

Continuing the philosophy of sustainable civilization

**Review and criticism of Jeremy Rifkin's
The Zero Marginal Cost Society (2014)**

Lawrence C. Chin
(April, 2018)

Summary of the new economic paradigm of the Third Industrial Revolution

I shall very briefly summarize Rifkin's description of the new economic paradigm which he predicts will come out of the Third Industrial Revolution. (My focus in this essay is on criticism, not exposition.) The new economic paradigm is the coming-together of the Communication Internet, the (renewable) Energy Internet, and the Logistic Internet to constitute the Internet of Things powered by renewable energy. Most of the goods and services will be produced and distributed at near zero marginal cost. And energy as well. Today, many books, software, videos, and musics are already produced by amateurs and professionals alike and shared on social media for free. Eventually, many more products will be produced by these “prosumers” in like manner, thanks to 3-D printing. We are already seeing today the sharing of bikes, cars, clothes, and even homes over the Internet. Eventually, most of the things in life, even energy, will be shared in the same way. Each person will be collecting solar and wind power from his or her own household and sharing it, for free, over the Internet. This will become the Energy Internet. (For the Logistics Internet, see below.) This Internet of Things will boost economy's aggregate efficiency from the current level of 14 percent to 40 percent. It will be an economy of sharing, based on access rather than ownership, where private property and profit margin are replaced by sharing, Open Source, and near zero marginal cost. It will be a society of abundance, where everything one needs is practically free and available at all times, in stark contrast to the current economy which is based on the notion that resources are scarce and therefore should be sold for profit. This new (Third Industrial) economic paradigm is currently already co-existing with that of the Second Industrial Revolution based on proprietary ownership, private property, profit margin, and the scarcity of resources, and will eventually become the dominant mode. It's the Millennials who have grown up with this new economic paradigm, who have been habituated to it, and who will become its primary carriers.

The Commons structure was the dominant economic model during the Medieval period (the “feudal Commons”). By the First Industrial Revolution it had pretty much disappeared when landlords enclosed all Commons and turned them into private properties to be exchanged on the market. Rifkin predicts that the Commons structure will soon be revived as the dominant model. The economy of the First and the Second Industrial Revolution is based on the enclosure model, where the infrastructure resources like electricity, communication, and water are either managed by the central government or sold off to private companies, the consumers themselves having no say. The economy of the Third Industrial Revolution will be a Collaborative Commons, where all the resources are public property managed by all the participants (prosumers) themselves.

This economic mode of Collaborative Commons is congruent with the upcoming near workerless society. Automation, robotics, and artificial intelligence have already been increasing productivity

while shedding human labor at the same time. Soon, they will prompt corporations to phase out human labor altogether, resulting in a near workerless economy. For products that are not produced by prosumers themselves but, as is traditionally done, in factories, they will be produced without human labor, the process supervised by a small group of professional technicians. Most of the jobs will shift to the Collaborative Commons, especially to the nonprofit organizations therein. It will thus be a world (in the words of John Maynard Keynes) “where machines have freed up human beings from toil in the marketplace to engage in deep cultural play on the Commons in the pursuit of more lofty and transcendent goals” (p. 268).

A word about the Logistics Internet. For those products that are still produced in factories, they will be distributed on an open logistics infrastructure (an open supply web managed by sophisticated analytics and algorithms) which shall replace the traditional point-to-point transportation. (This is explained on p. 220 -1.)

Rifkin's calculation of the sustainability of human civilization

Rifkin is doing philosophy of sustainable civilization. His concern is also that human civilization, as it stands, is unsustainable, and he locates the problem, as does everyone else, in over-population. The numbers he provides however produce a different picture. In 1961, the total population of the earth had an ecological footprint only about half of the planet's biocapacity. In 2008, the 6.7 billion human beings on the planet had an ecological footprint of 18.2 billion hectares, already exceeding the 12 billion hectares of the planet's biocapacity. The earth cannot sustain such population size for long. “The United States alone, with only 4 percent of the world's population, was using 21 percent of earth's available biocapacity...” (p. 275). Rifkin then cites Lester Brown, founder of the World Watch Institute: if everyone on the planet lives like an American (consuming 800 kilograms of grain per year, including the grain fed to the animals eaten), the earth can only support 2.5 billion people. If everyone lives like an Italian (400 kilograms of grain per year), the earth can support 5 billion people. If everyone lives like an Indian (200 kilograms), the earth can support 10 billion people. Rifkin regards the average Italian as the healthiest, which means human population must be reduced to 5 billion.

