

James Meadway<sup>1</sup>

## It's After the End of the World: Don't You Know That Yet?

I'm speaking here two days before the UK general election that is widely expected to remove a uniquely detested Conservative government from office and replace it with a Labour Party that has mobilised little real enthusiasm. The election campaign there has been notable mostly for its inanity – an extraordinary fixation on polling and forecasting has helped squeezed out much real discussion of policy, and of direction for the country. Major issues, from planned spending cuts to climate change to wars in Gaza and Ukraine have barely featured.

By some distance, then, the single most important day of the campaign – the one that will do the most to define political questions for the next five years – was the 22 May, the day Prime Minister Rishi Sunak chose to announce it was happening.

That morning, after three years of soaring costs, the UK's Office for National Statistics announced that the country's official inflation rate had fallen back to 2.3% - within touching distance of the official 2% target, creating the occasion for official hosannas. Inflation is "back to normal", claimed Prime Minister Rishi Sunak in a morning statement. "Brighter days are ahead" – so bright, it seemed, that by the evening he was moved to call a general election for July 4th.

At the very moment Sunak was proclaiming the broad, sunlit uplands, his deputy, Oliver Dowden, was promoting a radically different message, launching the official "Prepare" website. House-

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<sup>1</sup> James Meadway is an economist and host of the weekly Macrodose podcast.

holds (warned the government) should ensure their preparedness for “emergencies” including cyberattacks and a further pandemic by stocking up on tinned food and medicines. Three litres of bottled water might be needed per person, per day – ten bottled litres on hand in a household was the government-recommended minimum, lest water supplies be cut off “for a few days”. Droughts, wildfires, heatwaves and cold snaps were amongst the disruptive emergencies the population needed to prepare themselves for.



HOW WOULD YOU  
**PREPARE**  
FOR AN EMERGENCY?

**Emergencies such as flooding, fires and power cuts can affect us all. There are simple and effective steps you can take to be more prepared.**

The contrast between an official economic narrative that “normality” could be restored, and the growing awareness that the world was beset by more frequent, and frequently worsening shocks and disruptions could not have been made more on the nose. The same pattern repeats across the globe: a growing acceptance of the risks and dangers inherent in our unstable world combined with an inability to see them as *economic* problems of a new type. The next five years – and quite likely beyond – are going to be dominated by this grim dialectic of desperate attempts to maintain the appearance of normality and stability, placed continually in tensions with the open-ended chaos of life in the Anthropocene. Climate change and the nature crisis are already here – we are “after the end of the world”, as Sun Ra put it.

But life carries on.

Far from *This Changing Everything*, as Naomi Klein’s best-selling climate book suggested, and still further from the apocalyptic fantasy peddled by *Don’t Look Up*, climate change and the nature crisis more generally are creating a world that is depressingly familiar in many ways. We need to stop thinking about

climate change, notably in the developed world, as something big and distant – melting Arctic icesheets, or disappearing polar bears – and as something far more mundane – the process by which everything becomes harder, worse, more expensive. Cory Doctorow has usefully coined the term “enshittification”, referring to the way the internet has steadily become worse and less functional over time. What climate change and the nature crises represent is the enshittification of *everything*.

This is a direct challenge to conventional radical thinking, which likes to polarise between what Rosa Luxemburg defined as “socialism or barbarism”. She had some confidence that the choice could at least be made, right until she was murdered by an armed gang of the radical right, acting under Social-Democratic government orders. In today’s less heroic and more cynical times, we don’t even think there is a choice: “it is easier to imagine the end of the world than it is to imagine the end of capitalism”, as cultural critic Frederic Jameson is alleged to have said.

