A New Economic Horizon: Navigating the Transition to a Post-Scarcity Future

1.0 Introduction: The Obsolescence of Scarcity

For centuries, economic thought has been grounded in the principle of scarcity, the assumption that limited resources must be allocated to satisfy infinite human desires. This paradigm has shaped every dominant school of thought, from classical economics to neoliberal capitalism. Today, a convergence of crises—deepening ecological limits, persistent social inequality, and the exponential advancement of technology, particularly Artificial Intelligence (AI)—is challenging this foundational assumption. The central question is no longer merely how to manage scarcity, but whether we must consciously design a future of managed abundance. This transition is not a matter of passive prediction but of active political choice. This paper critically analyzes and synthesizes the competing political projects for a post-scarcity economy, evaluating their potential, inherent risks, and the transitional pathways they propose.A 'post-scarcity economy' is a civilization where technological capacity enables the systemic **decommodification** of labor and basic necessities. It represents a fundamental shift away from organizing society around **exchange value** toward prioritizing **use value** , where resources are managed through **non-market mechanisms** to meet human needs directly. In such a system, the measure of success moves from the accumulation of capital to the fulfillment of human potential and the well-being of the collective. This vision, which posits Earth's resources as the common heritage of all people, is being enabled by powerful technological forces capable of reconfiguring the very fabric of society.

2.0 The Twin Engines of Transformation: AI and Automation

To comprehend the shift to post-scarcity, it is crucial to understand AI and automation not as mere tools for efficiency, but as general-purpose technologies (GPTs). Like the steam engine or the internet, they are foundational technologies with the power to reconfigure labor, value creation, and economic governance. The central conflict of this transition hinges on whether these engines will be architected to centralize power or to decentralize it.

2.1 The End of Labor as We Know It

The impact of AI on the traditional labor market is profound, representing a structural break from previous technological waves. Historically, automation displaced physical tasks, but its gains in productivity eventually created new forms of employment. The current transition is different. As a general-purpose technology for *cognition* , AI is capable of automating not just routine tasks but a growing range of cognitive work, threatening to make human labor structurally obsolete on a mass scale.This creates a scenario where the variable costs of production, principally labor, drop towards zero. While promising unprecedented productivity, this trend precipitates a fatal **demand crisis** within capitalism. As mass automation displaces workers, it erodes their purchasing power. Without masses of consumers earning wages, the mass production that defines industrial capitalism becomes unsustainable. The system risks consuming itself, as it possesses no internal corrective mechanism to recover from a scenario where mass

unemployment prevents the population from generating the demand necessary to purchase mass-produced goods.

2.2 A Double-Edged Sword: Centralization vs. Decentralization

The technologies driving this transformation possess a dual potential, capable of enabling both extreme centralization and radical decentralization.On one hand, AI and digital platforms can lead to an unprecedented concentration of wealth and power. This dynamic, termed **'techno-feudalism'** , describes a world where the owners of AI and "cloud capital" become a new ruling class of 'cloud feudalists'. In this model, the general population is reduced to the status of 'cloud serfs', generating behavioral data and depending on platform owners for their livelihood. This is the political realization of technology architected for centralization.On the other hand, a different suite of technologies offers a pathway toward a decentralized and equitable future. Technologies like blockchain and governance models such as Decentralized Autonomous Organizations (DAOs) are advanced as tools for creating a **collaborative commons** . Proponents argue these systems can enable peer-to-peer value exchange, shared ownership, and distributed governance, providing a structural alternative to the extractive logic of centralized platforms.

2.3 Information vs. Knowledge: The Limits of Central Planning

Despite its immense computational power, AI does not resolve the foundational 'knowledge problem' that renders macro-level central economic planning unworkable. This limitation stems from the critical distinction between 'information' and 'knowledge'. As economist Peter Boettke explains, information is the **stock** of the existing known, while knowledge is the **flow** of new and ever-expanding areas of the known. AI is exceptionally proficient at collating and processing information—vast stocks of existing data. However, it cannot replicate knowledge, which requires context, interpretation, and purposeful human action.Drawing on the arguments of Ludwig von Mises and Friedrich Hayek, this knowledge problem remains a fatal flaw for central planning. Knowledge is decentralized and often tacit, emerging only within the specific context where individuals act. Because AI is an ex-ante, non-market mechanism, it cannot access or generate this contextual knowledge. Thus, while AI is an invaluable tool, it cannot solve the fundamental economic calculation problem. The dual potential of technology—centralization versus decentralization—and its cognitive limits directly give rise to the radically different political and economic structures that will now be examined.