Criticism: A. false evaluation of the millennial generation

Rifkin believes the Millennials will usher in sustainable civilization. He has nothing but praises for the Millennials. He cites studies demonstrating that the Millennials are more empathic of others, more concerned with others, more oriented toward others; less trusting toward governments, business community, and experts of all kind; far more socially progressive (positive toward women, people of color, homosexuals, and people with disability) than their parents; and generally less materialistic (more interested in living a meaningful life than simply making money) – this, especially after the 2008 financial crash. This is precisely the personality which corresponds to the Collaborative Commons.

In a Hegelian or Voegelinian, or rather Comtean, manner, Rifkin attributes a particular type of consciousness to each of the successive economic paradigms in the past. The mythological consciousness developed as a correlative of the hunting-gathering economic mode; the theological consciousness, of the hydraulic agricultural production; the ideological consciousness, of the coal-powered industrial nation-states; and the psychological consciousness, of the fossil fuel-based industrial societies. Rifkin emphasizes that every economic paradigm tends to condition the emergence of a particular view of nature or what reality is in which the economic paradigm would appear simply

as part of nature or how reality works without the possibility of alternatives being imagined. This particular world-view thus legitimizes the current economic paradigm. Thus feudalism conditioned the philosophy of St Thomas Aquinas, feudalism's transition to market economy conditioned the Protestant ethic, and market economy conditioned John Locke's philosophy about private property. In a way, this is Rifkin's own formulation of historical materialism (how the substructure conditions the superstructure). Today, a "biosphere consciousness" (seeing oneself as sibling with not simply the rest of humanity but also with the rest of the biosphere) has developed among the Millennials to correspond to the new economic system based on the Internet of Things and renewable energy. The Millennials are more empathic not only toward their fellow human beings, but also toward all life forms and the earth environment itself. Rifkin calls them *Homo empathicus*. This is in sharp contrast to the human nature which the economists for the previous two Industrial Revolutions have assumed to be the norm: the autonomous and rational agent motivated by self-interests and with little interest in others (the man of private property).

Rifkin confirms my general impression of the Millennials – less materialistic, more progressive – except this. The Millennials *try* to be, *want* to be, more empathic of others, but have in fact lesser ability to understand other people's psychology because they are much dumber than the previous generations and much simpler in psychological make-up. Once again, the problem is: having the habit for one thing doesn't necessarily mean one is good at it. Just because the Millennials are more social and more concerned with other people, just because they are habitually more empathic, this doesn't mean they are *good* at empathy. The Internet they have grown up with has significantly eroded their ability to understand other people's psychology along with their critical thinking ability just as it has simplified their psychological make-up.

My criticism of Rifkin, just like my criticism of Putnam, is thus that his understanding of the matter is rather shallow. This, for example, sums up his admiration for the Millennials (their embodiment of the new economic paradigm):

A new smart infrastructure, made up of an interactive Communications, Energy, and Logistics Internet is beginning to spread nodally, like Wi-Fi, from region to region, crossing continents and connecting society in a vast global neural networks. Connecting every thing with every being – the Internet of Things – is a transformational event in human history, allowing our species to empathize and socialize as a single extended human family for the first time in history. A younger generation is studying in global classrooms via Skype; socializing with cohorts around the world on Facebook; gossiping with hundreds of millions of peers on Tweeter; sharing homes, clothes, and just about everything else online in the Communication Internet; generating and sharing green electricity across continents over the Energy Internet; and, in the process, shifting the human journey from an unswerving allegiance to unlimited and unrestrained material growth to a species commitment to sustainable economic development. This transformation is being accompanied by a change in the human psyche – the leap to biosphere consciousness and the Collaborative Age...

