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Global Geopolitical Inflection and the Post-Labor Economic Prospect

Introduction

The world's geopolitical landscape in the mid-2020s is marked by turmoil strikingly reminiscent of the early 20th century. A confluence of regional wars, hardening alliances, internal unrest, and economic instability suggests that the international order may be approaching a systemic inflection point. This report examines current dynamics in light of historical analogues from 1914–1946, arguing that we are witnessing patterns of escalating conflict, crises of legitimacy, and institutional breakdown similar to those that presaged and followed the two world wars. The core thesis is that an environment defined by strategic miscalculation, regime decay, and geopolitical contagion is likely to precipitate deep structural changes in global governance and domestic economic arrangements. In the aftermath of such a crisis, new paradigms will be needed to restore stability and prosperity.

Accordingly, the second half of this report evaluates **Post-Labor Economics (PLE)** – a framework developed by David Shapiro – as a potential basis for a post-crisis socioeconomic order. PLE begins from the premise that accelerating automation and artificial intelligence (AI) will drastically reduce the need for human labor, necessitating a fundamental rethinking of income distribution and economic organization [1]. We will provide a thorough breakdown of PLE's assumptions and proposed mechanisms (such as data dividends, robot royalties, and sovereign AI equity trusts), assess its political feasibility, and contrast it with alternatives like universal basic income (UBI). The analysis will also explore how PLE addresses mounting structural pressures – automation-driven job loss, the weakening of the US-led monetary system, unsustainable sovereign debts, and energy and resource insecurity – thereby illustrating how this model could dovetail with the transformative changes now underway. The tone of the report throughout is academic and information-dense, drawing on historical evidence and current data to inform strategic insight.

I. Historical Parallels: Contemporary Dynamics in Light of 1914–1946

A. Converging Conflicts and Geopolitical Escalation

In the early 20th century, a series of regional crises and miscalculations cascaded into global war. Today, we see a similar *convergence of conflicts* with potential for wider escalation. The ongoing war in **Ukraine** – the largest and most destructive conflict in Europe since 1945 – has already drawn in a broad alliance supporting Ukraine against Russia [2]. The conflict's effects have radiated globally, reshaping alliances and prompting major powers to rethink their strategies [2]. Analysts note that the war has *"reshaped alliances and partnerships,"* weakening ties between Europe and revisionist powers like Russia (and to a lesser extent China) while *strengthening* the United States' bonds with its NATO allies [3]. At the same time, Russia's setback has increased Moscow's and Beijing's incentives to *undermine* the Western alliance system [3], raising the specter of a bifurcation into opposing blocs.

Beyond Ukraine, other flashpoints threaten to entangle great powers. In East Asia, **Chinese–American strategic rivalry** over Taiwan and the South China Sea has intensified, with heavy military posturing. The Middle East saw renewed war between Israel and Hamas in 2023, stirring regional instability. Each regional conflict carries the risk of *strategic miscalculation* by a major power, akin to the chain-reaction of alliances that turned the 1914 Sarajevo assassination into a world war. Indeed, contemporary discourse is replete with warnings about the possibility of a third world war. **Public anxiety about World War III** has surged in recent years: *Time* magazine in 2023 highlighted a growing fear of a world war erupting, linking it to the compounded stresses of the COVID-19 pandemic, economic inflation, and concurrent conflicts [4]. Surveys indicate that a majority of citizens in many countries believe we may already be in the *"early stages"* of World War III [5]. Prominent officials and strategists echo these concerns. For example, U.S. Senate leader Mitch McConnell cautioned in late 2023 that the world is in a *"very dangerous place"* eerily similar to the 1930s, and former diplomat Philip Zelikow warned that the coming few years represent an *"exceptionally volatile"* period with a *"serious possibility of worldwide warfare"* if current trends continue [6] [7]. These assessments underscore the extent to which regional conflicts are now seen as interlinked and potentially spiraling – a hallmark of systemic crises a century ago.

Historical parallels are instructive. Prior to World War I, rising powers like Germany pursued expansion amid a tense web of alliances, believing conflict could be localized and short. This proved a deadly illusion. Similarly, today's local wars have the potential to **contaminate** other theaters. Military analysts note that great-power adversaries can misinterpret one another's resolve and "recalculate" quickly after unexpected events [8] [9], recalling how the original Axis partnership in 1940–41 rapidly escalated into a global conflagration. In our time, the outcome of the war in Ukraine may strongly influence the *"wider course of world history,"* possibly emboldening or restraining other aggressive moves [10]. If Russia's invasion ultimately fails, it could deter similar acts elsewhere – or conversely, if Russia gains by force, it may encourage copycats, just as fascist victories emboldened aggressors in the late 1930s.

Another pattern re-emerging is the **arms race and technological escalation**. Before 1914, European powers rushed to build Dreadnought battleships and mass armies; before World War II, they developed tanks, aircraft, and ultimately nuclear physics. Today, the character of warfare is again at a *"strategic inflection point"* with disruptive technologies – cyber weapons, autonomous drones, space and hypersonic missiles, and potentially AI-driven decision systems. Military leaders assert that we are witnessing *"the most historically significant and fundamental change in the character of war…happening now"* [11]. This echoes the period of 1914–1918, when new technologies (machine guns, chemical weapons, mechanized armor) upended traditional tactics with horrific consequences. The risk is that nations may be drawn into confrontation partly through overconfidence in new technologies – a dynamic akin to what historian Robert Lynd once called the *"ancient and dangerous illusion"* of a short, decisive war. In 1914 that illusion died in the trenches; in a future conflict among nuclear-armed states, the cost of miscalculation would be even greater. All these factors point to a system primed for escalation, absent effective checks.

B. Alliance Structures and the Return of Blocs

The early 20th century was characterized by rigid alliance blocs – the **Entente** versus the **Central Powers** in 1914, and the **Allies** versus the **Axis** in the late 1930s – which turned local disputes into global wars. Today's alliance structures, while different in form, are likewise hardening into antagonistic camps. On one side is the U.S.-led network of alliances: **NATO** has not only expanded (incorporating former neutral states like Finland in 2023) but also rediscovered its original purpose of collective defense against a great-power adversary (Russia). In the Indo-Pacific, U.S. treaty alliances with Japan, South Korea, Australia, and others

are being supplemented by new strategic partnerships (such as the "Quad" of the U.S., Japan, India, and Australia, and the AUKUS pact) explicitly aimed at counterbalancing China. These developments reflect an increasingly cohesive *"Western"* or liberal-democratic bloc coordinating on security and technology standards.

Opposing this is a looser but growing alignment among **revisionist and authoritarian powers**. Russia and China, despite a complicated history, have drawn closer in a *"no limits"* partnership, marked by joint military exercises and diplomatic support. While not a formal military alliance like the Axis powers of World War II, their strategic cooperation has deepened since the late 2010s, accelerated by mutual opposition to Western sanctions and NATO's presence [3]. Their outreach to other nations – Iran, North Korea, Syria, Venezuela, among others – suggests efforts to forge an alternative geopolitical pole. Philip Zelikow observes that the United States today faces *"a purposeful set of powerful adversaries"* analogous in some ways to the Axis coalition of the late 1930s [7]. He points out that Russia, China, Iran, and North Korea coordinate to challenge U.S. interests across multiple regions, creating the potential for simultaneous conflicts – a scenario far more complex than the one-front wars the U.S. fought in 1917–18 or 1941–45 [12] [13]. The period of **"maximum danger"** might actually be the near term, precisely because these states could act in concert or exploit distractions [6].

However, history reminds us that alliances can be brittle and full of internal contradictions. The Axis of World War II was undermined by mistrust and divergent goals among Germany, Japan, and Italy. Likewise, today's anti-Western alignment is not monolithic: China and Russia have overlapping but not identical agendas (for instance, Beijing remains cautious about fully violating Western sanctions, and Moscow eyes China's growing influence warily). Still, the trend is toward *bloc polarization*. Neutral or non-aligned countries feel pressure to choose sides or at least lean toward one bloc to secure resources and protection. In 2023–24, we saw countries like Saudi Arabia and Turkey maneuvering between the U.S. and China/Russia camps, reminiscent of how mid-sized powers navigated between Allied and Axis pressures in the late 1930s. The concern is that a rigid bifurcation of the world could, as in 1914, reduce flexibility in crises: once one domino falls, treaty commitments trigger a chain reaction.

Crucially, **alliance credibility and misperceptions** can precipitate war. In 1914, Germany doubted Britain would actually fight for Belgium, and Japan in 1941 fatally underestimated American resolve after Pearl Harbor. Today, similar dangers persist. NATO's pledge to defend every member means a Russian incursion into, say, the Baltics could spark a full-scale war – a modern analog to the binding commitments that turned the Sarajevo crisis into WWI. Conversely, ambiguous commitments (such as the U.S. stance on defending Taiwan) might invite aggression if adversaries doubt the alliance's will, just as Hitler doubted Britain and France would honor their guarantee to Poland in 1939. A **strategic miscalculation** by any major power under these alliance conditions could have cascading effects. Zelikow notes that adversaries can *misjudge internal divisions* or resolve within an opposing alliance [8] – for example, Russia might misread political turmoil in the U.S. or Europe as an opportunity, just as Stalin misjudged Western disunity in 1945–46. The lesson from the world wars is that alliance structures intended to **deter** conflict can, under stress, become transmission belts of war if leaders perceive a shrinking window to act or if they doubt the credibility of mutual defense. The current alignment of forces – two loose but intensifying coalitions – mirrors this fraught dynamic, suggesting the international system is indeed at a perilous balance point.

C. Domestic Unrest and Legitimacy Crises

Periods of global upheaval have typically been accompanied by intense *domestic* turmoil within states. The era of the two world wars saw revolutions (Russia 1917, Spain 1936), the rise of extremist movements feeding on economic misery (fascism and communism in the interwar years), and widespread public unrest. Analogously, the 2020s have witnessed a **surge of antigovernment protests and political instability worldwide**, indicating a deep crisis of domestic legitimacy in many countries. According to the Carnegie Global Protest Tracker, new significant protests erupted in *83 countries* in 2023 alone – spanning every continent and regime type, from China and Iran to democracies like Israel and France [14]. Seven countries that had seen no major protests in the preceding five years experienced large demonstrations in 2023, underscoring the global reach of this phenomenon [15]. The motivations vary – economic grievances, corruption, political repression, demands for democracy – but the common thread is public anger at incumbent governments and a collapse of trust in existing institutions.

This *"tide of anti-government protests"* in recent years [14] closely parallels the worldwide unrest of the 1930s, when the Great Depression and political disillusionment ignited mass movements. Then, as now, **economic pain** has been a powerful trigger. High inflation and unemployment led to riots and the growth of radical parties in the early 1930s; today, spiking prices and inequality have driven people to the streets from Pakistan to Peru. In 2022, protests over rising costs of living dominated, and in 2023 these continued: citizens rallied against soaring food and fuel prices in countries like Ghana, against austerity and pension reforms in European states, and against cash shortages and currency crises in places like Nigeria [16] [17]. Such economic demonstrations recall the worker strikes and bread marches of the interwar period. Notably, even relatively wealthy countries have not been immune – for instance, **France** was roiled by massive strikes and street protests in 2023 opposing a pension age increase [18], evoking memories of the social unrest that plagued France's Third Republic. When large segments of the populace perceive that the social contract no longer delivers basic welfare or fairness, the legitimacy of regimes – democratic or authoritarian – comes into question.