But the reality we are confronted with is one where it is not “easier to imagine the end of the world than the end of capitalism”. In fact, it has become significantly easier to imagine the end of capitalism than for us to try and imagine the world *not* ending, despite climate change, despite everything. Climate politics is drawn back, again and again, to claims of a future cataclysm, intended as a spur to action today, whether ten years to save the planet,<sup>2</sup> or two years as per the Extinction Rebellion (XR) target.<sup>3</sup> The hard deadline of apocalypse is a recurring motif in environmental politics

Now, a world-ending cataclysm is certainly possible as a result of climate change, but the world we live in and will most likely will carry on living in is something more like a grim slide downwards than a sudden halt. The world will continue, and so will capitalism.

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<sup>2</sup> Gaby Hinsliff, “Ten years to save the planet from mankind”, *Guardian*, 29 October 2006

<sup>3</sup> “Every party of society must act now to reduce carbon emissions to net zero by 2025...” Extinction Rebellion, “Our Demands”, accessed 25 June 2022. At: <https://extinctionrebellion.uk/the-truth/demands/>

The frame of analysis we need remains that of a capitalist society, but one that is now beset by terrible shocks and instability. The arrival of the Anthropocene shifts the foundations of human society, but does not, by itself, reshape that society in any fundamental sense: the core dynamic of capitalism, established since (let's say) the 1500s, but massively reinforced in the last two hundred years, remains the same: the competitively determined drive towards the relentless accumulation of capital via, as Jason Moore and Raj Patel argue, the production of “cheap things”: fundamentally, those things being nature and our labour power (which is itself a subset of nature).

This is core insight for understanding how the world economy is today being reshaped: the emerging global economic order can be summarised quickly: we have moved from a world of falling costs to one of rising costs. The capacity of the planet's natural systems to absorb costs on behalf of humanity – whether soaking up greenhouse gases, or providing consistent new sources for raw materials – has been exhausted. We are living now through the period of blowback, of the great reversion of the last two centuries industrial capitalism – and further, into the centuries of colonial plunder that provided the basis for the development of a global market that achieved its apogee in the decade before 2008. “Enshittification” occurs when the drive to create *cheap* runs into rising real *costs*.

## Essentials shortages

It is costs and shortages in critical, essential systems that are the guarantee of rising costs in the rest of the system. These are the systems that exhibit what economists might call a “double inelasticity”: inelastic in supply, and inelastic in demand. Or, in other words, those systems whose products are very hard to avoid consuming, being determined primarily by the hard biological facts of our existence, and so for which our demand is a given; and, on the other side, whose supply is constrained by other material facts. Water, food, energy, and, in today's world, data all have this feature – or, in the case of data, are rapidly approaching this point, an issue I'll return to.

What this means is that whilst it may be possible to avoid the rising cost of, say, a cinema ticket, choosing instead to watch TV or read a book, it is not possible to avoid the rising cost of food in the same way. At some point you will have to eat something. Shortages of water are a fundamental barrier in the same way – you need water to survive, quite a lot of it, as the British government has reminded us. Our entire civilisation requires energy to function. And, increasingly, our capacity to act as human beings in modern society depends on our access to digital services that are themselves now subject to the same logic of rising costs and shortages. The latter are not, as yet, appearing through the price system – rather, they tend towards a political question of regulation, as the protests, from Ireland<sup>4</sup> to Chile,<sup>5</sup> against the pandemic-like spread of data centres suggests.

Put in the terms that capital would recognise, the payments necessary to secure the application of labour power are rising: you have to pay people more to get them to work. And, again from the point of view of capital, the costs of *reproducing* that labour power are also rising. An older, sicker population is confronted by the rising costs of housing across the world.<sup>6</sup>

And note, also, that this isn't a typical degrowth argument, which (to use a venerable, if crude, distinction) is about making a "normative" claim about the necessity of reducing GDP growth. This is a "positive" claim about the fact that GDP growth will be falling away. In fact we are starting to generate firm estimates for the scope of the impact here – Nature published an excellent piece of research, back in March this year, from the Postdam Institute for Climate Impact Research that suggested the impacts of climate change, over the next 25 or so years, would amount to

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4 Peter Judge, "Protests continue, as €450m Ennis data center is approved under Ireland's new policy", *Data Center Dynamics*, 10 August 2022. <https://www.datacenterdynamics.com/en/news/protests-continue-as-450m-ennis-data-center-is-approved-under-irelands-new-policy/>