Rifkin goes on to describe the Millennials' increasing awareness of their connection to everything else in the biosphere. He concludes:

Today's youth, connecting with one another across virtual and physical space, is quickly

eliminating the remaining ideological, cultural, and commercial boundaries that have long separated 'mine' from 'thine' in a capitalist system mediated by private property relations, market exchanges, and national borders. 'Open source' has become the mantra for a generation that views power relationships in a fundamentally different fashion than their parents and grandparents did. In a geopolitical world, the conversation cues from right to left and hones in on the question of who should own and control the means of production, with some favoring capitalism and others socialism. The Millennial Generation rarely speaks of right versus left or capitalism versus socialism. When Millennials judge political behavior they have a very different political spectrum in mind. They ask whether the institutional behavior, be it in the form of government, political party, business, or educational system, is centralized, top down, patriarchal, closed and proprietary, or distributed, collaborative, open, transparent, peer-to-peer, and an expression of lateral power. Young people are going beyond the capitalist market even as they continue to use it. They are comfortable conducting much of their economic life on a networked Collaborative Commons and engaging each other in the social economy as much as in the market economy (p. 302 – 3).

As can be seen, Rifkin praises the Millennials in the same way cultural feminists have praised women – this feminine mode which is now increasingly characterizing the new economic paradigm. This is not incidental: the Millennials are a matriarchal species among whom feminine values reign supreme.

We must here resort to my old observation that, in life as in history, there is always an inescapable equilibrium: whenever one advances in one domain, one necessarily suffers setback in another, so that, in the end, there is no net gain when everything is considered together. While the consciousness of the Millennials is certainly more expansive than their parents' and grandparents', it is also more shallow. They connect with and love more people and other beings in farther places, but the emotions and thoughts that are involved in the process are also simpler. The expansion of breadth is compensated by the loss of depth.

When Rifkin praises the Millennials, he of course means only the liberal progressive wing among them. The Alt-Right movement has also started among the Millennials, but Rifkin excludes them from consideration. This is justified because the liberal progressives constitute the majority among the Millennials. I shall speak likewise here. What Rifkin has praised with the epithet *Homo empathicus* I have, however, always regarded as threat. I have always seen a close parallel between the Millennials and the Red Guards from the Chinese Cultural Revolution: in their eagerness to condemn and root out all the racism and sexism in this world, the Millennials have targeted and tormented so many innocent people who have only slightly deviated from their established dogma and who have merely wanted to use reason. As soon as one witnesses how the Millennials treat the “deviants” (those who have failed to completely agree with them), any notion that this species is more empathic than the previous generations is immediately exposed and discredited.

That the Millennials are in fact characterized by intolerance, and therefore lack of empathy, is well known among those who have suffered their attacks. This doesn't simply include the Alt-Right activists but also anyone who is not completely politically correct. I can use here the most recent example of Lindsay Shepherd. She is a leftist whom the leftist Millennials have eaten up themselves – one of their own. If you are familiar with her story, you will certainly agree with her assessment that these leftist Millennials are so intolerant and so lacking in empathy that they frequently pull the nastiest tricks to

destroy anyone who doesn't agree with them one hundred percent. They operate by (fundamentalist) dogmas and cannot tolerate any nuances and variations, i.e. any attempt to use reason. What Shepherd and others have missed however is the fact that the cause for the Millennials' inability to tolerate nuances is their intellectual deterioration. Because they are simple-minded and can't think, they can't see that Shepherd is actually a more sophisticated version of themselves. They can't tolerate nuances because they can't really see them.

