

## The forever recession

By Seth Godin

There are two recessions going on.

One is gradually ending. This is the cyclical recession, we have them all the time, they come and they go. Not fun, but not permanent.

The other one, I fear, is here forever. This is the recession of the industrial age, the receding wave of bounty that workers and businesses got as a result of rising productivity but imperfect market communication.

In short: if you're local, we need to buy from you. If you work in town, we need to hire you. If you can do a craft, we can't replace you with a machine.

No longer.

The lowest price for any good worth pricing is now available to anyone, anywhere. Which makes the market for boring stuff a lot more perfect than it used to be.

Since the 'factory' work we did is now being mechanized, outsourced or eliminated, it's hard to pay extra for it. And since buyers have so many choices (and much more perfect information about pricing and availability) it's hard to charge extra.

Thus, middle class jobs that existed because companies had no choice are now gone.

Protectionism isn't going to fix this problem. Neither is stimulus of old factories or yelling in frustration and anger. No, the only useful response is to view this as an opportunity. To poorly paraphrase

Clay Shirky, every revolution destroys the last thing before it turns a profit on a new thing.

The networked revolution is creating huge profits, significant opportunities and a lot of change. What it's not doing is providing millions of brain-dead, corner office, follow-the-manual middle class jobs. And it's not going to.

Fast, smart and flexible are embraced by the network. Linchpin behavior. People and companies we can't live without (because if I can live without you, I'm sure going to try if the alternative is to save money).

The sad irony is that everything we do to prop up the last economy (more obedience, more compliance, cheaper yet average) gets in the way of profiting from this one.