5 Paris Marx, "How to stop a data centre," *Disconnect*, 6 February 2024. <https://disconnect.blog/how-to-stop-a-data-center/>

6 Vicky Spratt, "Housing costs are out of control in all wealthy countries, here's why", *The I*, 10 September 2024. [https://inews.co.uk/news/housing-costs-out-of-control-wealthy-countries-3270404?srsltid=AfmBOoqt2WEVxBA48PmnX48CKeUpUB581lyv3MMAtemLosNP4G5Da\\_KS](https://inews.co.uk/news/housing-costs-out-of-control-wealthy-countries-3270404?srsltid=AfmBOoqt2WEVxBA48PmnX48CKeUpUB581lyv3MMAtemLosNP4G5Da_KS)

the equivalent of a loss almost 20% of global GDP – an extraordinarily large opportunity cost. It is this *objective* appearance of falling growth and rising costs, rather than any *subjective* claims about its desirability that really ought to concern us. The debate over degrowth, in this sense, is wasted – we can think we should go for degrowth, or not; it really doesn't matter, we're going to get something very like enforced degrowth anyway.

## The new economy emerges

Think of it as the switch from the old to the new economy. The old economy, the one we all grew up in, was one of growth, falling costs, and consumer abundance. The new economy, the one we are moving into, is one of low to zero growth, rising costs, worsening shortages in essentials. When Rishi Sunak said falling inflation meant we were “back to normal”, he was looking only at the old economy. When his government told us to prepare for future emergencies by stockpiling food, they were talking about the new economy. The critical point here is that, over time, because it is emerging as the result of rising costs in unavoidable essentials, *the new economy of crises and shortages will come to dominate the old.*

GDP does not capture the shift: agriculture, in most developed countries, hovers around 1-2% of GDP, and a similar level of employment. Yet if agricultural production begins to fail, the entire economy – human society itself – is placed in danger. The same goes for energy, water and, it is now necessary to argue, the digital realm. GDP is an *old* economy measure of economic importance. Its slide into irrelevance will be accelerated by the rise of the new economy.

It's here that I take issue with fashionable characterisations of what we are entering as “technofeudalism”: first because I think this ignores the essential character of the shortage economy – the material basis of the new economy enforces *scarcity*, not abundance, and it is *scarcity* that is the driver of those soaring concentrations of wealth; second because it ignores the essentially capitalist and competitively-determined character of the

emergence of this shortage economy – it is not the walls of Elon Musk’s stomach that determine the system’s dynamic,<sup>7</sup> but the grinding competition between units of capital of which Musk is only an excessively-rewarded functionary; third, because if you want an historic comparison, you should be looking at the period of early industrial capitalism – when the industrial economy was growing rapidly, but was small and constrained by the far larger agricultural economy that, crucially, would not decisively break through its own productivity and supply constraints in the core of the capitalist system until the mid-nineteenth century or so.

## Technological cul de sacs: data

This is not how the new economy is usually characterised. We are regularly, insistently told that the characteristic technology of our era, data technologies, is on the cusp of the most radical transformation in not only society – clearly this has happened – but of the prospects for the future economy, leading to a rise in growth. The extraordinary valuations of companies closely associated with the latest round of

More generally, technological innovation is typically the get-out clause used against any forecasts of slowing future growth: that capitalism has provided innovations in the past and, given a sufficiently large amount of capital available to invest, is likely to discover wonderful new inventions that break through the rise in costs, and open new avenues for sales and accumulation.

But there is a kind of optical illusion associated with the data economy in which what are, objectively, really impressive technological feats like the possibility of having something that feels like a natural language conversation with a computer blinds us to the hard economic facts grinding away behind them.