We all know the phenomenon: that struggle to come up with words to describe a newly confronted situation. When we are confronted with a situation which has not been previously described, to which therefore no established descriptions or existing slogans correspond, only the more intelligent and sensitive among us can play upon the existing language to invent a new description, or a new slogan, to accurately describe it. To describe what is in fact a new situation, the dumber ones simply employ an established description or existing slogan which has already been invented to describe something similar, but not the same, which has come before. When Shepherd champions openness of mind to consider all points of views in common with the Alt-Right activists, those less sensitive Millennials, because they are mentally deficient, cannot invent a new description to describe this “new thing” which hovers in-between them and the Alt-Right. And so they simply call her “Alt-Right” or “white supremacist”, which she is not. The example I have persistently used is the inability to perceive the secondary colors in-between the primary colors like red, blue, and yellow so that, when confronted with purple, a secondary color, one simply calls it “blue” or “red”. As Shepherd has somewhat noticed, her fellow Millennials aren't smart enough to notice “nuances”.

Then there is the example of myself, the world-famous “insane and plagiarizing impersonating and computer-hacking racist misogynist terrorist stalker”. My story is precisely how these Millennials would turn a genius into a misogynist terrorist stalker and proceed to hunt him down because they are too stupid and uneducated to recognize a genius and too eager to do something to contribute to the dismantling of “patriarchy” (to exhibit their “empathy”) unaware that it hardly exists anymore. Because Rifkin's understanding of the matter is shallow and superficial, he simply doesn't see the threat which the Millennials with their greater “empathy” represent – their dark side. Because Rifkin has a shallow understanding of social reality and human psychology, he has mistaken the Millennials' fundamentalist or dogmatic pursuit of social justice (like the Red Guards' hunt for rightwing counter-revolutionaries) for “empathy”. Only somebody who has suffered their dark side can see through the false beauty which a shallow and superficial understanding like Rifkin's has painted. The Millennials are simply not intelligent enough to distinguish between the innocent and the guilty, or to understand what “intolerance” (sexism and racism and so on) is and recognize where it exists.

The fact that Rifkin could have considered the most intolerant and unsympathetic generation as *Homo empathicus* is indication of the shallowness and superficiality of his whole understanding. The Millennial bunch appears to be empathetic when you see them shower “empathy” upon those who fit their notions of things. Few pay attention to their lack of any empathy toward the slightest deviance due to their intellectual deficiency.

Criticism: B. false evaluation of the newly emergent educational model

Rifkin's shallow understanding also leads him to high praises for the transformation of the education system. The transformation which he has described consists in three things: (1) peer-to-peer collaborative learning; (2) service-learning; and (3) the increasing proportion of online teaching

(MOOCS, or Massive Open Online Courses). Rifkin speaks of collaborative learning and service-learning as if they were brand new, unaware that Hannah Arendt has already in 1959 criticized the pragmatist philosophy of education (one never learns something except through hands-on experience) which is similar to the philosophy of service-learning. Then, critics of the McDonaldization of education have also in recent years severely criticized the so-called “student-centered learning” as contributing to the dummification of the new generation of students. The increasing replacement of traditional learning by collaborative learning and service-learning is certainly also part of the cause for the decline of critical thinking ability among the Millennials. (And yet Rifkin cites one study showing that service-learning improves test scores on standardized tests.) The inferiority of online teaching (in the sense of learning less, although Rifkin cites social factors such as the isolation which the students feel in online environment) should be obvious, and yet Rifkin praises online learning for its ability to deliver class materials to hundreds of thousands of students in all corners of the earth instead of to merely a handful of students in the same locale. My view is that these new trends of learning, while democratizing education, is turning out dumber students. Rifkin, because his understanding of the matter is rather superficial, is not concerned with real intelligence (especially critical thinking ability). Critical thinking ability is best developed through the traditional, boring, method of reading great books and listening to professors explaining them. Although I would agree to allow service-learning to complement the reading of great books, ridding education of the latter in favor of the former is like abandoning the goal of liberal education in the cultivation of critical thinking ability.

