Navigating the course in a chutes-and-ladders economy

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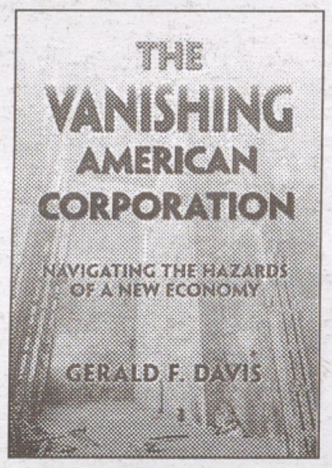
If you're feeling shut off from the workforce, meaningful career advancement, or the ability to find a tolerable, livable-wage job and you feel you are to blame for it, you might be a millennial.

Gerald Davis' new book, "The Vanishing American Corporation: Navigating the Hazards of a New Economy," does a good job of explaining why. (Spoiler alert: It's actually not your fault.)

While it might look like an economics book, you could also file it under career advice that's actually helpful. Perhaps the reason such a genre combination isn't common is because we live in, as Davis calls it, a chutes-and-ladders economy. Remember that game you likely played as a kid where you rolled the dice and if you landed on a square with a kid reading a book or helping an elderly person cross the street you got to climb the ladder? But if you landed on a square with a dirty room or a kid making her sibling cry, you had to go down the chute? You were supposed to learn that good deeds put you ahead in line, but actually winning or losing is completely dependent on the roll of the dice.



"The Vanishing American Corporation: Navigating the Hazards of a New Economy" by Gerald F. Davis

"Our current economy is like a Powerball lottery, in which a handful of job seekers attain massive wealth overnight, while others face pervasive insecurity. Teen programmers sell their app to Facebook and retire before drinking age, while competitors with essentially identical products lose out. Lucky homeowners in Florida cash in before the bubble bursts, while others are left underwater (financially if not yet actually). Random Korean pop stars hit an unexpected cultural chord and go viral, while thousands of others go unseen."

He makes a surprising argument about rising income inequality and it comes in two parts. First: corporations are declining. Most of us tend to think General Electric, Westinghouse and AT&T are permanent fixtures on our economic terrain, but the conditions that once necessitated humans to organize labor in the form of vast corporations are mostly gone. Size is a liability.

Second: it is because of the corporation's decline that we are experiencing income inequality not seen since the Gilded Age in the late 1800s. But aren't corporations the reason for our dysfunctional government? The same government that cuts tax deals for the wealthy and does the bidding of stateless conglomerates at the expense of everyone else?

"The most equal economies (Scandinavia, for example) are home to some of the biggest global corporations (Nokia, Volvo, Ikea, etc.), while the most unequal economies (Colombia, South Africa) have few if any truly large-scale domestic enterprises." Corporations, Davis argues, aren't perfect, but one thing they did was provide a clear road to upward mobility. Good luck finding that today. "Entry-level" has evaporated; "dead end" has almost wholly replaced it.

Not only that, but while other advanced economies provided citizens with health insurance and a robust safety net reducing the risks of financial ruin that innovators and entrepreneurs take on, corporations shouldered that burden in America because universal health care is, apparently, socialism. Such benefits were always optional, and now that it's come time to start paying out those career-employee pensions, the cost of benevolence is crippling and prohibitive. So, as corporations shrink or disintegrate altogether, health coverage, retirement savings and all these "perks" of almost every other advanced economy, disappear. The 401(k) has been an abject failure. I appreciate his directness that employer-sponsored health coverage is an insane idea, especially under a government that, though basically a corporation itself, plans not to provide health care, but rip it from as many people as possible to "protect" the rich.

Now for the irksome stuff. Most of the time, the literal repetitions of text from earlier parts in the book were helpful, since to understand certain sections, you needed more of a background in economics or financial theory than I have. They were also distracting, though; one wonders if the exact same sentence on pages 12 and 94 was intentional.

Davis' discussion of silver linings felt a bit thin, at times grasping. Open-source software and the radical ease of manufacturing can maybe be beneficial, except that all the opportunities for anyone with a car and a smartphone to become micro-entrepreneurs are available only to people with a nervous system that can handle hustling all day every day without a break for usually less than minimum wage, no benefits and not even the legal protection that comes with the status of "employee." Also, as a writer, it's frustrating that he doesn't once mention all these amazing conveniences of technological advancement and open-source software that are destroying musicians' and writers' ability to make anything like a living with their craft.

After discussing the two ways these massive changes could go – revival of strong, local communities or pervasive 'Uberization' (where jobs are completely broken down into tasks we all beg to complete), he closes with some pretty good advice: "Be of service." (Much better than "follow your passion.") The problem is that we are creating machines to do all of the service. What I would really like is a mainstream economics book that challenges capitalism. Do we really need a crisis of mass unemployment, and thus mass homelessness, starvation and sickness, to see how relentless automation, the pursuit of artificial intelligence and the worship of technology are incompatible with capitalism?

Davis' vision of dystopia, which he calls runaway "platform capitalism," isn't nearly bad enough. Competing with one another to complete menial tasks for pennies is going to look like a dream when machines can do nearly everything unskilled workers can do and yet those unskilled workers with their pesky bodily needs still need to eat. If even the corporate behemoth is crumbling, why must we assume capitalism is a permanent way of keeping house?

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