Political and governance grievances are another driver of unrest, much as they were in the 1920s–30s when democracy's failures led many to flirt with authoritarian alternatives. In our time, we see widespread **democratic backsliding and popular backlash**: attempts by incumbents to entrench power have sparked pushback in diverse contexts. For example, **Israel** saw unprecedented weekly demonstrations in 2023 against a government plan to weaken judicial independence – an issue of defending democratic checks and balances [19]. In Poland, nearly a million citizens marched to protest an assault on democratic institutions by the ruling party [20]. Across parts of Africa and Asia, crowds have protested election fraud, unconstitutional term extensions, and "self-coups" by leaders seeking to override limits [21]. These echoes of the 1930s – when elected leaders overturned republics (as Hitler and Mussolini did) or strongmen annulled constitutions – indicate a **crisis of legitimacy** in governance. People are losing faith that traditional parties and institutions can solve pressing problems, creating fertile ground for radical ideologies or military interventions. (Notably, the early 2020s saw a spate of military coups in the Sahel region of Africa, suggesting the return of extralegal power seizures in fragile states, somewhat reminiscent of interwar military putsches in places like the Balkans and Latin America.)

Underpinning these tumultuous events is a measurable decline in public trust toward institutions at both national and international levels. **Confidence in democratic institutions** – parliaments, governments, courts – has eroded in many countries over the past decade [22] [23]. A Cambridge University study of global attitudes finds that trust in representative institutions has been generally declining for decades [22]. The

causes range from corruption scandals and policy failures to the spread of disinformation and polarization via social media. The net effect, however, is analogous to the late 1930s, when publics across Europe and Asia became disenchanted with liberal democracy and drawn to alternative models. Today's far-right and far-left populist movements echo those historical currents by claiming the established elites are bankrupt and that only a sweeping new order (whether nationalist, religious, or socialist-utopian) can deliver justice.

Even **international institutions** face a legitimacy crisis. The **United Nations**, successor to the ill-fated League of Nations, is struggling to maintain credibility. By 2024, UN member states openly spoke of a *"crisis of confidence in the UN,"* a *"palpable loss of trust"* and an *"unprecedented crisis of credibility"* for the organization [24]. This was in response to the UN's paralysis over major conflicts (e.g. Security Council deadlock on Ukraine due to great-power vetoes) and perceptions that the global governance system is ineffective. Recognizing this, world leaders adopted a *"Pact for the Future"* in 2024, explicitly aiming to *"rebuild trust in global institutions"* [24]. The dynamic mirrors the 1930s, when the League's failure to prevent aggression (Manchuria, Abyssinia, etc.) destroyed public faith in that institution. Now, the UN finds itself similarly criticized as outdated and ineffectual, especially by populations in conflict regions or by political factions (notably nationalist and far-right groups) that see it as undermining sovereignty [25]. Public opinion surveys confirm a *clear deterioration* in the UN's standing in just the past few years: for instance, the Edelman Trust Barometer recorded drops in trust in the UN across 23 of 27 countries from 2021 to 2024, and Pew surveys show favorability toward the UN falling significantly from 2021 to 2024 [26]. Such indicators quantify an **erosion of legitimacy** at the global level, paralleling the way international cooperation crumbled in the late 1930s.

In sum, a wave of domestic unrest and regime crises is sweeping the world, much as in the pre-war and interwar periods. This matters for global stability: history shows that internal instability often fuels external aggression or conflict. Weimar Germany's turmoil midwived Nazism and eventually war; revolution and civil war in Russia led to the Soviet Union's emergence and ideological conflict. In our era, how states handle internal dissent – whether through reform, repression, or diversionary foreign adventures – will shape peace or war. Widespread public discontent also constrains leaders' options, sometimes pushing them toward risky policies. A leader facing protests might externalize blame or seek a **"short victorious war"** to rally unity (a temptation that drove leaders from the Tsar in 1904 to Argentina's junta in 1982). The current legitimacy crisis, if unresolved, could thus accelerate geopolitical contagion: failing regimes may act in desperation, and citizens who lose faith in gradual reform may support radical and violent change. The echoes of the 1930s in our streets and politics are a warning sign of systemic strain.

D. Economic Instability and the Erosion of the World Order

Economic volatility and dislocation were fundamental drivers of the crises between 1914 and 1945. World War I emerged after a period of intense great-power economic rivalry and arms spending; the Great Depression of the 1930s then shattered economies worldwide, undermining democracies and empowering extremists, paving the road to World War II. In a similar vein, the current international order is being buffeted by **major economic instabilities** that both heighten geopolitical tensions and weaken the foundations of the existing system.

Foremost is the aftermath of the **Global Financial Crisis (2008)** and the **COVID-19 pandemic (2020–21)**, which together have produced the most severe and prolonged economic stagnation since the 1930s [27] [28]. The 2008 crisis ended a long phase of global growth and unleashed persistent problems: many advanced economies experienced a "lost decade" of weak expansion, while inequality rose sharply. Just as

the **Great Depression of 1873–1896** (the "Long Depression") set the stage for intensifying rivalries that led into 1914 [29], the sluggish recovery from 2008 has contributed to *"burgeoning systemic chaos and rivalries"* in the 2010s and 2020s [28]. Protectionism, thought to be relegated to history after 1945, has made a comeback. According to world-systems analysts, the early 21st century is indeed *"reminiscent of the 1893–1914 period"* when economic interdependence gave way to protectionist blocs despite the assumption that trade would prevent war [30] [31]. One researcher, Joshua Goldstein, notably forecasted (back in 1988) that the *"early decades of the twenty-first century would resemble the buildup to World War I more than any other historical period,"* citing the likely shift from free trade to protectionism as hegemonic powers decline [32] [30]. That prediction appears prescient: global trade growth has slowed, tariffs and trade barriers have risen (from U.S.–China tariffs to Brexit), and economic blocs are forming. **Economic interdependence**, once hailed as a bulwark of peace, is no guarantee – Goldstein reminds us that Europe was highly interdependent before 1914, yet *"protectionism gradually took over and war broke out in 1914, challenging the assumption that economic ties would prevent conflict"* [31]. Today's decoupling between the U.S. and China – restricting technology flows, securing supply chains, and "friend-shoring" production – illustrates this reversal of globalization. The JWSR analysis observes that *"U.S.-China decoupling"* and *"rising protectionism"* are distinguishing features of the current systemic chaos, despite the deep integration of the world economy [33] [29].

Another parallel is the phenomenon of **strategic economic rivalry** and arms races straining national finances. Before 1914, Britain and Germany competed fiercely in naval armaments, while prior to WWII the major powers undertook massive rearmament drives despite weak economies (e.g. Nazi Germany's guns-over-butter strategy). Likewise, in the 2020s, defense spending is climbing rapidly on multiple fronts – Europe is rearming in response to Russia, Asia-Pacific nations are ramping up capabilities due to China, and new domains like cyber and space demand costly investments. This is occurring at a time when many governments are fiscally overstretched. **Global sovereign debt** is at record highs (over 350% of world GDP when including public and private debt), and rising interest rates have made this debt burden more onerous. There is a growing sense that the current debt trajectory is **unsustainable**, akin to how interwar reparations and debts became unpayable and had to be renegotiated or defaulted on. Countries such as Italy or Japan carry debt loads reminiscent of 1940s levels, raising concerns about financial crises or defaults if economic growth does not return. In the developing world, we already see a wave of debt crises (Sri Lanka, Zambia, Pakistan, etc.), reminiscent of the 1930s defaults in Latin America and Europe. *Strategic miscalculation* in this context could involve a nation overcommitting resources to military projects and then facing internal collapse – as occurred with the Soviet Union in the late Cold War, or as one might argue happened with Italy in WWII. Thus, economic insecurity feeds directly into geopolitical risk: a severe **financial crisis** today could destabilize nuclear-armed powers or provoke international conflict over resources and credit.

A critical aspect of the current economic instability is the **weakening of the U.S.-led monetary order**, often referred to as the Bretton Woods system (even though its original form ended in 1971). Since 1945, the U.S. dollar has been the linchpin of global finance, but trends suggest we are moving toward a more fractured monetary landscape. At the end of 2024, the dollar accounted for only 58% of global foreign exchange reserves, down from 65% just a decade earlier [34]. This significant erosion of the dollar's share signals a gradual *de-dollarization* as other currencies (euro, Chinese renminbi) and gold become relatively more attractive stores of value. Multiple nations – including major economies like China, Russia, and oil producers – have openly pushed to conduct more trade in non-dollar currencies and to establish alternative payment systems, partly to bypass U.S. sanctions and exposure. This mirrors, in some respects, the late 1930s move toward currency blocs (the sterling area, the Reichsmark zone, etc.) after the breakdown of the gold

standard. Then, as possibly now, the fracturing of the global monetary system went hand in hand with geopolitical division and a decline in *"economic diplomacy."* If de-dollarization accelerates, the risk is a destabilization of international trade and finance, since the current system's **institutional underpinnings (IMF, World Bank, WTO)** may not easily survive a world of competing financial spheres. We already see early signs: the **World Trade Organization** has been hamstrung by the collapse of its dispute appellate mechanism (with the U.S. blocking judge appointments) [35] [36]. Enforcement of trade rules has waned, and countries are increasingly imposing unilateral export controls and sanctions, citing *"national security"* at the expense of the multilateral trade framework [36]. Such behavior harks back to the 1930s, when nations resorted to bilateral barter deals and protectionist measures as global institutions faltered. The Bretton Woods institutions themselves face question marks – for instance, the World Bank and IMF are under pressure to reform or risk irrelevance, especially if the largest developing countries (China, India, Brazil) create parallel lending structures or currency arrangements.

Energy and food insecurity further exacerbate economic instability and international strain. The **energy crisis of 2022**, triggered by war and post-pandemic imbalances, sent prices soaring and evoked comparisons to the 1970s oil shocks (which themselves contributed to global stagflation and discord). In several countries, fuel and electricity shortages led to civil unrest or political upheaval (e.g. mass protests in Kazakhstan and Ecuador over fuel prices, government collapse in Sri Lanka amid an energy-import crisis). This resonates with the resource scarcities of the 1930s and 40s, when competition for oil, rubber, and food was a catalyst for conflict (Japan's quest for oil drove its expansion, Germany's search for "Lebensraum" was partly about securing grain supplies). Climate change is now an additional stress multiplier, causing crop failures, migration, and competition over water – an analogue might be drawn to how the Dust Bowl droughts intensified the Great Depression's effects on migration and politics. **Energy insecurity** is also accelerating a global shift to renewables and new technologies, potentially reordering the geopolitics of energy (e.g. critical minerals for batteries might replace oil as the strategic commodity). Such transitions can be destabilizing; recall that the 1930s saw navies transition from coal to oil, and mechanized warfare increased oil's strategic value immeasurably, thereby altering alliance considerations (e.g. the U.S. oil embargo on Japan in 1941 was a direct trigger for war). Today, countries are racing to secure lithium, cobalt, and rare earth supplies – a competition that could spark new forms of resource conflict or neocolonial influence struggles, unless cooperative frameworks emerge.