In general, Rifkin regards as positive the removal of increasing number of human activities to online medium. He pays no attention to the growing number of studies which show that doing things online hurts our cognitive ability as well as isolates us from other human beings. He also pays no attention to how the Internet has tremendously facilitated the spreading of lies and rumors (like crazy conspiracy theories) so as to further erode the dumb masses' connection to reality. His focus is entirely on the advantages which the Internet brings without any mention of the disadvantages. In this way he has completely overlooked the continual decline of intelligence among the newer generation which is supposed to usher in his version of sustainable civilization.

Criticism: C. false evaluation of (over-enthusiasm about) the Commons structure

Rifkin is more or less an ideologue of cyber-libertarianism. He shares the cyber-libertarians' passionate belief in the superiority of peer-to-peer Commons management: in his view it will not only result in greater productivity and sustainable civilization but is also desirable for social justice reasons, i.e. “the best governing model to ensure that the benefits of a near zero marginal society are realized rather than stymied” (p. 172), namely, that benefits will be fairly distributed to all. For this reason, he has nothing but praises for the prosumer model (Amazon, Facebook, Twitter, Wikipedia). He pays no attention to the growing criticism of such system – “the blind leading the blind”, or Andrew Keen's *The Cult of the Amateur*, especially given the Millennials' universal distrust of experts. Thus he completely brushes aside the negative consequences of the Commons model, i.e. without the guidance of experts in a “top down structure” (“vertically integrated structure”), the Millennials will become dumber and dumber as they confuse each other in their increasingly lateral peer-to-peer environment. Rifkin praises the lateral structure because peers helping each other without an authority above them and directing them sounds “democratic”. (See, for example, his praises for the emerging health care Commons where patients' sharing information with each other about their medical conditions actually leads to everybody's (including the physicians') better understanding of the diseases.) He has completely overlooked the dark side which, for example, my story has illustrated: tens of thousands of young people connecting

with each other online to track, complain about, and take down a “misogynist terrorist stalker” – Rifkin will certainly praise this community vigilantism made possible by social media – without understanding that this “stalker” is but a figment of their imagination. I'm criticizing Rifkin in the same way in which I have criticized Putnam: ordinary people, because they are dumb and don't live in reality, are merely wasting their, and other people's, time when they come together for a common cause. Because Rifkin has a shallow understanding of reality, his conception of the peer-to-peer Commons is limited to economic causes, i.e. when people come together to share consumer products and electricity. In this the Millennials are blameless because it doesn't require much brain-development to share things. Rifkin's mistake here is consistent with his pervasive over-evaluation of the Millennials' “empathy”. Brain-development is simply not an issue for him because he only understands things on a superficial level.

Conclusion: Rifkin's version of sustainable civilization

I have no particular opinion about whether the new economic paradigm which Rifkin has outlined will indeed usher in sustainable civilization. It seems that an economy of Collaborative Commons formed out of the Internet of Things and powered by distributed renewable energy will indeed result in sustainable civilization. Rifkin has convincingly described how, for example, car-share and bike-share through apps on one's smart phones will decrease the production of automobiles resulting in money-saving for everyone and less CO2 emission for our atmosphere (bad news for the automobile industry). This, not to mention that the cars shared will soon all be electric and driverless. Rifkin has also convincingly shown how all the major corporations will decline in size and influence when their already thin profit margins shall shrink further in face of an emerging sharing economy. In general, if everything is shared instead of being owned, and if aggregate efficiency is tremendously increased, less resources will indeed be used to produce less products, thus sparing the Mother Earth. Rifkin has furthermore convincingly demonstrated that the Millennials are far more receptive of sharing instead of owning due to their growing up with the Internet. My criticism here is merely meant to point up the fact that Rifkin's version of sustainable civilization, like Bilderberg's, is, at bottom, merely *a sustainable civilization with dumb people*.

