

The 4th Industrial Revolution

We are in the middle of an industrial revolution, just as in most points of time since the first industrial revolution, new technologies bring changes at record pace and not everyone is affected equally. The newfound global connectivity is causing disruptions in our established systems, not just economically also politically and socially, these disruptions bring lots of challenges and opportunities with them.

On the economic front the ease of communication and ever increasing calculation power is bringing new peaks in efficiency, but the new machines and the licensing of this new technology comes at a hefty cost. Not every company can afford the transformation to “industry 4.0” and get left behind to eventually go bankrupt by more efficient competition. While many old industries suffer, new niches are born. Many of those new niches are short lived as the pace of change is only getting faster, this is the perfect breeding ground for monopolies, which stifle competition and hurt both consumers and workers.

As in the first industrial revolution, the social changes cause the most worry. While the efficiency per worked hour is rising continuously the average wages are not keeping up. Only the already high wages are increasing while lower wages are actively stagnating in the face of inflation. CEO salaries have been multiplied by a couple hundred and the split between poor and rich is growing. This is coupled with the cost of living soaring into new heights. While luxury goods get cheaper, housing prices are going through the roof, this is made worse by services like Airbnb and other short term rentals being more profitable than long term rentals, therefore increasing long term rent prices even more.

As people are struggling while companies are doing great, they feel like their grievances are ignored by the politicians. Through better communication it gets easier for the people, who feel ignored, to organize to pressure the status quo and bring change. Theoretically this would be the most democratic period ever, but with mass communication comes mass manipulation. Vocal minorities are represented disproportionally and manipulation through bots is easier than ever. This brings a new way of warfare to destabilize foreign countries or for states to protect their own status quo.

The rising cost of living coupled with the vulnerabilities of our democracy are the biggest challenges this industrial revolution brings with it, but if we manage to overcome those difficulties we could be looking at a prosperous and even more democratic future.