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Review of the Book *Power and Progress. Our Thousand-Year Struggle Over Technology and Prosperity* by Daron Acemoglu and Simon Johnson, Basic Books 2023, pp. 546

Recenzja książki Darona Acemoglu i Simona Johnsona *Power and Progress. Our Thousand-Year Struggle Over Technology and Prosperity*, Basic Books 2023, ss. 546

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On the front cover of the paperback edition of Acemoglu and Johnson's *Power and Progress* (2024), there is an endorsement by *The Observer* claiming that the book is [*o*]*ne of the most important books of the year*. I disagree. If this volume is read, the chances of which have increased thanks to a decision made by the Nobel Prize in Economic Sciences Committee in October 2024, the book has the potential to become the most important of the decade or even the century. The reason is that Acemoglu and Johnson provide a diagnosis of the current state of the world going far beyond the purely economic dimension of social reality. Their book can be seen as a manifesto for redirecting the present path of technological progress to make it more society-friendly, rather than allowing it to serve as a tool that benefits authoritarian regimes and tech industry moguls. Sounds revolutionary and surprising? Well, for readers familiar with most of the authors' scientific papers and earlier books by Acemoglu and Robinson, which were adapted for a broader readership (2012, 2019), *Power and Progress* must be unexpected on several levels.

First, as a necessary precondition to change the current course of world development, Acemoglu and Johnson call for a change in culture—namely *ideas and vision*, the *narrative and the norms*, and the overall perception of social reality. It seems absolutely right that this culture-related dimension should be placed at the forefront. However, considering Acemoglu and Robinson's criticism of the *culture hypothesis* of economic development (2012; cf. Dzionek-Kozlowska and Matera, 2021), the shift of direction they advocate here is surprising.

Second, to construct their line of argument, Acemoglu and Johnson (2023) question the well-established presumption about what they call the *productivity bandwagon*—a belief that technological progress is automatically beneficial for the well-being of societies, and in particular that it is beneficial for workers, as in

the long run, technological innovations raise their real wages and living standards, even if they come with an initial sacrifice for those whose jobs were replaced by machines. The leitmotif of *Power and Progress* is the message that the path of technological progress does not unfold on its own but is chosen, and there is nothing automatic in the translation of technological progress into an increase in real wages and living standards of the masses. To support this claim, Acemoglu and Johnson refer to Ricardo's concerns included in his chapter *On Machinery*, famously added to the third edition of *On the Principles of Political Economy and Taxation* (1821) and Keynes' remarks on technological unemployment from his *Economic Possibilities for our Grandchildren* (1930). Acemoglu and Johnson also draw heavily on examples from economic history (ch. 2–4), focusing on early industrialization with paintings of the Luddites' raids and workers' hardship at the dawn of the Industrial Revolution, which are rarely dusted off to be put on view today (ch. 5–6). Those sections have a Marxian flavor, and this impression is reinforced by a quotation from Engels' *Condition of the Working Class in England in 1844* (1845), employed as a motto for the chapter on *casualties of progress*, reporting horrible working conditions of men, women and children in the late 18th and the first half of the 19th century. Moreover, in contrast to Acemoglu and Robinson's approach in *The Narrow Corridor*, where they confront the power of the state with the power of society, in *Power and Progress*, Acemoglu and Johnson juxtapose the power of the workers with the power of capitalists. Building on Acemoglu and Restrepo (2022), they highlight the consequences of shifting the distribution of returns toward capital at the cost of cutting the share of wages. Using their new vocabulary, they distinguish between high-productivity automation and *so-so automation*, which brings minor productivity gains. The second type of technological progress takes place mostly when the difference between workers' and algorithms/machines' performance is insignificant. Technically, the change results in an increase in labor productivity, as the number of workers is reduced, but it may not lead to total productivity growth, and therefore, it does not contribute to the *productivity bandwagon* (Acemoglu and Johnson, 2024, pp. 426–427).

Going back to the grim picture of the early stages of industrial development allows Acemoglu and Johnson to draw a parallel between that period and the present day; as the authors consider the foremost cause of workers' misery in the first phases of industrialization to be the nature of technological improvements—automation leading to replacement of workers by the newly created machines. They claim that this pattern is also characteristic of today, with advancing robotization and AI significantly reducing the demand for labor. At that time, as now, Acemoglu and Johnson argue, the problem has been the increasing inequality caused by the economic elites taking the fruits of automatization for themselves. In contrast, ordinary workers' conditions remain stagnant or are deteriorating. However, the new era comes with an additional, unexpected challenge—a threat to democracy.

