



Rethinking the AI Society Through Episodes in Economic History -Keynes's Prediction, the Luddite Movement, and Adam Smith-

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■ Lessons for the AI Era from the History of the Industrial Revolution

At present, no one can provide a definitive answer as to how artificial intelligence (AI) will ultimately reshape the economy and society. Nevertheless, a large group of economists, including Nobel laureates, recently issued a short statement entitled *We Must Act Now*, arguing that AI may exert an even greater impact than the Industrial Revolution itself. Against this backdrop, it is worthwhile to revisit several episodes from economic history surrounding the Industrial Revolution in order to consider the future shape of an AI-driven society.

Let us begin with John Maynard Keynes. Born in post-Industrial Revolution Britain, Keynes closely observed the economic and social transformations brought about by industrialization. In 1930, he famously predicted that “one hundred years hence, people would need to work only three hours a day to secure the necessities of life.” At first glance, this prediction appears not to have materialized. Yet, depending on the pace and scope of AI advancement, Keynes’s forecast may prove remarkably prescient by its target year of 2030. In such a world, people may indeed need to work only three hours a day.

Whether such a future becomes a utopia or a dystopia remains an open question. If productivity gains enabled by AI allow individuals to enjoy prosperous and fulfilling lives while working only a few hours per day, it would represent a highly desirable outcome. Conversely, if AI displaces human labor on a massive scale, people may find themselves able to work only three hours a day not by choice but because employment opportunities have vanished, leaving them with only marginal incomes and a precarious standard of living.

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■ Insights from the Luddite Movement

If the dystopian scenario were to unfold, what might follow? One historical parallel is the Luddite movement. During the Industrial Revolution, workers who feared that machines would deprive them of their livelihoods resorted to destroying industrial equipment. Governments ultimately suppressed the movement, preventing it from becoming a prolonged social phenomenon. Moreover, the convenience and efficiency offered by mechanization proved attractive to society at large. In the end, machines increasingly took over tasks that had once been carried out by human labor.

In this sense, the Luddite movement can be regarded as a failure. Yet its broader historical significance should not be overlooked. The movement helped stimulate interest in organized labor and contributed to the subsequent rise of trade unionism. At the same time, widening economic disparities between capital owners and workers led Karl Marx to publish works such as *Das Kapital*, while socialism and communism gained growing influence in political and intellectual discourse.

The Industrial Revolution, therefore, was not merely a period of technological innovation or social transformation. It also gave rise to new modes of economic thought and competing visions of how society should be organized.

Viewed from this perspective, it seems highly likely that AI will fundamentally alter the nature of work. At the same time, it is equally likely that some groups will be disadvantaged by these changes. Consequently, AI should not be treated solely as a technological issue. Equally important is the question of how its benefits can be distributed broadly across society. This challenge requires careful and sustained consideration.

■ The Invisible Hand of God and the Artificial Hand

This year marks the 250th anniversary of the publication of Adam Smith's *The Wealth of Nations*, widely regarded as the first systematic treatise on economics. The book was published during the era of the Industrial Revolution, and economics itself can be viewed as a discipline born from the profound transformations of that period.

In *The Wealth of Nations*, Smith argued that the “invisible hand” guides markets toward equilibrium between supply and demand. Yet Smith's intellectual legacy extends beyond economics. In *The Theory of Moral Sentiments*, he emphasized that sympathy and fellow feeling are fundamental aspects of human nature. Reading *The Wealth of Nations* alone, one might conclude that Smith's primary concern was maximizing the wealth of nations as collective

entities. However, when viewed alongside *The Theory of Moral Sentiments*, it becomes clear that he was equally concerned with enhancing the well-being of individuals.

Today, by contrast, policymakers and economists are increasingly raising concerns that AI could function as an “artificial hand.” Gita Gopinath, First Deputy Managing Director of the International Monetary Fund (IMF), among others, has warned that relying solely on market forces may allow the gains from AI to become concentrated in the hands of a limited number of actors, thereby undermining the balancing function traditionally attributed to the market’s invisible hand.

Similarly, Yuval Noah Harari, known for *Sapiens*, has argued that the rise of AI may produce not only a new digital aristocracy that dominates economic and social life, but also a world in which algorithms themselves become the ultimate governing force. Such a development could lead to a new form of algorithmic totalitarianism.

To avert these dystopian outcomes, many economists advocate policy responses that extend beyond conventional regulatory frameworks. They also emphasize the necessity of international cooperation, recognizing that the influence of AI transcends national borders and cannot be effectively governed through purely domestic measures.

As noted above, the Industrial Revolution gave birth not only to economics as a discipline but also to powerful ideologies such as capitalism and socialism. If AI ushers in a new industrial revolution, it may do more than rewrite economics textbooks. It could also generate entirely new systems of thought that reshape human behavior, social organization, and political values on a much broader scale.

In such an era, policymakers and researchers will need to adopt a perspective similar to that of Adam Smith: one that asks not merely how to increase productivity, efficiency, or aggregate wealth, but how economic and technological progress can contribute to the well-being and happiness of each individual. Ultimately, the central challenge of the AI age may be ensuring that innovation serves humanity as a whole rather than becoming an end in itself.

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