Book Review of "Power and Progress"

Acemoglu, Daron, and Simon Johnson. 2023. *Power and Progress : Our Thousand-Year Struggle over Technology and Prosperity*. First edition. New York: PublicAffairs.

By Easton Bevel

MIT professors Daron Acemoglu and Simon Johnson propose in their book "Power and Progress" that society's elites favor technological advancements that primarily benefit them. Simon Johnson is a former chief economist of the IMF, and Daron Acemoglu is known for his influential work, such as "Why Nations Fail." They suggest that shared prosperity from technological innovations is not guaranteed and that specific policies and institutions must balance power between elites and everyone else. While acknowledging the benefits of technological progress, the authors recommend that the government should play a more prominent role in addressing the negative consequences.

Acemoglu and Johnson explore how dominant narratives are established, such as the one linking progress to technological development, and how those in power shape them. Both authors are highly qualified for such a task, and the book does not lack source references. Their historical survey shows that successive technological advancements tended to benefit small elites, resulting in limited unintended benefits for the broader population. An example is the Industrial Revolution, which saw the unintended rise of a middle class even though the elites' primarily focused on profit maximization and cost reduction while largely ignoring social inclusion as a goal.

Today, corporations are used by some to generate wealth for a tiny elite while ordinary people's incomes have remained stagnant. Despite the upsurge in popularity of digital technology and artificial intelligence, the notion of shared prosperity has faded. Acemoglu and Johnson argue that the world's prosperity over the past millennium was not solely due to technological advancements but also to collective action by workers who challenged those in power. Johnson notes, "For anyone who believes that the productivity benefits necessarily trickle down through society and improve wages and working conditions, these formative episodes are hard to explain. But once you recognize that technology's advances look after the interests of those who are powerful and whose vision guides its trajectory, everything makes a lot more sense" (137).

The authors furnish examples of progress favoring elites at the expense of the working class, such as medieval feudalism, cotton production in the US South, and the Suez and Panama Canal construction. However, the authors omit that the government often enforced labor arrangements that favored elites, perhaps due to the authors' usage of modern labor relations as a lens to understand the historical analysis they conduct. For instance, the Suez Canal used compulsory labor. Acemoglu and Johnson assert that organized labor is crucial for a fair economy for workers. To use the Industrial Revolution example again, they credit unions for improving wages during it. Conversely, they do not address basic objections to these

assumptions, such as that workers compete against each other. Acemoglu and Johnson utilize modern labor relations as a lens to understand the past, which is occasionally a difficult fit.

The book's final chapter outlines critical measures for democracies to ensure the even distribution of benefits from the next technological revolution. The authors criticize the current governance of AI, which they believe will increase automation, surveillance, and inequality. They suggest ways to direct AI towards a better path. They propose policies such as ownership regulations, wealth taxes, union expansion, digital ad taxes, and a stronger social safety net. However, the mentioned policies require a state with the power to redistribute. Some observers assert for a state to have redistributive power that state must be totalitarian, leading to increased monitoring and surveillance. Other observers asset democratic processes can be sufficient to create counter balancing the powers of elites. The authors judge the past by the present standards and seek to make the future into their image, both seemingly detached from reality controlling at various historical and controlling in current times.

The book covers technological advancements over a thousand years, including the origins of agriculture and innovations in the Middle Ages. The writing is clear and engaging, weaving through history to reveal significant trends. It offers valuable insights into the evolution of technology. Yet, Acemoglu and Johnson's critique falls short as they do not consider how the winners structure the economy. Instead, they focus on the positive actions of humans in history while attributing negative outcomes to trends to be overcome. The book treats upward redistribution as a byproduct of market and tech progress. Thus, the policy recommendations are sometimes idealistic, while the historical interpretation is sometimes tunnel-visioned by the applied labor relations lens.

The current body of literature about AI and technological progress abound. Many of the most popular current works focus on specific technologies without historical context. "Power and Progress" brings a historical context to bear on the AI and technology debate. The historical context is enlightening and much needed as the current AI and technology field moves too fast for any contemporary analysis to be relevant for long. This work overcomes irrelevance by providing essential and relevant historical context.

Overall, the work is insightful and a must-read in business history and international relations literature along the lines of power relations. Though the authors seek to provide a new paradigm to understand technological progress, the result is an enlightening new history and perspective. Business historians will find the historical analysis pertinent and informative, especially for the future of labor relations and AI. The overreach of the argument comes from the depth of their historical analysis. Their book aims to impact the current societal structures; at the least, it informs them now. "Power and Progress" will be required reading for a historical understanding of trends regarding technology, specifically AI.

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