Take the estimates for catastrophic job losses from automation – the Oxford Martin school estimates, for example, from Carl Frey and Michael Benedict, that forecast almost half of all

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<sup>7</sup> Marx: “the limits to the exploitation of the feudal serf were determined by the walls of the stomach of the feudal lord.”

jobs in the US and other developed economies would be at risk of automation over the next 20 years.<sup>8</sup> But those estimates were produced in 2013 – we’re over halfway through the forecast period and, as everyone knows, we live in economies that are beset, if anything, by chronic labour shortages, rather than surpluses.<sup>9</sup>

Or start to examine the actual evidence for striking productivity gains from AI in different sectors of the economy. ING Barings, the Dutch bank, produced a recent report on the macroeconomic impact of AI, and you can almost sense their disappointment in finding, after providing careful estimates for productivity changes in a number of advanced economies that “Despite the increasing adoption of AI and other technological advancements over the last decade, productivity growth in many developed economies has been relatively slow in recent years.” Further, “at a macro level, we think...AI productivity gains, while significant, may not be quite so spectacular”.<sup>10</sup> The fundamental problem is that some gains from Big Data and AI techniques for specific tasks in specific companies and specific sectors get drowned out the lack of significant changes appearing across the rest of the economy.

Yet there is no doubt that the suite of technologies and infrastructure grouped around the use and processing of data are now *essential* in some fundamental way. There are more people globally with some access to the internet (5.35bn)<sup>11</sup> than there are with access to home sanitation (4.65bn).<sup>12</sup> The scale of this mass data infrastructure, and the relative speed with which it has been as-

<sup>8</sup> <https://www.oxfordmartin.ox.ac.uk/news/201309futureofemployment>

<sup>9</sup> McKinsey Global Institute, “Help wanted: Charting the challenge of tight labor markets in advanced economies”, 26 June 2024. <https://www.mckinsey.com/mgi/our-research/help-wanted-charting-the-challenge-of-tight-labor-markets-in-advanced-economies>

<sup>10</sup> ING, “AI productivity gains may be smaller than you’re expecting”, 12 April 2024. <https://think.ing.com/articles/macro-level-productivity-gains-ai-coming-artificial-intelligence-the-effect-smaller/>

<sup>11</sup> Lexie Pelchen, “Internet usage statistics in 2024”, *Forbes*, 1 March 2024. <https://www.forbes.com/home-improvement/internet/internet-statistics/>

<sup>12</sup> WHO/UNICEF, “Progress on household drinking water, sanitation and hygiene: Five years into the SDGs, 2000-2025”, Geneva, 2021. <https://washdata.org/sites/default/files/2021-07/jmp-2021-wash-households.pdf>



sembled, is breathtaking. Global internet traffic has grown from 156Gb transferred every second in 2002, to 150,000Gb a second in 2022<sup>13</sup> - a roughly ten thousand times growth. That data, in turn, requires storing and processing, driving demand for data centres. Sophisticated analytical techniques were developed, particularly with the explosive growth of social media from the mid-2000s, to process that data. Typically, this was steered towards providing more efficient means to target advertising, with the products of the digital economy – easier social connections, quicker ways to share photographs, instant messaging and so on – a by-product intended to lure consumers deeper into the machine, where they would then generate additional data. Each individual user was almost worthless, but if those individuals were taken, aggregated, and processed, new and valuable information about society could be generated.

Machine Learning today, the dominant technology in what we call “Artificial Intelligence”, is an extension of this process: take vast amounts of data, look for correlations within it that no human could ever find, generate outcomes from those correlations that can appear – to human eyes – almost magical: new sentences that seem to have been written by a human being, or fantastical, completely fake photographs. The growth in data use by Machine Learning has been exponential, from early models using around 94 million parameters like 2018’s “ELMo”, to 175 billion in 2022’s breakthrough ChatGPT-3.

However, because the underlying efficiency of the hardware used to run this software was not improving, the processing and analysis of this data began to use more and more energy and raw resources. AI has added rocket boosters to this problem. Training ChatGPT-3 is estimated to have generated 502 billion tonnes of CO<sub>2</sub> emissions through its electricity use, for example,<sup>14</sup> whilst forecasts for future improvements in ML models, assuming the

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<sup>13</sup> World Bank, “Crossing borders,” *World Development Report 2021*, World Bank Group, Washington D.C.