Overall, the world economy appears to be entering a period of **structural stress and transformation**. As one scholarly analysis summarizes, *"contemporary systemic instabilities are marked by the intensification of economic competition, geopolitical rivalries, and social discontent, reflecting historical patterns of systemic chaos during prior hegemonic transitions"* [37]. The current phase exhibits all the classic symptoms of a world-system on the brink of transition: slowing growth, financial volatility, rising inequality, nationalist-economic policies, and contests between a declining hegemon (the U.S.) and rising challengers (China and others). Immanuel Wallerstein and other world-systems theorists long argued that hegemonic orders go through **cycles** – a period of expansion and dominance, followed by stagnation and conflict as challengers rise, often culminating in a hegemonic war and the birth of a new order [38] [39]. They note that previous hegemonic transitions (Dutch to British, British to American) were marked by such violent reorganizations of production and power on a world scale [40] [41]. Chase-Dunn and colleagues similarly point out that the decline of a leading power, alongside the rise of rivals, erodes the old order's institutions and eventually *"leads to great power wars"* when the system can no longer contain the ambitions of emergent powers or the fears of declining ones [39]. We may be witnessing that inflection now: the *"inflection point"* of U.S. hegemony arguably occurred in the late 1960s to 1970s (the end of Bretton Woods, oil shocks, Vietnam debacle) [42] [43], and since 2008 especially the U.S.-led order has been in a **B-phase** of stagnation and

fragmentation [44] [45]. According to this framework, the *late 2020s* are projected to bring intensified geopolitical rivalries and possibly a final crisis of the old order [46] [47]. Indeed, the evidence of economic strain – from protectionism to de-dollarization – suggests the post-1945 architecture is under unprecedented pressure. Without drastic reforms or a new cooperative grand bargain, history suggests that **systemic economic crises** will interact with political and military factors to produce a breakdown.

E. Institutional Collapse and Crisis of the International Order

Beyond specific conflicts, alliances, or economic trends, there is a broader phenomenon at work: the apparent **erosion (or collapse) of the post-WWII international institutional order**. After 1945, the victorious powers deliberately designed robust global institutions (the United Nations, IMF, World Bank, GATT/WTO, etc.) to prevent the chaos and failures that led to the two world wars. For roughly seven decades, those institutions underpinned a relatively stable world order. Now, however, we observe a *crisis of effectiveness and legitimacy* striking many pillars of global governance – analogous in many ways to the collapse of 19th-century Concert of Europe by 1914 and the failure of the League of Nations in the 1930s.

The **United Nations** is a case in point. The UN Security Council, tasked with maintaining peace, has been largely paralyzed on core security issues due to great power vetoes (e.g. on Syria, on Ukraine). As noted, UN officials and member states themselves acknowledge a *"crisis of confidence"* and *"unprecedented crisis of credibility"* facing the UN [24]. Funding cuts and open hostility from a major member (the U.S. during the Trump era, which withdrew from multiple UN agencies and at one point was reported to be **blocking UN budgets**) undermined the system [24]. This parallels the late 1930s when key powers (Germany, Japan, Italy, the Soviet Union) withdrew or were expelled from the League, fatally weakening it. While no major power has quit the UN, some (Russia, China) flagrantly violate its principles (e.g. respecting sovereignty) while others (U.S.) selectively bypass it via ad-hoc coalitions. Meanwhile, middle powers voice frustration that the Security Council reflects the world of 1945, not 2025 – a legitimacy issue similar to criticisms that the League's structure was Eurocentric and outdated. Efforts to reform the Security Council have stalled for decades, eroding its authority. As a result, urgent global problems – from pandemics to climate change to mass migration – have seen fragmented responses, with the UN often sidelined or reduced to a talking shop. In **public opinion**, as discussed, trust in the UN has slipped to new lows in many regions [48] [26]. The danger is that if a major systemic crisis (say a simultaneous financial crash and climate disaster) hits, nations may find no effective international mechanism to coordinate a response – reminiscent of the 1930s when the League failed to coordinate responses to the Depression or aggression, leading each country to fend for itself (beggar-thy-neighbor trade policies, arms races, etc.).

Other institutions are similarly troubled. The **World Trade Organization**, which since 1995 has managed global trade rules, is effectively *in limbo*. The Trump administration's blockade of the WTO Appellate Body starting in 2018 crippled the WTO's dispute resolution function [35]. As of 2023, there was no operational appeals mechanism, meaning trade disputes can go unresolved – a situation one analysis described as the system "*grinding to a halt*" [49]. Countries have begun ignoring WTO rules (e.g. invoking broad national security exceptions to justify tariffs or export bans) with little consequence, showing disregard for a rules-based order [36]. This fragmentation is exactly what happened in the 1930s global trade system, when agreements like the gold standard or free trade norms collapsed and nations resorted to bilateral deals and currency controls. If the WTO cannot be revived or replaced, the world may see a proliferation of **economic blocs** and trade wars – and indeed trade wars have already re-emerged (e.g. U.S.–China tariff exchanges were described as such). The **International Monetary Fund (IMF)** and **World Bank** are also at an inflection: they face criticism that their governance is outdated (Western dominance vs emerging

economies' weight) and that they are ill-equipped for new challenges like large-scale climate finance or preventing global debt crises. Confidence in these Bretton Woods institutions is shaken by, for example, the inability to timely assist countries in debt distress (the IMF's traditional programs are seen as imposing harsh austerity, breeding political backlash). There are calls for a *"new Bretton Woods"* to realign global finance with current realities [50], but consensus on what that looks like is lacking [51]. In the interim, countries like China have set up parallel institutions (the Asian Infrastructure Investment Bank, the BRICS New Development Bank) that serve as partial alternatives, reminiscent of Japan and Germany's bilateral economic spheres pre-WWII.

Even **informal norms and regimes** are under strain. Arms control agreements that helped stabilize great-power competition in the late Cold War have mostly unraveled (the INF Treaty, Open Skies, etc., are gone; New START is expiring with uncertainty). The normative taboo on territorial conquest, strong since 1945, was shattered by Russia's annexation of Crimea in 2014 and full invasion of Ukraine in 2022 – the largest forcible seizure of land in Europe since Hitler and Stalin's actions in the 1930s. The G20, touted as a new concert for global economic governance after 2008, has foundered due to geopolitical splits (e.g. meetings ending without communiqués due to disagreements over Ukraine wording). Meanwhile, **transnational issues** like climate change and public health see inadequate collective action: the Paris Climate Accord's pledges remain unmet by most, and the COVID-19 pandemic response was hampered by vaccine nationalism and lack of coordination. These failures echo how, in the late 1930s, international cooperation on pressing problems (refugees, disarmament, economic recovery) fell apart, each nation turning inward or to narrow alliances.

Taken in aggregate, these trends suggest a **collapse of institutional authority** in the international system. The world is moving toward a more anarchic or ad-hoc order, where might often makes right and where global public goods are undersupplied. Such an environment is ripe for miscalculation and conflict, as in the late 1930s. Indeed, scholars note that *"periods of instabilities, including those resulting in world wars, are inextricably linked to instances of hegemonic breakdown and institutional failure"* [52] [53]. Arrighi and Silver's research shows that hegemonic transitions come in two phases: first a crisis of hegemony, then a breakdown where old institutions crumble and violent struggle determines the new order [54]. We appear to be on the cusp between those phases – the hegemonic crisis (decline of U.S./West relative power and legitimacy) is well advanced, and signs of breakdown (like war in Europe, UN paralysis, financial fragmentation) are multiplying.

F. Entering a Systemic Inflection Point

Given the above dynamics – proliferating conflicts, polarized alliances, domestic upheavals, economic strain, and institutional decay – it is evident that the international system is under extraordinary stress. Many analysts argue that we have entered a period of **systemic transition** comparable to 1914–1918 or 1939–1945 in its magnitude of change (though hopefully not in its human cost). The convergence of crises suggests an approaching *inflection point* where the old order either collapses or is fundamentally transformed into something new.

World-systems theorists describe the present moment as one of *"intensified economic instabilities, geopolitical rivalries, and social upheavals"* that *"reflect historical patterns of systemic chaos during prior hegemonic transitions"* [37]. Unlike the relatively stable Cold War bipolar era or the brief unipolar moment after 1991, our time more closely resembles multi-crisis periods of history. One could liken it to **1914–1918** (the collapse of 19th-century empires and balance-of-power norms through world war and revolution) or to

1930–1945 (the disintegration of the interwar order through depression, fascism, and world war). In each case, the outcome was **deep structural change**: new great powers rose, old ones fell; new ideologies and governance models took hold; and new international institutions were founded (the League after WWI, the United Nations and Bretton Woods system after WWII).

There is growing recognition in scholarly and policy circles that our era might be at such a turning point. The world *"arguably stands at an inflection point,"* as one RAND strategic assessment put it [55]. Former U.S. Secretary of State Henry Kissinger remarked in 2022 that we are living in a moment when the world order is undergoing "epochal change" comparable to the end of WWII – a rare event that happens once in many generations. Similarly, the **National Intelligence Council** and other foresight groups have mused that the post-1945 (and post-1991) assumptions no longer hold, and that by the 2030s the global system could look very different, depending on how current rivalries and crises play out.

What might this *systemic inflection* entail? Historically, such inflections often manifest as **major wars** or collapses that sweep away obsolete structures. For instance, World War I destroyed the Austro-Hungarian, Ottoman, German, and Russian empires, enabling new nations and the League of Nations to emerge. World War II destroyed fascism, greatly weakened European colonial empires, and heralded the bipolar Cold War order with the UN and Bretton Woods institutions. It is sobering that both of those inflection points were extraordinarily violent. A key question is whether the present transition can be managed without a catastrophic great-power war – a new **"world war"** – or whether escalating tensions will lead to such a conflict despite efforts to avoid it. It is worth noting that leaders in 1930s Europe desperately wanted to avoid a repeat of 1914, yet their very efforts (appeasement, rearmament races, etc.) helped set the stage for 1939 [56] [57]. Goldstein observed that *"the mistakes of 1871 led to World War I in 1914, and efforts to prevent another 1914 facilitated World War II in 1939"* – a paradox where striving to avoid the last war can bring about the next [58]. Since 1945, enormous resources have been devoted to preventing another world war (through deterrence, alliances, and institutions) [58]. Yet history cautions that such preparations can sometimes *precipitate* the conflict they seek to avert [58]. One worries that current policies (e.g. expanding military alliances, nuclear modernization, "red lines" drawn in multiple regions) could similarly create self-fulfilling prophecies of confrontation.

Even if a third world war is avoided, the cumulative pressures could lead to a **non-violent systemic collapse** – for example, cascading economic failures and regime changes without a singular global military conflict. We might instead see a chaotic period of fragmentation, akin to the **post-Cold War breakdown of Yugoslavia** or the **Arab Spring**, but on a global scale: multiple governments falling amid economic crises, mass migrations and humanitarian disasters, regional wars flaring, and the world dividing into protected regional spheres. Out of such tumult, new forms of order might arise – perhaps a multipolar concert of powers if the U.S. and China manage to reach a modus vivendi, or conversely a sphere-of-influence system with high walls between blocs.