The initial hope placed in the spread of online activity and social media, for strengthening of civil society, has not materialized. To explain this failure, Acemoglu and Johnson point to two factors: (1) the creation of tools for data collection and processing on an unprecedented scale, and (2) the business model of major social

media platforms. The importance of the first problem is highlighted in the book through the concept of the *panopticon*—Bentham's project of a circular prison designed to maximize surveillance at low cost, invoked in the prologue of *Power and Progress*—the embodiment of which, in the 21st century, is the AI-supported systems of constant control implemented by both the tech industry companies, with Amazon warehouses at the forefront, and authoritarian governments, such as the Chinese government. Using the Chinese example, Acemoglu and Johnson demonstrate how technological progress may lead to a vicious cycle. The private sector's creation of apparatus that can be employed for constant surveillance meets the demands of authoritarian and authoritarian-leaning governments, which eagerly provide state support for further tech development in this direction to create *fully-fledged monitoring technology* (2024, p. 354). The lack of restrictions on personal data collection and processing by the state in authoritarian countries gives them an advantage in developing AI-supported surveillance and censorship tools, creating a breeding ground for *a new kind of 'digital dictatorship,' in which authoritarian rule is maintained by intense surveillance and data collection* (2024, p. 341). The problem is even broader, however, as such tools create temptation for ruling parties in democracies, too, as indicated by the numerous documented uses of the Pegasus spyware (pp. 350–352).

These anti-democratic tendencies are further reinforced by the dominant social media platforms. Big Tech firms such as Facebook, Reddit and YouTube facilitate communication, yet their business model aims to maintain user engagement to increase advertisement effectiveness. The evil side of this seemingly harmless practice stems from the fact that messages appealing to strong emotions are most effective at capturing users' attention, among which the ones generating social divisions and conflicts turned out to be the most influential. As a result, despite the denials by tech industry tycoons, contemporary social media platforms spread extremism, misinformation, and hate speech. As Acemoglu and Johnson rightly state, *online democracy is not in line with the business models of leading tech companies and the AI illusion* (2024, p. 372).

Are there any possible means of escaping this situation? Drawing on lessons from the Progressive Era in the US, which Acemoglu and Johnson see as a successful example of redirecting the path of technological development, they describe three main preconditions of change: (1) awakening society by changing the narrative about the path of progress and its social costs, to change social norms regarding what is acceptable from economic and political elites, (2) working on countervailing powers, i.e., a broad political movement of change effected by supporters exerting pressure on both the corporate and governmental sector, and (3) institutional changes and policies. The last category includes some Pigouvian measures such as governmental subsidies for pro-worker technologies and governmental demand for such solutions, breaking up dominant tech companies including Amazon, Google, Facebook, and Microsoft, tax reforms creating an equilibrium between the burdens on capital and labor, significantly more stringent privacy protection and data ownership, regulations making digital media companies accountable for spreading misinformation and hate speech, and a digital advertising tax which would provide

an incentive for change in the way profits are made on the social media platforms to protect democracy and *stop being mesmerized by tech billionaires and their agenda* (2024, p. 393). Without undermining the validity of these recommendations, I would point out that a serious challenge in building social support for such policy measures arises from the very essence of the problem, as consumers, and especially social media users, are under "constant attack" by companies trying to modify their preferences. Therefore, it seems almost impossible to build social support against digital media corporations via digital media platforms. All the more, the book is worth reading and discussing among and outside the academic community.

Meanwhile, the main text of *Power and Progress* is tailored to a general audience, not just scholarly circles. From the editorial perspective, the rules of academic writing are not adhered to, and to decipher the sources and references, we need to go through a two-phase process: reading the second part of the bibliographic essay and then consulting the list of references. I would not go as far as Keynes did when he wrote about Marshall's publications: [*i*]*t would almost be better to read the footnotes and appendices of Marshall's big volumes and omit the text, rather than vice versa* (Keynes, 1924, 341n). However, when searching for sources and the conceptual framework of the book, academic readers will greatly benefit from reading—or perhaps even starting with—the bibliographic essay.

Ultimately, while Acemoglu and Johnson's book may not offer a magic formula to fix the future, it certainly gives us plenty to think about—perhaps even enough to make us reconsider our next click to graciously share our personal data or paying with our time when using social media platforms.

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