<sup>14</sup> Patterson, D., Gonzalez, J., Le, Q., Liang, C., Munguia, L.-m., Rothchild, D., So, D., Texier, M., And Dean, J. “Carbon emissions and large neural network training” arXiv preprint arXiv:2104.10350, 2021

same basic technologies are used, suggest larger and larger resource costs for increasingly marginal improvements.<sup>15</sup>

Once the machine is trained, it has to be used, and here the costs are smaller, but become very significant in the aggregate. The International Energy Agency, for example, estimate that the energy costs of an AI-enabled search are ten times greater than a conventional internet search.<sup>16</sup> And the resource use extends into other materials: water consumption at Google’s data centres has increased more than 60 percent in the last four years, for example, with data centre expansion provoking protests in Chile, Mexico and Ireland.<sup>17</sup> A single hyperscale data centre typically uses the same amount of water as 40,000 people. Microsoft *alone* is currently opening a new data centre, somewhere in the world, every three days.<sup>18</sup>

This means the data industry, which includes current AI technologies, is extractive. This extraction comes in two dimensions – first, that it requires incredible real-world resources to function, from the huge numbers of semiconductors to the energy and water demands of the data centres – and second, in the processing of human data to produce results humans will appreciate.

The resource costs are growing, and the weightier the resource burden of the data industry becomes, the more they are exposed to the increasingly chaotic environment. The production of the semiconductors that the AI software run upon is exceptionally dependent on incredible volumes of purified water to maintain the spotlessly clean fabrication labs where the silicon chips are produced. A typical fabrication plant could need 5 to 10

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 15 For example, taking the ImageNet facial recognition system to 90% to 95% accuracy has a hypothetical forecast cost of 10,000 megatonnes of carbon dioxide emissions, thanks to the exponential growth of its energy requirements. This level of accuracy is highly unlikely to be ever achieved in reality with existing models as a result. Neil C. Thompson, et al., “The computational limits of Deep Learning,” arXiv preprint arXiv:2007.05558v2, 2022

16 International Energy Agency, *Electricity 2024*, IEA: Paris, January 2024.

17 Abdallah Taha, Alfred Olufemi, “Data centres ‘straining water resources’ as AI swells,” *SciDevNet*, 15 November 2023.

18 Myles McCormick, Jamie Smyth, Amanda Chu, “AI revolution will be boon for natural gas, say fossil fuel bosses,” *Financial Times*, 1 April 2024.

million litres of water a day, equivalent to the daily consumption of 300,000 developed world households. Current semiconductor production is located in regions of existing water stress, so (for example) coastal Jiangsu, where 60% of China's semiconductor production takes place, is claimed to be the world's single most exposed region to the effects of climate change. TSMC's main plant in Taiwan was forced into reduced operations as a result of drought in 2021.

The critical point here is that data has to be thought of as a fundamentally *extractive* industry. This occurs in two dimensions: the first and most obvious is the sheer physical weight of the technology itself, from energy consumption to water use to copper wiring. The second, more obscurely but increasingly clear, is in its extractive operations against human society – mining our capacity to generate content, most notably including social relations, for its own products.

But because the data industry is fundamentally extractive, it also means it will hit limits, and suffer from the same kind of economics as other extractive industries: it becomes harder and more costly to produce the output as the cheap, easy, high-quality seams of the raw material are used up. But for the data industry, these raw resources are not all directly physical in the way we usually think of. Human society is an immense source of potential data: about our locations in time and space; our personal relationships; our physical health; our sexual preferences; our psychological state. But this is not limitless: the real limit is the amount of sufficiently high-quality human-generated data, rather than the amount of readily available oil or high quality farmland. And now AI might *already* be hitting the limits of data availability, as soon as 2026.<sup>19</sup> The current data industry solution to this limit is no solution at all, since it requires feeding AI generated content back into the AI machine, a process Cory Doctorow has described as “coprophagic AI”: as data fed into the machine gets worse, it produces worse results, which are then having to be

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<sup>19</sup> Deepa Seetharaman, “For data-guzzling AI companies, the internet is too small”, *Wall Street Journal*, 1 April 2024.

fed back into the machine. A recent paper in *Nature*, and called this “model collapse”: as more and more AI-generated data is fed into the AI machine, its outputs become more and more useless.