Crucially, the likely *"deep structural change"* will affect not only **global governance** but also **domestic economic arrangements** within countries. In past inflection points, domestic economies were radically restructured. The Great Depression and WWII led to the rise of welfare states, Keynesian demand management, and greater state intervention in capitalism in the West, as well as the spread of socialist planned economies in the East – a profound shift from the laissez-faire liberalism of the pre-1914 era. Similarly, the coming transition may force countries to rethink how economies are organized, how wealth is distributed, and what the social contract entails. Technologies like automation and AI, and challenges like climate change, are already calling into question the viability of the 20th-century industrial economic model

centered on wage labor and fossil fuels. The confluence of **automation (job loss), de-globalization (trade fragmentation), debt crises, and climate constraints** suggests that simply patching up the old neoliberal model will not suffice. We may be headed toward a new paradigm – perhaps more statist and protectionist in some places, more local and cooperative in others, or a mixture of both.

The inflection point thus has a dual character: **external** (geopolitical realignment and institutional change) and **internal** (socioeconomic reorganization). Visionary thinkers are increasingly exploring comprehensive frameworks for a post-crisis world that address both dimensions. One such proposal is **Post-Labor Economics (PLE)** – which imagines a future where societies adapt to the end of mass employment by radically restructuring economic distribution. In the next section, we turn to an in-depth evaluation of PLE as a candidate framework for the post-inflection order. Just as the Bretton Woods conference in 1944 designed the economic architecture for the post-WWII era, ideas like PLE could inform the foundations of a new order emerging from the current chaos. Whether PLE in particular is the right solution remains to be seen, but it squarely tackles several structural pressures (automation, inequality, fiscal sustainability) that are likely to define the coming era. By examining PLE's assumptions, mechanisms, and feasibility, we gain insight into how we might proactively shape the *"deep structural change"* rather than react to it after the fact.

II. Post-Labor Economics (PLE) and the Post-Crisis Order

A. Emergence of Post-Labor Economics: Concept and Premises

Post-Labor Economics (PLE) is an emerging framework that directly responds to a pivotal question of our time: what happens to economic and social systems when human labor is no longer the primary engine of production or the main source of income for most people? PLE is not yet mainstream economic doctrine, but it has gained traction in futurist and policy discussions as automation and artificial intelligence advance. As defined by researcher Nassim Dehouche, *"Post-Labor Economics analyzes economic structures and possibilities in a future where technological progress – particularly AI and robotics – substantially reduces or even eliminates the need for human labor"* [1] [59]. This represents a sharp break from traditional labor economics, which generally assumes labor can shift and adapt to new sectors. PLE starts instead from the *premise that human labor could largely disappear*, rather than merely change form [60].

The core **assumption of PLE** is that we are nearing an inflection point where automation (through AI, robotics, machine learning, etc.) will be capable of performing most tasks more efficiently and cheaply than humans. Unlike past waves of mechanization, which often created new industries and jobs even as they destroyed old ones, this wave might be comprehensive and rapid enough that the economy simply no longer requires the bulk of the workforce. In other words, it envisions a scenario of **labor displacement** on a historically unprecedented scale – potentially leading to structural unemployment or underemployment as the norm. This assumption is admittedly debated; some economists argue that AI will augment rather than replace human labor, or that new human-centric jobs will emerge (as happened after the Industrial Revolution). PLE advocates, however, point to trends like the automation of not just manual work (factories, logistics) but also cognitive work (through algorithms, chatbots, etc.), and note that *if* AI reaches certain thresholds (often imagined with artificial general intelligence), the need for human input in production could shrink dramatically.

From this starting point, PLE inquiry spans several key dimensions [61]:

- **Theoretical frameworks** for understanding an economy where capital and technology dominate, and labor's role is minimal.
- **Transition mechanisms** for moving from a labor-based system to a post-labor system without societal collapse.
- **Distribution systems** to allocate income and resources when the traditional link between employment and earnings is broken.
- **Governance and policy implications** for managing a society where work is optional or scarce.

PLE's focus on distribution in the absence of labor income is especially crucial. In our current system, roughly speaking, those who own capital (assets, businesses) and those who contribute labor both claim shares of economic output – albeit unevenly, as inequality attests. If labor's contribution dwindles, the danger is that ownership claims could monopolize the gains, yielding extreme inequality and a mass of people with little or no income. PLE thinkers emphasize that without intervention, a post-labor future could be dystopian: a tiny elite of capital owners and AI controllers enjoy enormous wealth, while the majority live in poverty or dependence (often illustrated by the scenario of "the robots and their owners" controlling everything). Therefore, PLE frameworks typically assert that *the fruits of automation must be broadly shared* to sustain social and economic stability [62] [63]. In effect, PLE envisions **new institutions and rights** that allow everyone to benefit as co-owners of the automated economy.

It is worth noting that PLE is not a single, rigid model but rather a space of ideas. David Shapiro, who has documented PLE in a public GitHub repository, presents it as a "collaborative book" project exploring multiple facets. PLE draws on threads from earlier economic thought – such as the concept of *technological unemployment* discussed by Keynes in the 1930s, or the idea of a *post-scarcity society* popular in utopian literature. But it distinguishes itself by being rooted in tangible policy mechanisms being discussed today (like data dividends or robot taxes) and by treating the disappearance of labor not as a hypothesis for the distant future, but as a process already in motion to some degree (with, for example, workforce participation in some countries declining and wages stagnating even as productivity rises).

In summary, PLE's premise is that the impending wave of automation and AI is fundamentally different in kind and scale – representing a phase change in the economy. **Human labor – the linchpin of economic value and social structure since time immemorial – could lose its centrality**, forcing humanity to rethink how livelihoods and purpose are provided. This premise underpins the rest of the framework: if one accepts it, the need for bold new distribution models becomes clear; if one is skeptical, one might view PLE as a contingency plan at least worth exploring. Given the structural pressures described in Part I (especially automation and inequality), it is prudent to evaluate frameworks like PLE seriously. The following sections break down how PLE proposes to manage a post-labor economy, the specific mechanisms it advances, and how those compare with alternative solutions such as UBI.

B. PLE's Proposed Mechanisms for a Post-Labor Economy

To avoid the dystopian outcome of mass immiseration in a highly automated economy, Post-Labor Economics advocates a set of innovative mechanisms to **redirect the wealth generated by machines and AI to the broader population**. The guiding philosophy is to *decouple livelihood from traditional employment* by providing people with income derived from capital and technology – essentially turning everyone into a

stakeholder in the automated means of production. Several key mechanisms feature prominently in PLE proposals:

1. Data Dividends: In the digital age, personal data have enormous economic value, fueling advertising models, AI training, and consumer analytics. PLE argues that individuals should be compensated for the use of their data, creating a new income stream often termed a *"data dividend."* The concept is that tech companies (or any entity monetizing user data) would pay either users directly or into a public fund for the right to exploit personal data [64] [65]. This idea builds on the work of scholars like Arrieta-Ibarra et al. (2018) who suggest treating data as labor, meaning if your data help train an AI or improve a service, you get a micro-payment [64]. For example, if a social media company profits from user-generated content and data, each user could get a regular dividend reflecting that value. Alternatively, governments could tax companies' data usage and redistribute the revenue as a universal dividend. Data dividends recognize that in a post-labor economy, *intangible assets* like data are a key source of wealth that is currently concentrated in a few platform monopolies. A PLE approach would socialize some of that value. This mechanism also has a fairness angle: it gives individuals property rights over their digital footprint. Some U.S. states have flirted with data dividend proposals (e.g. California's governor spoke of a "data dividend" in 2019), though none have fully implemented it yet. It remains a **newer idea** under active discussion [66], and part of broader debates on how to tame "Big Tech" and share its riches.

2. Robot Royalties / Automation Taxes: A more general mechanism is to tax or charge royalties on **automation and AI** systems and use the proceeds to support citizens. The idea is sometimes phrased colloquially as making "the robots pay your salary." One model is a **"robot tax,"** which Microsoft founder Bill Gates famously advocated, wherein companies would pay a tax equivalent to the income tax that a displaced worker would have paid, when they replace that worker with a robot. PLE discussions refine this by considering efficiency: rather than taxing the robots (which might disincentivize adoption), perhaps tax the *outputs or profits* from automation [67] [68]. Scholars Guerreiro, Rebelo & Teles (2021) argue a nuanced view: overly taxing robots could slow innovation, but not taxing them at all ignores the social costs (unemployment, lost wages) that firms don't internalize [67] [69]. A balanced approach might be to tax the extra profits that automation yields (a form of windfall or superprofit tax) and redistribute that. Another approach is a **royalty system**: every time an AI or robot performs a task, a small fee could go into a public pot, similar to how royalties are paid for natural resource extraction. PLE essentially treats advanced AI/robot infrastructure as a kind of *commons or public utility*, co-owned by society [70]. For instance, if an AI system is doing the work of 100 employees, society could claim a royalty that approximates, say, a portion of those 100 salaries, and then distribute it as *"automation dividends."* One PLE vision described it as *"a payment to everyone as co-owners of the machines"* [70]. This mechanism echoes the rationale behind intellectual property royalties – except the beneficiaries are all citizens rather than an inventor. It also parallels ideas in environmental economics where polluters pay fees; here, automators (or AI owners) would pay fees that in effect compensate the public for job displacement.

3. Sovereign AI Equity and Public Wealth Funds: Perhaps the most structural PLE mechanism is establishing **public ownership stakes** in the high-productivity technologies and enterprises, and using the returns to fund citizens' income. This often takes the form of *Sovereign Wealth Funds (SWFs)* geared specifically to automation gains – sometimes called **sovereign AI funds**. The model is inspired by examples like **Norway's Oil Fund** or **Alaska's Permanent Fund**, which invest revenue from natural resources and pay dividends to the population. PLE extends this model to the "resource" of automation and AI. Instead of (or in addition to) immediately taxing and redistributing tech profits, governments would accumulate assets over time: e.g., require that firms give the state an equity stake when they deploy AI at scale, or dedicate a

portion of tech-sector tax revenue to buying stocks and bonds related to the new economy [71] [72]. The fund's investment returns could then sustainably finance a basic income or robust public services. Crucially, this approach socializes the upside of automation. As automation expands, the fund's holdings (whether equity in AI companies or royalties from intellectual property) generate more profit, which flows back to the people [73]. For example, a government might legislate that any company above a certain automation level must issue X% of shares to the national fund, or that patents for AI are partly owned by the public. Over time, as AI and robots dominate production, this **national portfolio** would capture a share of overall economic output and return it to citizens as dividends. PLE advocates note that this turns the traditional welfare model on its head: instead of taxing and spending (which can be politically fraught), the public collectively *owns* part of the economy and thereby earns an income – a bit like every citizen is a shareholder. There is real-world precedent: Alaska's fund, for instance, pays all residents a dividend (about $1,000–$2,000 annually in recent years) from invested oil revenues [74] [75]. While that amount is modest, PLE extrapolates the concept to the much larger value that widespread AI could generate. If, say, a national AI fund owned 20% of the economy (just hypothetically), the dividends could be substantial, potentially providing a basic income. The **political appeal** is that this can be framed as a *"rightful dividend"* of collective progress – akin to how one might argue every citizen, as part of the nation, deserves a share of natural wealth. Indeed, some PLE supporters assert that universal dividends from automation should be seen as a right, not charity [76] [77].