There are two options of sustainable civilization: a sustainable civilization with dumb people, or a sustainable civilization with intelligent people. When the current economic model turns out to be unsustainable in the long run, there are two options: either reverse the current course of economic development or accelerate it. The first can be called “counter-revolution”. The most prominent example of this in history is Khmer Rouge (kill all the intellectuals and turn everybody else into peasants). My own proposal or those of the Degrowth and Convivialist movements can also be considered to be “counter-revolution”. The Bilderbergers' approach is an example of the second option (acceleration). My “counter-revolution” is supposed to create a *sustainable civilization with smart people*, whereas the Bilderberg version is supposed to create a *sustainable civilization with dumb people*.

Rifkin's version of sustainable civilization is another example of the second option. In fact, since the EU has already adopted his Third Industrial Revolution, his version is expected to blend into Bilderbergers' program for the whole world. Rifkin's idea about a steady-state economy based on peer-to-peer sharing and powered by renewable energy even resonates with the demands for “no-growth economy” among the Convivialists and Degrowth movement. Furthermore, his vision about a new *Homos empathicus* is similar to my vision of a new human type for sustainable civilization who shifts interest away from consumer products and toward other human beings (people becoming interested in

each other instead of in consumer products in order to reduce consumption). Rifkin's idea is really workable. However, because Rifkin's understanding is shallow and superficial, he pays no attention to how electronics and the Internet are eroding the new generation's cognitive capacity. A new civilization built on the basis of a extremely dummifying technology, albeit sustainable, will be peopled by much dumber people. It's for this reason that I'm horrified at his ideas.

Rifkin, in view of his optimism and utopian spirit, is almost Marxist. He believes in the *natural* development of the Collaborative Commons out of the capitalist system of the Second Industrial Revolution – from the very body of the fossil-fuel based economic system of the Second Industrial Revolution a new economic paradigm is emerging based on the Internet of Things and renewable energy and which is more empathic and sustainable while promising abundance (where everyone's needs will be met). While Marx believed that capitalism with its social injustice would inevitably transit (albeit through violent revolutions) into a communist society free from exploitation and alienation (i.e. where all social injustices were resolved), Rifkin believes that the Second Industrial Revolution will inevitably give way to a Third Industrial Revolution which is not only more just with its lateral, peer-to-peer Commons structure but which is also sustainable. (In this respect he is similar to, e.g. the Chinese communist revolutionaries of the 1920s who believed that Marx's program for social justice can also be used for nation-building, i.e. for transforming China into a world-power again.) Rifkin is also in line with the direction of history: the Third Industrial Revolution is basically about the democratization of information, the democratization of energy, and the democratization of manufacturing, along with the democratization of education and currency. Rifkin reckons that the new economic paradigm of the Third Industrial Revolution should lead to a population reduction to around 5 billion people which is sustainable with current agricultural output. (Like the Bilderbergers, Rifkin reckons that, when the economy of abundance reaches the third world as well, women there will have less babies, eventually bringing down total human population.) His only doubt lies herein: climate change might result in the reduction of agricultural output and therefore threaten the sustainability of a new economy with 5 billion people. (His other doubt concerning the threat posed by hackers is not worth considering.)

Here I'm also horrified in that, if the Collaborative Commons structure – if the further democratization represented by the Third Industrial Revolution – does indeed result in sustainable civilization, people might never discover that it is precisely these “democratic” values which the Millennials embody which have created an unsustainable civilization in the first place. Everyone will wrongly believe that the feminists have always been correct: it is patriarchy and hierarchy which has brought human civilization to the brink of collapse. Rifkin has shaken my confidence in my model that only by eradicating political correctness (the legacy of 1968) can we achieve sustainable civilization. According to Rifkin, we can achieve it also by developing political correctness even further. What is unclear is what new ideological superstructure shall be produced by the new substructure of Collaborative Commons – i.e. how this political correctness shall develop further. It is the consumer society which has produced the matriarchal and politically correct ideas which now dominate the heads of the Millennials. When the Millennials have come of age in the new economy of the Third Industrial Revolution, these ideas might very well begin to be replaced by a new set that is congruent with a society of abundance and without work but which is as oppressive and socially unjust as the current political correctness.