complete the online purchase system. A pilot is presently being conducted in the United Kingdom of knee-high, shopping cart-sized delivery droids to service the last mile of retail delivery (which currently represents 30 to 40 percent of business delivery costs).⁶

Shops are not disappearing but their functions are changing. They are turning more into collection, experience or try-before-buy destinations than places of assisted sales.⁷ The numbers of sales assistants are shrinking.⁸ Naturally there is an element of commercial cost-saving in this just as (conversely) there remain customers who prefer the 'personal touch' and expect to deal with a store clerk. Yet it seems that the latter is a smaller cohort than once might have been assumed. Many individuals, it seems, prefer to be left alone when they make purchases.⁹ Australians today receive 36 million postal packages annually containing goods they have purchased online. Online retailing in the United Kingdom was 13.5 percent of market share in 2014 and 15.2 percent in 2015.¹⁰ The US figures were 11.6 percent and 12.7 percent, respectively.¹¹ Each purchase replaces human-human interaction with machine-human interaction. A decade ago, people who booked overseas holiday travel used a travel agent; those numbers today have halved. Self-service, DIY, online ordering-and-paying has visibly reduced the industry. Large numbers of people have decided that the time cost of doing-it-yourself outweighs the service value of a white-collar, or rather T-shirted, industry operator doing it for you. Even in the realm of high culture, similar kinds of changes are occurring. Online art galleries are becoming increasingly important. They are in part displacing physical galleries. André Malraux's 'museum without walls' is being realized. Human-machine interaction provides individuals with ready access to artworks whenever and from wherever.

Machine automation is an expression of a deeper social shift. The growth of participation in and enjoyment of human-machine interaction over the historic

term indicates increasing levels of comfort with an automated society. This is a distinctive kind of modern society. It is one that is dominated by the impersonal patterns of markets, industries, cities and publics.¹² In an automated society, economic and social cycles, ratios, fractals and proportions play a decisive role in long-term social development. They play a more decisive part than do directives, regulations, procedures, policies or rules. The tendency to automate social functioning is characteristic of high-functioning modern societies and economies. These have, to a notable extent, an impersonal, autonomously operating, self-regulating nature. They are animated by business, technology, political and urban cycles, phases and relations that have a quasi-life of their own. The price-to-earnings ratio, the debt-to-GDP ratio, the ideal or 'golden' ratio, the Fibonacci number series, the power law of city size, the Pareto (80–20) principle of cause-and-effect and scaling laws (like the quantity theory of money) provide constants in dynamic growth-orientated societies. These constants are not legislated; they are not tools for social engineering. They are not instruments designed for state intervention. Rather they provide durable form in fluid social environments. These environments change rapidly and yet their underlying principles are remarkably stable over time.

Social laws in a world of freedom, surely not?¹³ Yet the paradox is that societal self-regulation and machine automation, far from being hostile to human freedom, are conducive to high levels of personal autonomy and individual freedom.¹⁴ The impersonal in this case strengthens the personal. At the level of industrial automation, impersonal interaction with machines allows individuals to more readily do things for themselves and reduces the pressures that accompany everyday functional and official relationships. Assuming it works well, human-machine interaction reduces the pressure of sales talk. It alleviates the strain of dealing with petty officials and counter clerks. It removes the pain of listening to the spurious chatter of real estate agents. It obviates the ill-informed advice of the town council's trainee planning assistant. In short, it reduces the tiny coercions of everyday public life.

Machines do not suit everyone. Some people prefer dealing with other people than dealing with machines. They resolutely resist the use of appliances and devices. Yet the popularity of automated teller machines (ATMs) for bank cash withdrawals suggests that technophobic attitudes to new generations of machines shrink over time. The first ATM was installed in 1969; there are now three million of these machines worldwide. Such is the nature of industrialism that even machines are replaced by machines. Today electronic funds transfer at point of sale is gradually reducing the use of ATMs. The human condition is such that human beings are double-coded. They see themselves through their