4. Expanded Notion of "Capital" for Citizens: Another mechanism, overlapping with the above, is giving individuals direct stakes in productive assets. This could mean policies of **universal basic capital** – e.g., at birth or reaching adulthood, each person might be endowed with a portfolio of stocks or claims on a national index fund. Alternatively, models like **platform cooperatives** or **co-determination** push for workers/users owning shares in the very platforms and AI that they interact with [78] [79]. For instance, if Uber becomes fully automated with self-driving cars, perhaps the riders and displaced drivers collectively own the fleet or the AI algorithm. This idea links to PLE's emphasis on democratizing ownership: if labor income wanes, then capital income must be spread broadly. Some PLE proposals include creating public options or cooperative models for major automated platforms, so that profits aren't siphoned exclusively to a few investors.

5. Basic Income Guarantees (funded by the above): While not unique to PLE, the outcome of many PLE mechanisms is effectively a form of **universal basic income (UBI)** – an unconditional regular payment to all individuals – funded in a novel way. PLE often frames this not as a tax-and-transfer UBI but as a *"dividend of automation"* or *"universal property income."* As the systematic review notes, in a post-labor context **UBI is seen "not just as a poverty tool but as a dividend of automation – sharing the fruits of automated productivity with all citizens."** [80] [62]. The difference in framing is important politically: dividends or returns on sovereign wealth can be portrayed as everyone getting their share of what society's technology has earned, rather than a welfare handout. PLE's mechanisms essentially provide the **revenue model for UBI** that critics often say is missing or too expensive under normal taxation. If automation greatly increases output but concentrates wealth, these policies capture part of that output for public benefit. It is telling that even *conservative thinkers* have entertained UBI in the "robot era," recognizing that without a mechanism like UBI or dividends, *"mass unemployment would translate into mass loss of income and thus collapse of demand and social order."* [81] [82]. PLE addresses this by ensuring that as traditional jobs vanish, people still have **purchasing power** – which not only averts humanitarian disaster but keeps the economy running (businesses need consumers, after all). Some models also suggest coupling basic income with public service or volunteer requirements (a kind of participation income) to maintain social engagement, but

fundamentally PLE leans towards unconditional support because it anticipates there simply may not be enough "jobs" to assign.

In summary, **PLE's mechanisms revolve around converting the economy from a wage-for-labor basis to a dividend-for-participation basis**. By various means – be it data rights, taxation of tech, social ownership, or funds – the goal is to have **property-based and commons-based returns** flow to every individual. A useful encapsulation was given by Shapiro in a nutshell: PLE proposes systematically shifting household income *"from declining wages towards property-based returns – like dividends and royalties – primarily"* (the continuation likely says "as the new source of livelihood") [83]. This one line captures the essence: if wages (earned by labor) are set to decline as a share of GDP, then dividends/royalties (earned by ownership) must rise for households correspondingly. Everyone becomes, in effect, a mini-capitalist – or one might say the entire society collectively becomes the capitalist that owns the automated factories, even as individuals no longer work in them.

It should be noted these mechanisms are not without challenges. Implementing them requires significant policy innovation, legal frameworks (e.g. defining data ownership, rewriting corporate laws), and international coordination (to avoid companies simply moving to jurisdictions with no robot taxes or data dividends). But several are already being tested on small scales: Alaska's dividend shows a resource fund working; Spain and some U.S. cities have trialed basic incomes; and discussions on data rights are advancing in the EU (which proposed that AI companies disclose training data usage, etc.). PLE effectively bundles such ideas into a coherent vision for an economy beyond labor.

C. Political Feasibility and Challenges of PLE Implementation

However elegant PLE's proposals may seem on paper, their realization faces **substantial political hurdles**. Any framework that redistributes income and alters ownership structures will encounter resistance from entrenched interests and run into ideological debates. It is therefore crucial to examine the political feasibility of Post-Labor Economics: can these ideas garner public support, overcome opposition, and be implemented in time to address the looming crisis? History offers a mixed picture – transformative economic policies often arise from crisis conditions (e.g. the New Deal in the U.S., or the postwar social democracies in Europe), but they also require savvy politics and coalition-building.

Entrenched Interests and Power Dynamics: Perhaps the biggest obstacle is that PLE demands that current owners of capital – corporations, shareholders, tech titans – surrender or share a portion of their wealth-generating assets with the broader society. This is bound to be met with **fierce resistance**. Large technology firms and their investors have a strong incentive to lobby against data dividend laws, robot taxes, or mandatory equity transfers, as these would directly impact their profits and control. We can expect arguments that such measures will "stifle innovation" or drive companies offshore. Indeed, the mention that *"the political feasibility of heavy taxes on capital is a question; it might require international coordination to prevent capital flight"* [76] is a nod to this challenge. If one country alone imposes a high automation tax or dividend requirement, companies might relocate to another jurisdiction with lower burdens. This is analogous to how high-tax welfare states have to manage capital mobility today – a problem recognized since at least the 1990s globalization wave. PLE thus likely requires a **coordinated international approach**, or at least a critical mass of major economies adopting similar policies, to avoid undercutting each other. Achieving that coordination is politically difficult, although not impossible if there is a shared recognition of the automation revolution's impact (much like countries eventually coordinated on labor laws or environmental standards in response to transnational pressures).

Public Opinion and Ideological Reception: On the public side, the reception of PLE ideas may vary. On one hand, elements like universal dividends could be very popular – getting a regular check is tangibly appealing, as shown by the popularity of Alaska's fund (which is often called the "third rail" of Alaskan politics – untouchable because citizens love their dividend). Framing something as *"your share of national prosperity"* can have cross-ideological appeal. For example, the idea that ***"every resident gets a dividend"** from a sovereign wealth fund [84] has a commonsense fairness that even many conservatives can accept, particularly when analogized to Alaska's model (Alaska, a fairly conservative state, demonstrates that a dividend can be seen not as welfare but as a property right of citizens). There's a libertarian flavor to data dividends too – it's about personal property (your data) and being paid for its use. So PLE can be pitched in multiple ways: as a social justice measure (sharing wealth), as a pro-market reform (creating consumers and preserving capitalism by broadening capital ownership), or as a stability measure (preventing unrest).

On the other hand, some PLE measures will be attacked as "socialist" or "big government." Requiring public ownership stakes in companies, for instance, could be labeled outright socialism or expropriation by opponents. The concept of heavily taxing capital or automations may meet the usual ideological resistance to taxation and regulation. There is also an **American cultural emphasis on work ethic** that could cause pushback against the idea of income without work – a critique UBI faces as well. Some worry that decoupling income from labor might erode societal morale or lead to dependency (though UBI experiments don't support the laziest caricatures of this). Politically, making PLE viable might involve coupling it with narratives of **freedom and creativity**: i.e., portraying the post-labor society not as people sitting idle on dole, but as freeing people to pursue education, art, care work, community service, entrepreneurship, etc., while machines handle drudgery. The success of PLE in political discourse may hinge on painting an aspirational picture of human flourishing beyond jobs, rather than a grim welfare state.

Transitional Pain and Who Loses: Another challenge is managing the transition for those who are displaced by automation in the short to medium term. PLE offers long-term solutions (dividends, etc.), but in the interim, many workers might lose jobs and communities might suffer (think: truck drivers replaced by self-driving trucks, or call-center employees replaced by AI). There will be demands for more immediate relief or job guarantees which PLE alone (focusing on income) might not satisfy. Some groups might also lose relative status or bargaining power in a PLE world – for instance, skilled professionals who currently earn high wages might resent that "everyone is getting paid the same now from a fund" or that their formerly prestigious role is now automated. Politically, transitions often provoke backlash if not carefully managed (the "Rust Belt" discontent following deindustrialization is an example). PLE might need to be paired with policies for retraining, education, or **job guarantees** for roles that still require human touch (like care work) to ensure a dignified place in society for all. Critics like Tcherneva (2020) argue that people derive meaning from work and a **Job Guarantee** could address that in ways UBI/PLE do not [85]. PLE proponents would need to counter that either by emphasizing alternative forms of contribution (volunteering, etc., possibly incentivized) or by integrating some guarantee of public-service roles for those who want them. The politics of meaning cannot be ignored: even if materially provided for, societies might face psychological or social challenges if traditional work vanishes. That said, younger generations might adapt more easily to a fluid concept of work (already, gig economy and creative economy blur "leisure" and "labor" in some ways).

Feasibility in Different Regimes: Implementing PLE might be easier in some political systems than others. For example, a social democratic country with strong state institutions (say, in Scandinavia) could conceivably set up a robot tax and national fund relatively smoothly, given a history of high taxes and collectivist policies. By contrast, in the U.S., any hint of redistributive policy faces an uphill battle in Congress

and courts. One could imagine though that a severe enough crisis (e.g., 30% unemployment due to automation) could shift the Overton window drastically, just as the Great Depression did. In autocratic regimes, ironically, PLE might be implemented top-down if rulers see it as necessary to stave off unrest – e.g., Gulf monarchies already use oil dividends and public jobs to placate citizens; they might adopt AI dividends if oil revenue declines and automation leads to youth unemployment. China is a wild card: its leadership has shown interest in common prosperity and also heavy investment in AI; if millions of manufacturing jobs vanish, the Communist Party might use something like PLE as a new social contract (providing stipends while expecting loyalty and social harmony in return). The point is, **political feasibility will vary**, but it often takes elite consensus or mass mobilization to push through such structural change. The world wars and depressions created conditions for radical policy shifts – PLE may require a similarly palpable crisis to overcome entrenched interests.

We should also consider **timeline and sequencing**. Implementing PLE is not a single law but a series of policies that could roll out gradually. Some elements might pass sooner: e.g., a data dividend scheme could start modestly (some companies voluntarily paying users or a small state-level tax experiment) and then expand. A robot tax could begin with certain sectors, testing economic effects. A sovereign wealth fund could be built up over years by dedicating a small slice of existing taxes or new digital taxes. Gradualism might make it more palatable, as the economy adjusts and catastrophes are averted. On the other hand, too slow a pace might be overtaken by events (if automation outpaces policy and millions fall into poverty, politics may turn ugly faster than reforms come). There is a sense among PLE advocates that *anticipatory action* is needed – implementing at least proto-forms of these mechanisms **before** unemployment and inequality reach explosive levels. Historically, though, political systems often delay until crisis forces action. A likely scenario is some countries pilot PLE components during the coming turbulent decade, and if they prove successful (or at least not harmful), others emulate. For example, if one country institutes a substantial **"AI dividend"** and its economy remains competitive and its society stable, that model could spread, much as the welfare state model spread after WWII when it delivered results.

International Cooperation: As mentioned, capital flight and regulatory arbitrage are big concerns. PLE implementation could be aided by international agreements – e.g., a treaty on taxing AI, or incorporating digital dividends into trade rules (like requiring tech firms globally to contribute to public funds as part of operating licenses). While ambitious, such coordination is not unprecedented; for instance, the OECD brokered a global minimum corporate tax deal in 2021 (15% floor) to prevent multinationals from escaping taxes entirely. One could imagine a future G20 accord on handling AI's economic impact, perhaps establishing guidelines for robot taxation or data rights. If the structural crisis gets bad enough (akin to post-1945 or post-2008 levels), global leaders might convene a new **Bretton Woods-style conference** to redesign financial and economic norms – PLE ideas could be on the table there, especially pushed by countries with restive unemployed populations.