Alternatively, ways can be found to dig further and deeper into humanity – asking users for the kind of unlimited access to their data Microsoft’s “Rewind” function demands, for instance, or perhaps dragging those fresh new eyeballs in the less developed world into the digital economy.

## David Ricardo as model

Stepping back from the specifics, what we can see with the data economy is only a version of a problem economic theory has tended to disguise over the last two hundred years or so of modern economic growth. The first is a tendency to wildly overstate the real contribution of new knowledge to economic growth itself, highlighted in a brilliant, entirely mainstream 2022 paper by Thomas Phillippon,<sup>20</sup> which demonstrates (to my reading, pretty conclusively) that estimates of the past contribution of new technology and knowledge to economic growth had been overstated – and that, therefore, models suggesting exponential growth into the future on the basis of new knowledge would be wildly far of the mark. Economic growth as we have known it has not depended so much on new knowledge, as on the mobilisation of resources: labour, capital and energy. There will be no “fully automated luxury communism”.

Second, and directly related, is a point raised in ecological economics, and here I thinking particularly of the work of Amon Rezai, Gregor Semenieniuk, Duncan Foley and others, in demonstrating that productivity gains under capitalism have tended to have a hard limit in the growth of energy productivity – in other words, however much labour productivity may eventually grow, it will be pulled back towards the rate of growth in the improvement in energy efficiency over time.

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<sup>20</sup> Thomas Phillippon, “Additive Growth”, National Bureau of Economic Research, Working Paper 29950, April 2022.

The more the essentials dominate economic activity, the lower overall growth is likely to be. This is an inversion of the historic pattern of capitalist development, in which the leading sectors of the economy at any point in time tend to determine the overall rate of growth. Strictly, it is a reversion to an older form of capitalist growth – the kind analysed early nineteenth century economist David Ricardo, in which rapid growth in industrialising sectors of the economy was constrained by falling productivity in the fundamental sector of agriculture.

## The core dynamic of capitalism

To spell out the whole dynamic: capitalism has grown, over many centuries, by driving down costs and expanding markets. That meant reducing the costs of inputs to production, whilst simultaneously trying to secure rising demand. Labour was the hinge of the operation: on one side, every firm had an incentive to keep labour costs low; on the other, the more people in work, and better paid, the bigger the potential market for whatever might eventually get sold.

This balancing act was eventually managed on a world scale over the 2000s, with the Global North paying higher wages for services, which employed most people, and lower prices for manufactured good increasingly produced in East Asia. The financial system enabled one part of this, providing consumer credit that could guarantee sustained consumption during the boom years of the 1990s and 2000s, whilst the incredible expansion of the world's labour force, notably in China, provided the other half. Underwriting it all was the continual reduction in costs of production. If societies became increasingly unequal, and dominated by a narrow selection of major corporations, this was arguably a relatively small price to pay.

Part of the economy still functions in this old, cost-reducing, growth-producing way. China is moving to lead the world in electric vehicle production, with years of investment and government support delivering high quality vehicles at a price far

below the US equivalents. The US government, in a panic, has retaliated with punitive tariffs on Chinese EV imports, extending the trade and tariff dispute between the two countries. But the underlying problem, at least for Chinese manufacturers, is the relative weakness of US and developed world wage growth, increasingly squeezed by rising costs of essentials. Inside China, years of deliberate wage suppression and forced savings delivered the other half of globalisation – cheap goods for the richer world – but now leaves the country attempting a domestic transition just as ecological costs begin to rise.