In conclusion, PLE's political feasibility is uncertain but not implausible. Much will depend on **how severe the "crunch" becomes** – if the public perceives the current system as failing (mass joblessness, extreme inequality, social breakdown), then radical solutions become viable. The 1930s showed that extreme conditions can lead either to positive reforms (the New Deal, social democracy) or negative outcomes (fascism, war). PLE is essentially a positive reform path for an AI-driven world; its competition might be less savory paths (e.g., neo-feudal oligarchy or authoritarian state distribution). Political leadership and narratives will shape which path is chosen. Making PLE happen likely requires building a coalition of stakeholders: futurist-minded business leaders (some in Silicon Valley have indeed toyed with UBI concepts, acknowledging AI could displace many jobs), labor organizations (which might shift from wage bargaining

to bargaining for dividends, perhaps), progressive political parties, and maybe even segments of the security establishment (who might see danger in millions of economically idle young people, and thus support measures to ensure stability). Already, we see unions in some places discussing support for UBI or reduced work weeks [86] [87], which indicates that old paradigms are slowly adapting.

D. PLE vs Universal Basic Income and Other Alternatives

It is helpful to contrast Post-Labor Economics with other proposed solutions for the coming economic disruptions, particularly the much-discussed **Universal Basic Income (UBI)** as well as ideas like **Job Guarantees (JG)** or more conventional welfare approaches. PLE and UBI share similarities but also have important differences in rationale, funding, and potential effects on society.

Universal Basic Income (UBI) typically refers to a regular, unconditional cash payment given to all individuals, funded out of general government revenues. In recent years UBI has gained global attention as a remedy for automation-driven job loss and precarious work. Indeed, in many ways UBI is one component within PLE – the *outcome* of PLE's mechanisms could be seen as a type of UBI (automation dividend yielding an income floor). However, **standard UBI proposals** often assume funding will come from traditional taxation (for example, a tax on the rich, a VAT, or carbon tax) or savings from consolidating welfare programs. PLE distinguishes itself by its focus on new sources of revenue tied to automation and capital, rather than burdening the shrinking labor force. As one analysis notes, *"paying a meaningful basic income to everyone could require significant tax increases"* and that fiscal cost is a major question mark [88]. Critics of UBI often cite unsustainable cost – e.g. giving $10,000 to every adult in the U.S. would cost trillions annually. PLE counters this by saying, in effect, **let the robots and algorithms pay for it**, not just other human taxpayers.

Another difference is in **framing and equity**. A straightforward UBI might be *redistributive* but still leave the underlying distribution of capital unchanged – it could "maintain a status quo where the rich keep their wealth and the poor get just enough to scrape by," as some critics warn [89]. Matt Bruenig (2017) pointed out that a modest UBI might pacify poverty but not tackle wealth inequality [89]. PLE's approach, by giving people direct asset ownership or dividends from capital, attempts to change the distribution of wealth and productive power. It is more **structural**. In that sense, PLE can be viewed as *UBI-plus*: it achieves the income guarantee goal of UBI but through mechanisms that also cap extreme concentration of wealth (by socializing some of the returns). This also addresses a critique that UBI alone might not fix deeper inequalities like access to education, healthcare, or political power [90]. PLE could complement strong public services, and its dividends could be higher if wealth is more evenly held.

Work Incentives and Social Value of Work: Both UBI and PLE invite the question of how they affect people's willingness to work (at least in remaining jobs) and the value society places on work. Empirical evidence from small-scale cash transfer programs and the Alaska dividend suggests that a basic income does *not* lead to mass idleness – in Alaska, labor participation was not significantly reduced by the oil dividend [75], and in other pilots, reductions in work hours were modest (often under 10% and mainly among secondary earners or those pursuing education) [91]. This counters the fear that "everyone will stop working if they get free money." That said, in a true post-labor scenario, there may simply not be enough paid jobs for everyone anyway, so the concern might flip: not that people won't work, but that they won't have the *option* to work for pay even if they want to. PLE acknowledges this and shifts focus to providing income regardless. A **Job Guarantee (JG)**, championed by some economists like Pavlina Tcherneva, takes the opposite approach: guarantee that everyone who wants a job (at e.g. a living wage) can get one, usually

via public sector or subsidized jobs in areas of need (infrastructure, care, environment). JG proponents argue this addresses the *non-monetary benefits* of work – structure, purpose, skill use – which UBI/PLE do not [85]. The debate between UBI and JG is vigorous [92]. PLE would likely lean towards UBI (or rather universal dividends) since it forecasts a scenario where forcing full employment might be inefficient or futile if machines can do the work. However, PLE need not exclude encouraging meaningful activity. One could imagine a hybrid where PLE ensures income and a public option offers community service roles for additional stipend or just for social engagement. The two models could converge if well designed (for instance, provide basic income and also a guarantee of training/volunteering opportunities, thereby covering both material and psychological needs).

Political Viability Comparison: Historically, **targeted welfare** (like unemployment insurance, food stamps) has been easier to pass than universal programs due to cost. UBI flips that by being universal (which can increase political popularity because everyone gets it – a broad base of support). PLE's dividend approach similarly is universal and could engender broad support if people perceive it as *their rightful share*. In contrast, a Job Guarantee might face challenges of bureaucracy (creating and managing millions of jobs) and potential stigma (some may see JG jobs as make-work or second-class employment, analogous to workfare). Politically, UBI has gained more momentum in recent discourse than JG, perhaps because it appears simpler and aligns with both progressive (ending poverty) and libertarian (freedom to choose one's own life path) values. PLE can capitalize on that momentum by providing a concrete funding pathway.

Economic Effects: One common argument for UBI (and by extension PLE's dividends) is that it would bolster aggregate demand – ensuring people have money to spend, thus sustaining consumption in an automated economy. Indeed, if automation greatly increases output but cuts wages, without redistribution we'd face underconsumption: lots of goods and services but not enough paying consumers, leading to crises of overproduction (Marxian style) and economic stagnation. By giving people spending power, UBI/PLE prevents this demand collapse [81]. On the flip side, some fear UBI could be inflationary if output doesn't rise with increased demand. However, in an automated scenario, output capacity might be quite high (robots can produce plenty), so meeting demand is feasible. Moreover, a dividend that grows with productivity is less likely to be inflationary than a fixed UBI financed by printing money, because it is tied to real economic gains. PLE's approach thus might be more *sustainable* – it **recycles the gains of automation back as demand**, creating a virtuous cycle rather than relying on deficit spending. In the systematic review, it's noted that ensuring public revenue is maintained even as labor income base shrinks is crucial [93] [94]. PLE addresses that by tapping capital/tech rents to fund the social net, whereas a pure UBI funded by taxing dwindling wages or sales could struggle as those bases erode.

Alternatives to PLE & UBI: Besides JG, some propose more modest reforms: e.g., **negative income tax (NIT)** (a guaranteed minimum income via the tax system, which was Friedman's idea) [95], or **expanding existing welfare** (e.g., more means-tested benefits, stronger unemployment insurance). These are incremental and might not cope with a truly post-labor scenario. NIT is similar to UBI in outcome but targeted to the poor – however, if most people become "poor" by not having jobs, NIT converges to UBI anyway. Others propose reducing work hours (30-hour weeks, etc.) to spread work around and give more leisure, which could be part of the solution but doesn't solve income for the unemployed portion. PLE is more **transformative** in that it doesn't try to preserve the primacy of labor at all, whereas many alternatives do (via jobs or work sharing).

In contrast to PLE, one could imagine a **dystopian alternative** where no proactive policy is taken: extreme inequality, maybe a nominal UBI thrown in that's too small to live on, and social unrest suppressed by

authoritarian measures. That would be a failure to adapt. PLE proponents might argue that *some form* of their idea is inevitable if we are to maintain both capitalism and democracy in the face of massive automation – otherwise, we'd either slide into oligarchic neo-feudalism (capitalism without broad consumer base) or into chaos. Indeed, **even conservative economists** have contemplated UBI as *"a policy for the robot era"*, indicating how mainstream the concern has become [82]. The open questions revolve around *design*: how generous, how to implement, how to integrate with other services [96]. PLE provides a design principle: tie it to property and capital returns.

Another point of contrast: **UBI's simplicity** (everyone gets the same cash) vs PLE's potentially complex structures (funds, equity stakes, royalties, etc.). Simplicity can be a political selling point. However, PLE's complexity is mostly under the hood – from a citizen's perspective, they might just see "I get a check from the National Automation Fund" which feels similar to UBI. The complexity lies in *how* the money gets into that fund. That complexity might actually make PLE *more* politically palatable in some ways because it appears as savvy management of national wealth rather than just taxation. For instance, establishing a **Future Generations Fund** (some countries do this for resource revenues) where AI companies contribute could be seen as prudent governance, not radical policy.

Psychological and Cultural Differences: UBI historically is sometimes criticized for *potentially weakening the work ethic* or social bonds tied to workplaces. PLE reframes the narrative: in a world where work ethic in the traditional sense might be obsolete, it promotes a culture of shared prosperity and creativity. People might pursue education, caregiving, community projects, art, or small entrepreneurship if freed from the immediate pressure to earn a subsistence wage. This can be very positive – a flowering of human potential – but it requires a cultural shift. Societies would have to adjust their measures of success and purpose. Alternatives like JG try to preserve the existing culture of work. So choosing between them is not just economics, but what kind of life we consider fulfilling. Perhaps a mix is desirable: enough security from PLE to allow self-driven pursuits, and social encouragement of meaningful contributions (which might not be "jobs" in the classic sense but still valued).

In summary, PLE and UBI are closely aligned; PLE can be viewed as providing the structural blueprint to achieve a robust UBI (or "universal dividend") in a sustainable manner. Compared to a generic UBI funded by higher income taxes or welfare cuts, PLE's approach could be more politically sustainable (because it doesn't penalize the dwindling working class or rely solely on redistribution from rich individuals, but taps the new wealth created by tech itself). PLE also directly addresses *wealth ownership*, which UBI doesn't. The contrasts with job guarantees highlight different philosophies: guarantee income vs guarantee work. It's conceivable a future social contract includes elements of both (for those who want work opportunities, ensure they're there; for those who don't or can't work, ensure they still have income and dignity). PLE strongly prioritizes the income solution, arguing that trying to maintain full employment may be fighting yesterday's war.

E. PLE Amid Automation, De-Globalization, Debt, and Energy Transitions

A key selling point of Post-Labor Economics is how it dovetails with several structural pressures building in the global system. We will examine how PLE's approach aligns with or mitigates the challenges of **automation, de-dollarization (and broader de-globalization), sovereign debt unsustainability, and energy insecurity/climate change** – issues identified earlier as part of the systemic inflection.

Automation and AI: This is the central impetus for PLE. As discussed, automation is directly addressed by PLE's mechanisms. By providing data dividends, robot royalties, and AI fund dividends, PLE ensures that as automation *increases productivity*, that very increase finances incomes for those displaced. This creates a sort of self-correcting feedback loop: the more successful automation is at replacing human labor, the more funding is generated for the non-labor income system. Thus, PLE turns the threat of automation into a benefit. It aligns with economists' argument that technology should ultimately enable *more leisure and a higher standard of living* for all – but unlike the simplistic assumption that "market forces will do that automatically," PLE explicitly *structures* the economy to achieve it. In effect, it answers the question: how do we **share the AI dividend?** Without policy, that dividend (extra output from AI) would accrue mainly to AI owners. With PLE, it's shared widely, avoiding both mass unemployment misery and a collapse in demand for the products AI makes. Therefore, PLE is arguably *the* solution to automation-induced structural unemployment, short of halting technology (which is neither feasible nor desirable). It also addresses the scenario of **AI-driven inequality**: studies (like one by Guerreiro et al.) suggest that without intervention, automation could drastically increase capital's share of income and reduce labor's share to negligible levels [97] [39]. PLE directly counters that by effectively giving everyone a piece of capital. Additionally, by providing a universal income floor, PLE can encourage a more dynamic, innovative economy – people might take more entrepreneurial risks or pursue creative careers if they're not afraid of destitution. That could synergize with automation: let the robots handle the mundane tasks, while humans (freed from basic financial constraints) explore, innovate, and supervise the automated systems at a higher level. In short, PLE and automation are complementary: PLE *greases the wheels* for a soft landing into an AI-heavy economy, ensuring it results in general prosperity (often envisioned as the "Fully Automated Luxury Communism" ideal, though PLE is more market-friendly in its approach than outright communism).

De-Dollarization and Fragmentation of the Global Monetary Order: This is a more indirect connection, but PLE may bolster resilience against global monetary shifts. The decline of the dollar's dominance [34] signals a possible future where the international financial system is less centered on one currency. For the U.S., this could mean less ability to run large deficits cheaply (as global demand for dollars may wane) and possibly a loss of seigniorage benefits. For other countries, it means a push to assert financial sovereignty (e.g., develop their own payment systems, rely less on USD reserves). PLE's emphasis on building **sovereign wealth funds** and internal sources of revenue can make economies more self-sufficient. For instance, a country that has a strong national dividend from its own productive assets is less reliant on external borrowing or fickle foreign investment. If de-dollarization leads to financial turbulence – say, fluctuating currency values, capital flow volatility – a robust internal dividend could act as an automatic stabilizer for domestic demand. Moreover, if trust in fiat currencies erodes during a chaotic transition (imagine a scenario where multiple currencies compete, leading to uncertainty), PLE's model of tying citizen income to concrete assets and outputs could reassure the public. People might trust a "Robot Dividend" paid in whatever currency more than a government promise of welfare, because they know it's backed by real economic activity (the robots making goods). Another angle: de-dollarization is partly driven by emerging powers wanting a bigger say. Those same powers (China, for one) face automation and inequality issues domestically; if they adopt PLE-like policies, it might ease social pressures that otherwise could have geopolitical consequences (unrest, extremism). Also, if the U.S. were to adopt a PLE approach, it might ease domestic tensions over job losses that currently fuel populist, anti-globalization sentiments (like support for protectionism and retreat from international leadership). In doing so, it could allow a more graceful adjustment to a multipolar currency world. Put simply, **PLE fortifies domestic economies** by ensuring broad consumer base and social stability, which is valuable in any global monetary regime.

Sovereign Debt Unsustainability: Many nations are confronting ballooning public debt ratios, exacerbated by aging populations, pandemic spending, and now rising interest rates. Traditional options (austerity, default, or inflating away debt) all have downsides and can trigger political crises. PLE could offer an alternative route: if governments invest in and earn from the new economy, they can create **new revenue streams** that reduce reliance on debt. For instance, if a government establishes a large sovereign tech fund, the returns from that fund could cover some expenditures that would otherwise be deficit-financed. Also, if PLE spurs higher growth by maintaining demand (no "secular stagnation" due to inequality), that helps the debt/GDP situation by boosting the denominator. An automated economy, if managed well, could be extremely productive – enough so that supporting the population via dividends doesn't hinder growth, it likely enhances it (by absorbing the output). In a scenario where governments might need to **restructure debt** (some analysts foresee a wave of debt write-downs or inflation to handle unpayable debts), implementing PLE could be part of a "new deal" post-crisis. For example, after a debt jubilee or major inflation, a government could say: we'll anchor the new economy by holding equity in key industries and paying citizens dividends, rather than relying on ever-increasing borrowing for social spending. It's a shift from debt-fueled redistribution to *equity-fueled redistribution.* Politically, this may be more palatable than endless transfers that increase debt. Indeed, many oil-rich countries essentially converted resource rents to citizen benefits rather than borrowing – PLE generalizes that concept beyond oil to AI and robots. Additionally, if PLE reduces extreme inequality, it might indirectly improve fiscal health since extremely unequal societies often have more volatile politics and policy (leading to boom-bust and poor fiscal decisions). Social cohesion from PLE could allow steadier long-term planning, including prudent fiscal management.

Energy Insecurity and Climate Change: At first glance, energy might seem separate, but it's deeply interwoven. The energy transition (from fossil fuels to renewables) is a disruptive economic shift that, like automation, will create winners and losers and require new investments. PLE's principle of **universalizing dividends** can apply here too. Some have proposed *"carbon dividends"* – charging for carbon emissions and paying the revenue to citizens equally (thus incentivizing lower emissions while offsetting higher energy costs for the public). This aligns perfectly with PLE's ethos: a tax on a negative externality (carbon) becomes a public dividend. A few countries have flirted with this (Canada has a climate rebate scheme, for example). Such a policy could alleviate energy insecurity by recycling any fuel price spikes back to households' pockets. Also, as the world invests trillions in renewable infrastructure (solar, wind, etc.), one could ensure public ownership of part of this new infrastructure so that its returns (cheap energy) translate into public gain, not just private profit. For instance, if a country's sovereign fund invests heavily in renewables, the cheap electricity generated lowers costs for the whole economy and any profits can be shared. PLE is flexible enough that one can incorporate **resource dividends** – indeed it explicitly cites analogies to Alaska's oil fund [74]. In a post-carbon world, maybe there will be **"renewable energy dividends"** where communities get paid for hosting wind farms or from government solar projects. Moreover, energy insecurity often leads to geopolitical conflict (think wars in oil regions). If countries move away from fossil fuels and towards electrified automated economies, the remaining critical resources might be things like rare earths. PLE's cooperative approach to sharing wealth could potentially reduce the zero-sum resource scramble that leads to conflict. Domestically, one major risk of energy transitions is populist backlash if fuel prices rise or coal jobs vanish (as seen in France's "gilets jaunes" protests against fuel taxes). PLE's strong safety net and universal dividends could cushion communities through these transitions – e.g., a laid-off coal miner might still have a decent income via data/robot dividends, and perhaps additional targeted transition help. That may prevent political backlashes that derail climate policy.

Additionally, there's an interesting synergy: automation and abundant clean energy together could produce great prosperity (robots + cheap solar = lots of goods with minimal human toil). But distributing that prosperity is the trick – which is exactly PLE's focus. If energy insecurity is resolved by renewables, and production insecurity resolved by robots, then the remaining piece is distribution, resolved by something like PLE. Conversely, if energy remains insecure, PLE can incorporate that (like including oil/gas royalties in a dividend during transition, which some countries do). Actually, for many developing countries that rely on commodity exports (oil, minerals), PLE could provide a model to avoid the resource curse: set up funds that pay citizens and invest in diversified assets, preparing for a future when those resources or labor-intensive industries fade.

De-Globalization (Reshoring, Fragmented Trade): With rising geopolitical tensions, there's talk of a partial reversal of globalization – countries aiming for more self-sufficiency in key goods (semiconductors, medical supplies, etc.). This could raise costs and limit growth if done inefficiently. However, advanced automation might localize production without losing efficiency (robots making things domestically cheaply). PLE intersects here: if production localizes with robots, the question becomes how those local gains are distributed. PLE would ensure the local population benefits via dividends, thereby maintaining support for a more localized but automated economy. It could ease the pain of sectors that shrink due to trade shifts because the overall society is buffered by automation wealth.

In sum, **PLE provides a coherent framework that responds to multiple crises simultaneously**. Automation is its primary focus, but by changing how incomes are generated and distributed, PLE also deals with the fallout of de-globalization (through internal demand boosting), with debt (through asset-based public finance), and even with the climate/energy transition (through resource dividends and maintaining social stability). It essentially future-proofs the social contract in an era where both the source of wealth and the global context of economies are radically changing. It is striking that PLE-type ideas are coming to the fore just as the old order appears to be faltering; it suggests that new solutions tend to emerge precisely when needed. Whether PLE in practice can deliver on all these fronts remains to be seen, but theoretically it aligns well with *"the structural pressures currently building"* – pressures that, if unaddressed, could otherwise lead to collapse or authoritarian regression.

F. Conclusion: Toward a New Socioeconomic Order

Drawing together the threads of this extensive analysis, we arrive at a portrait of a world on the brink of profound change – and a roadmap for navigating it. The global geopolitical dynamics of the 2020s uncannily echo those of the early 20th century, with a convergence of crises pointing to an imminent *systemic inflection point*. Historical analogues remind us that such inflections have led either to catastrophic breakdown or to revolutionary reorganization (and often, both). The evidence reviewed – escalating regional wars, intensifying great-power rivalry, widespread domestic unrest, severe economic imbalances, and collapsing institutional legitimacy – strongly suggests that the *"old normal"* of the post-Cold War era can no longer continue. We are likely entering a period of **chaotic transition**, whose outcome will define the global order and domestic life for decades to come.

The core thesis of this report is that our current environment – marked by strategic miscalculation, regime decay, and geopolitical contagion – is pushing the world toward *deep structural change* in governance and economics. In other words, a new international order will emerge from this turbulence, and within nations the social contract will be rewritten. The critical question is *what form these new structures will take.* Will change be driven by violence and extremism, as in the 1930s–40s, or can it be achieved through foresight

and reform? Will the new order be freer and more prosperous, or more tyrannical and unequal? History offers both warnings and inspiration.

On the global governance front, one can envision a few scenarios post-inflection. If worst-case dynamics prevail (unchecked war, protectionism, zero-sum nationalism), the aftermath might be a shattered world that has to rebuild from ruins – perhaps leading to a neo-Westphalian order of rigid blocs or an uneasy concert of a few superpowers, with diminished globalization. Alternatively, if humanity pulls back from the brink (through diplomacy, renewed cooperation after near-misses), we might see a *reformed* multilateralism: an expanded UN Security Council, new international accords on technology and climate, and a financial architecture reflecting multipolar reality (e.g., a basket of reserve currencies, stricter global rules on capital, etc.). Either way, the Bretton Woods/UN framework of 1945 will evolve or be replaced.

Within nations, the impending structural change could also take divergent paths. One path (already visible in some places) is increased authoritarianism: governments using surveillance, AI, and nationalism to maintain control over restive populations, essentially a high-tech neo-feudal system where elites monopolize wealth and placate the masses with propaganda or minimal rations. Another path is a progressive transformation: societies embracing new economic models that ensure technology benefits everyone, thereby preserving democracy and social stability. It is in service of this latter, hopeful path that **Post-Labor Economics (PLE)** offers a blueprint. PLE is not a panacea for all problems, but it directly tackles several root causes of potential domestic collapse: it addresses unemployment by decoupling livelihood from jobs; it addresses inequality by sharing property returns; it addresses popular discontent by guaranteeing a baseline of economic security and inclusion in the nation's wealth.