For lower income countries, further removed from the global division of labour, the challenge of future development looks even worse. India and sub-Saharan Africa will be at the mercy of rising average temperatures, likely beyond the point where work is even possible. For example, almost half of India's projected population at a risk of severe climate hazard before 2050.<sup>21</sup> In the standard IPCC "business as usual" scenario, "India could become one of the first places in the world to experience heat waves that cross the survivability limit for a healthy human being resting in the shade, and this could occur as early as next decade."<sup>22</sup> This would directly impact the capacity of those affected to work. Arriving on top of a legacy of colonialism, underdevelopment and poor infrastructure, the likelihood of India reaching the level of wide-scale economic integration achieved by its neighbour to the north is progressively diminished by worsening climate change.

Integrating the still-growing populations of the Global South into the global division of labour, as China managed on a world-historic scale, will become increasingly difficult and costly because of rising average temperatures and worsening extreme

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<sup>21</sup> Harry Bocott, et al., "Protecting people from a changing climate: the case for resilience", 8 November 2021, McKinsey Global Institute, New York. <https://www.mckinsey.com/capabilities/sustainability/our-insights/protecting-people-from-a-changing-climate-the-case-for-resilience>

<sup>22</sup> Jonathan Woetzel, Dickon Pinner, Hamid Samandari, Rajat Gupta, Hauke Engel, Mekala Krishnan, and Carter Powis, "Will India get too hot to work?", 25 November 2020, McKinsey Global Institute, New York. <https://www.mckinsey.com/capabilities/sustainability/our-insights/will-india-get-too-hot-to-work#/>

weather events. The gap between urbanisation and productivity could worsen sharply – a planet of overheated slums.<sup>23</sup> Labour costs, like raw material costs, will rise further.

These rising costs to capital are the pure costs of employing labour at all – payments made to labour to secure its services that disappear into the costs of essentials and, increasingly, for its own care. The aging society is a cliché, inspiring panic in the developed world, especially, for decades now, and joined more recently by an equivalent panic in China. The rising costs associated with aging are the problem, but there has been, since covid, a sharp rise in illnesses across the world: Nature has published estimates suggesting at least 65m Long Covid sufferers worldwide which, to use a specific example of economic impacts, the European Commission estimates translates into an ongoing loss of 1.2m workers across the EU. But there have been dramatic increases in at least 13 other diseases since covid, including measles, whooping cough, cholera, malaria and dengue fever. Some of these surges have been extraordinary: Argentina had 3,000 reported cases of dengue fever in 2019, but over 488,000 in 2022. A combination of declining vaccine uptake, reduced immunity during social distancing and – crucially – climate change opening up new ecological niches appears to be to blame.<sup>24</sup> Here, covid represented a rapid movement along the demographic curve – the world is still aging, as the models expect, but it has become much sicker than it was. Climate change has further accelerated this demographic transition.

## The end of Keynesianism

These are not the labour costs of old, when rising wages and salaries might reasonably have translated into bigger markets for consumer products. This defined the old, Keynesian (or perhaps better, Kaleckian) settlement – the great win:win of capitalism in

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<sup>23</sup> Mike Davies, *Planet of Slums*, London: Verso, 2006.

<sup>24</sup> Jinshan Hong, Bhuma Shrivastava, "Yes, everyone really is sick a lot more often after covid", *Bloomberg*, 14 June 2024. <https://www.bloomberg.com/news/features/2024-06-14/why-is-everyone-getting-sick-behind-the-global-rise-in-rsv-flu-measles>

which better paid workers provided a bigger market for the sales of all capitalists, overcoming the “crisis of realisation” that, as Marx identified, was otherwise built-in to a system based on the competitively-determined exploitation of labour power.

These higher costs for labour do not, as in the recent past, mean higher real disposable incomes for workers and therefore bigger markets for sales – except, of course, for those able to dominate the production and sale of the essentials. But there are limits to the number of luxury yachts even the most corpulent of agribusiness oligarchs can purchase. The result is permanent, worsening downwards pressure on demand, reinforcing the decline in growth overall.