Our evaluation of PLE finds that it is a *comprehensive and forward-looking framework*, albeit one that will require substantial political will to implement. It rests on the audacious but increasingly plausible assumption that human labor will significantly diminish as an economic input. By proactively redesigning distribution through data dividends, automation royalties, and sovereign wealth-sharing, PLE aims to turn what could be a nightmarish crisis (mass joblessness, social collapse) into an opportunity: a society where prosperity is decoupled from drudgery, and citizens can benefit from automation's bounty. In effect, PLE aspires to fulfill the long-promised dream of technology – freeing humans from want and toil – without falling into the trap of concentration of power. It resonates with historical precedents like Thomas Paine's idea (in *Agrarian Justice*, 1797) of paying citizens a dividend from common resources, and with modern theories of *inclusive ownership*.

Contrasting PLE with alternatives like UBI and job guarantees clarifies that these ideas are not mutually exclusive but can be synergistic. **Universal Basic Income**, shorn of a funding mechanism, is an appealing concept that PLE makes concrete and sustainable. Meanwhile, concerns about meaning and community in a post-work world can be addressed by policies encouraging volunteerism, education, and cultural production – tasks people may pursue more of when basic needs are met. As one report noted, *"if UBI is there,"* societies must invest in *"public education, libraries, makerspaces, museums"* and other infrastructure for meaningful use of free time [98]. PLE does not oppose this; in fact, by removing survival anxiety, it could spark a renaissance of civic and creative engagement.

The viability of PLE will ultimately be tested in the political arena. Will enough stakeholders see its value before crises force their hand? There are signs of progress: limited basic income trials, countries like Norway effectively using automation (oil extraction) for public good, and rising discourse about taxing tech. The transition period will be delicate – requiring trust in institutions to manage new funds and taxes. In a

sense, implementing PLE could even *rebuild legitimacy* in institutions, if citizens tangibly feel the benefits. Imagine a government that directly deposits an "AI Dividend" to your account every month; that could do more to restore faith than many speeches. It tells people: you are *seen* and *included* in the wealth of the nation.

We must acknowledge that PLE alone cannot solve geopolitical tensions or climate change. Those need parallel efforts – arms control dialogues, peace-building, carbon reduction commitments, etc. However, PLE can create a more resilient domestic front that makes nations less prone to lurch toward conflict. A population that is economically secure is less likely to embrace fanaticism or scapegoating of others (which often lead to war). Conversely, economic despair fuels demagogues and aggression – as witnessed in the 1930s. By aiming to eliminate involuntary poverty, PLE would remove a breeding ground for extreme politics. It also may reduce global migration pressures if people can have decent lives in their home countries (mass migrations, while sometimes overblown in rhetoric, do cause international frictions). Essentially, PLE could underpin a more peaceful world by promoting **human security**.

As we contemplate the coming *systemic inflection*, a historical analogy is apt. In 1941, as world war raged, Franklin D. Roosevelt gave his *Four Freedoms* speech envisioning a postwar world founded on freedom of speech, of worship, and importantly freedom from want and from fear. PLE can be seen as a policy embodiment of "freedom from want" in the 21st century context – ensuring material needs are met even when traditional employment fails. It aligns material security with human dignity. Achieving it would go a long way toward banishing the fear that technological progress currently instills in many (fear of obsolescence, of destitution).

In conclusion, the world is entering a period of trial. The inflection point ahead could bring devastation or renewal. The analysis herein suggests that by learning from history's warnings and harnessing today's innovations, we can steer toward renewal. **Post-Labor Economics offers a compelling vision for the domestic economic dimension of that renewal** – one where strategic miscalculation and regime decay are answered with strategic foresight and institutional rebirth. It proposes that we update our social contract to match the new means of production, just as after WWII the social contract was updated to include broad middle-class prosperity and social insurance. Of course, the map is not the territory; PLE's implementation will require experimentation, adaptation to local contexts, and likely some mistakes to be corrected. But as a guiding framework, it addresses the right problems with the boldness those problems demand.

Both history and current data strongly indicate that *muddling through* is not a viable option. The systemic pressures are building too rapidly for incremental tweaks to suffice. A proactive, paradigm-shifting approach is needed. By examining analogues from 1914–1946, we are reminded that ignoring systemic issues leads to disaster, whereas visionary reforms (like the Marshall Plan, the creation of welfare states, etc.) can usher in long eras of stability and growth. We stand at a similar crossroads.

The international order will likely be remade; the only question is whether by **design or by default**. PLE represents design – a thought-out adaptation to new reality – as opposed to collapse or authoritarian default. This report endorses serious consideration of PLE's principles by policymakers, academia, and civil society as part of preparing for the post-crisis world. Just as Keynes and others planned the Bretton Woods system before WWII even ended, we should be planning the post-crisis economic order *now*. David Shapiro's PLE initiative is one such plan, and it merits inclusion in strategic analyses.

Finally, it is fitting to end on an optimistic note: if we manage to mirror the patterns of escalation and crisis of the early 20th century, we also have the chance to mirror – and exceed – the post-crisis achievements. The post-1945 era, for all its flaws, saw unprecedented economic growth, decolonization, and leaps in human welfare. With the technological marvels at our disposal today, a post-inflection era guided by frameworks like PLE could potentially be *even better*: a world where global governance is more inclusive and effective, and where domestic economies provide prosperity without precariousness. That is a prize worth striving for.

The transition will be perilous, but as one statesman said in 1942, "we now have not to fear anything except fear itself." In our context, we might say we have not to fear our future, if we are willing to shape it. Armed with the lessons of history and the tools of the present, we can navigate the systemic inflection toward a more stable, equitable, and humane world order.

Footnotes / References:

- Gürcan, E. C. (2025). *Rethinking "World Wars" Through a World-Systems Lens*. *Journal of World-Systems Research, 31*(1). (Contemporary systemic instabilities mirror patterns of past hegemonic transitions, with intensifying competition, rivalries, and social discontent [37], alongside unique features like China's rise and tech's role [33].)

- Goldstein, J. (1988). *Long Cycles: Prosperity and War in the Modern Age*. (Predicted early 21st-century turbulence resembling pre-1914 period: shift from free trade to protectionism as hegemonic power declines [32]; economic interdependence not guaranteed to prevent conflict [31]; efforts to avoid past wars sometimes facilitate new ones [58].)

- Chase-Dunn, C. & Sokolovsky, J. (1983). *Hegemony and Social Change*. (World wars as violent reorganizations of the world-system when a hegemon declines and rivals rise [40] [39]; great-power wars erupt once the old order no longer contains rising powers' aspirations [39].)

- RAND Corporation (2025). *Consequences of the Russia-Ukraine War and the Changing Face of Conflict* [99] [2]. (War in Ukraine has reshaped alliances: strengthened US-Europe ties, weakened Europe-Russia/China relations [3]; Russia and China more incentivized to counter the Western alliance [3]. The conflict is the largest in Europe since WWII and has forced rethinking of resource allocation and defense postures [2].)

- Carnegie Endowment (2023). *Protests in 2023: Widespread Citizen Anger Continues* [14]. (Anti-government protests erupted in 83 countries in 2023, including places with no recent protest history [14]. Major demonstrations against assaults on democracy occurred in Poland (Million Hearts march) and Israel [20]; economic grievances like rising prices spurred protests in Pakistan, Ghana, France, etc. [18].)

- Trithart, A. & Romier, F. (2025). *Is Public Trust in the UN Falling?* – IPI Global Observatory [24] [26]. (UN facing a legitimacy crisis amid loss of trust; member states in 2024 pledged to "rebuild trust in global institutions" [24]. Trust in UN held steady for decades but has clearly deteriorated since 2021, with surveys showing significant drops in confidence/favorability across many countries [26].)

- Zelikow, P. (2024). *Confronting Another Axis?* – Texas National Security Review [7] [6]. (Warns of an "exceptionally volatile" period in global politics now; likens it to 1937–41 and 1948–62 periods of maximum danger. Next 1–3 years likely decide between wider war or uneasy peace [6]; serious possibility of worldwide warfare which could be even more dangerous than prior episodes, due to nuclear arsenals [6].)

- Dehouche, N. (2025). *Post-Labor Economics: A Systematic Review* (Preprint) [100] [101]. (Defines PLE as analyzing economic systems where AI/robotics drastically reduce need for human labor [102]. PLE starts from premise labor could largely disappear, focusing on how to transition and distribute income without jobs [60] [103]. Key dimensions include distribution systems in absence of labor income and governance implications [103].)

- Dehouche (2025) – excerpts on distribution proposals [104] [105] [73]. (Proposed models include treating AI/robot infrastructure as a commons with dividends to all co-owners [70]; analogies to resource dividends like Alaska's fund as a way to share automated wealth [74]; suggestion that governments could require equity stakes in AI companies or royalties from IP, putting those into a public fund (a sovereign wealth fund) to finance UBI/dividends [73].)

- Dehouche (2025) – on UBI and alternatives [106] [85] [81]. (Notes critics of UBI cite fiscal cost and that a modest UBI may just maintain the status quo with rich still rich and poor scraping by [106] [107]. Also notes critique that UBI doesn't fulfill the psychological value of work, which is why some argue for a Job Guarantee to provide purpose and participation [85]. However, also emphasizes that without something like UBI, mass unemployment would cause collapse of demand and social order, which is why even conservative thinkers consider UBI for the robot era [81]. UBI becomes less an ideological choice and more a necessity if jobs vanish [108].)

- Dehouche (2025) – on taxation shifts [76] [109]. (Argues that in a post-labor economy, taxation will shift toward capital, wealth, and tech rents. Heavy taxes on capital may need international coordination to prevent flight [93]. It's essential to ensure the shrinking labor income base doesn't shrink public revenues just when more spending (on UBI, etc.) is needed [94]. So capturing the value from automation for public good is at the forefront of policy discussions.)

- Chatham House (2024). *The US dollar's role…* [34]. (At end of 2024, USD was 58% of global reserves, down from 65% in 2014 [34], indicating decline in dollar dominance. Reflects ongoing de-dollarization trend.)

- American Psychological Association & *Time* (2022–2023) via Gürcan (2025) [4]. (Surveys found a majority of Americans believe we are in early stages of World War III [5]. *Time* noted a growing fear of WWIII due to combined effects of pandemic, inflation, and current conflicts [4].)

- Security Council Meeting (Feb 2025) via Global Observatory [24]. (Member states referred to a *"crisis of confidence in the UN," "ruinous mistrust,"* and *"unprecedented crisis of credibility,"* acknowledging a severe legitimacy problem [24].)

- Carothers, T., & Hartnett, B. (2023). *Citizen Anger Continues…* [14] [18]. (Documents that protests in 2023 were triggered by both political and economic issues: anti-authoritarian protests in many

countries and anti-austerity/price protests in many others [19] [18]. Economic protests were widespread due to inflation – e.g., fuel and food price protests in multiple countries [18].)

These references and footnotes substantiate the analysis provided, connecting it with both historical insights and contemporary data to form a cohesive argument for the systemic inflection thesis and the evaluation of Post-Labor Economics as a forward-looking solution.

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[1] [59] [60] [61] [62] [63] [64] [65] [66] [67] [68] [69] [70] [71] [72] [73] [74] [75] [76] [77] [78] [79] [80] [81] [82] [85] [86] [87] [88] [89] [90] [91] [92] [93] [94] [95] [96] [98] [100] [101] [102] [103] [104] [105] [106] [107] [108] [109] (PDF) Post-Labor Economics: A Systematic Review
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