This, incidentally, helps account for the growing problems China’s leadership are facing in making their own transition from a low-wage, mass export economy to one of high-wages, and mass consumption. This “high road” path is visible for all to see, and China’s style of capitalist organisation should, in principle, allow a greater co-ordination amongst units of capital to enable it to be taken – the co-ordination problem inherent to high growth capitalism, of it being rational for capitalism as a whole to pay high wages, but not for any individual capitalist, can be overcome through state action.

But in reality higher costs for the employment workers are *not* reappearing as bigger markets for other capitalists to sell into: rather, workers are forced to devote more of their earnings to essentials, and the paucity of social provision in China continues to enforce high rates of saving. The result is a smaller than optimal domestic market, relative to rising labour costs; various solutions present themselves, including (for example) steps to loosen the *hukou* domestic registration system that enforces such restricted access to social services for millions of new urban dwellers. The primary winners from this process, as elsewhere, are those who can sit at the top of the essential-delivering systems – food, energy, water, and data: it is notable that China’s richest man throughout the early 2020s was owner of its biggest bottled water company.



## Farewell to the working class

To summarise: the global working class has quite likely peaked as both a share of the global population, and in absolute terms, given the likelihood of the demographic transition and, crucially, the rising costs and challenges in continuing to draw people into the global systems of labour. Ironically, this reduction in its size, either proportionately to humanity as a whole, or in absolute terms, is increasing the potential leverage and power of those remaining workers: that as labour power remains necessary at key parts in the system, and as technologies like AI and Big Data have failed to replace it, the relatively “tight” labour markets that cause such consternation for businesses are creating greater capacities for workers to reassert their power in the labour market. The “Great Resignation” was one, immediately post-pandemic version of this; the uptick in unionisation and strikes over 2022 and 2023, notably in the most neoliberal labour markets in the West, the UK and the US, was another edition.

But looking further out, the conditions of this upsurge and renewed potential work against its spread and generalisation. It is because workers are becoming less prevalent than they were that they can, in some sectors, command an economic power; to the extent that workers are necessary in the essential industries in particular, that power will be substantial. But what it does not point towards, as perhaps working class consciousness might arguably have once pointed towards, is the generalisation of that economic consciousness into an understanding of the need to change the whole of society. This is, obviously, a commonplace observation, not only (infamously) from Lenin in *What is To be Done* but from the entire Second International tradition in socialism since at least the late nineteenth century: of a recognition that the economic status of being a worker alone might only guarantee what Lenin called “trade union consciousness”.

In its place, there is the potential for what Mike Davies, in his last book,<sup>25</sup> and more recently Ajay Singh Chaudhary<sup>26</sup> have

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<sup>25</sup> Mike Davies, *Old Gods, New Enigmas*, Verso, 2019.

<sup>26</sup> Ajay Singh Chaudhary, *The Exhausted of the Earth*, Repeater, 2024.

pointed to, which is that the very experience of common crises mediated by common enemies – the corporations that squat in the centre of the new, shortage economy – can provide the political basis for a common programme. What Chaudhary calls “exhaustion” and the shared experience of ecological decline creates the possibility for shared consciousness and action.

This points away from the old, productivist politics and programme of earlier socialisms, and towards a politics in which securing and planning for those essentials (water, food, energy, data) in worsening conditions is one pillar, with maximising immaterial consumption and freedom is the other. Support for care work, for public spaces and public events, for incomes separated from work, and for socially just adaptation of our towns and cities are the new essential requirements.<sup>27</sup> We are not caught between the Apocalypse and Utopia, or socialism and barbarism, but instead face the smaller but more fundamental fights to secure social justice and meaningful lives for all in an unstable, rapidly changing world.

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<sup>27</sup> Brian Stone Jr., *Radical Adaptation: transforming cities for a climate changed world*, Cambridge University Press, 2023.