3.0 Blueprints for Abundance: Competing Models for a Post-Scarcity Society

The transition beyond scarcity is not a predetermined path but an ideological battleground, where competing political projects vie to shape the future. While sharing a common goal of overcoming material constraints, the proposed models envision radically different social, economic, and political structures. This section dissects four prominent visions, analyzing them not as passive blueprints but as active political programs.

3.1 Fully Automated Luxury Communism (FALC)

Proponents of FALC advance a vision of society where automation eliminates the necessity of work, scarcity is replaced by abundance, and labor blends into leisure and self-development.

However, from a political-economic standpoint, this utopian project faces several significant critiques:

- **Misinterpretation of Labor:** Critics argue that FALC misunderstands Marx's conception of labor. Where FALC envisions a future of luxurious lassitude, Marx saw non-alienated labor becoming "life's prime want"—a conscious, creative, and necessary human activity, not something to be abolished entirely.
- **Ecological Blind Spots:** FALC is criticized for viewing nature through the same "extractivist lens as capitalism." Its focus on techno-fixes like asteroid mining to achieve abundance fails to address the material crisis of climate change, proposing to solve resource limits on Earth by employing scarcity to reach for resources in space. This perspective directly conflicts with analyses of planetary material constraints.
- **Lack of a Transitional Theory:** The model is "light on a theory of social change." It fails to articulate a coherent theory of power, class struggle, or political action that would explain how society could transition from extractive capitalism to its vision of luxury communism.

3.2 The Resource-Based Economy (RBE)

Pioneered by Jacque Fresco's Venus Project, the original RBE vision proposes a global civilization where all of Earth's resources are declared the common heritage of humanity. The economy would be intelligently managed using science and technology, eliminating money and markets to provide for everyone's needs in a high-tech, automated society.However, since Fresco's death, the project has reportedly evolved in a profoundly controversial direction. This new vision, described as a **'Resource Balanced Economy'** , has pivoted toward degrowth, permaculture, and the establishment of a "mining settlement with traditional medicine." This jarring contrast replaces a technologically advanced utopia with what critics describe as a survivalist model, where modern amenities are left behind and workers are to be kept in line by being told "the rest of the world is on fire." This dramatic ideological shift highlights the instability of techno-utopian projects that lack robust theories of social organization and governance.

3.3 The Collaborative Commons and Peer-to-Peer (P2P) Production

Proponents of the Collaborative Commons advance a pathway to a post-capitalist society through Commons-Based Peer Production (CBPP). This political project is rooted in the productive potential of a collaboratively managed commons, where extractive capitalist relations are replaced by cooperative, generative ones. The core distinction is between two forms of ownership:

Extractive Ownership	Generative Ownership
Financial Purpose: maximizing profits in the short term.	**Living Purpose:** creating the conditions for life over the long term.
Absentee Membership: ownership disconnected from the life of the enterprise.	**Rooted Membership:** ownership in human hands.
Examples: Platforms like Facebook or Uber that tax exchanges but do not contribute to underlying infrastructure or share profits with co-creating communities.	**Examples:** Enterprises that reinvest in productive communities through cooperative governance models like the Enspiral Foundation.

The proposed ecosystem for this model consists of three interconnected institutions:

1. **The Productive Community:** Contributors who co-create a shareable resource or commons.
2. **For-Benefit Associations:** Non-profit entities that maintain infrastructure, hold collective property, and guarantee the culture and mission of the commons.
3. **Commons-Oriented Entrepreneurial Coalitions:** Enterprises that operate in the market to generate revenue but are statutorily oriented toward the common good, creating livelihoods for the community and reinvesting in the commons.

3.4 The Infinity Economy

The Infinity Economy is a theoretical framework where value is created through the intelligent application of infinite, sustainable abundance rather than the exploitation of limited resources. Its core tenets include rejecting monetary systems in favor of exchange based on access and contribution; harnessing AI and quantum computing to create limitless scalability; and redefining economic success away from GDP towards metrics of ecological and social well-being.However, from a political-economic perspective, this model is critically underdeveloped. A core question remains unanswered: Who owns and governs the AI and quantum computers that create this "limitless scalability"? Without a coherent theory of ownership, power, and governance, the Infinity Economy is difficult to distinguish from a more technologically advanced form of techno-feudalism, where abundance is centrally controlled and dispensed by a new technological elite. Its claims of moving "beyond" scarcity remain unsubstantiated without a political framework to prevent the reconcentration of power.

4.0 Perils on the Path to Plenty: Dystopian Risks and Material Constraints

Techno-utopianism must be tempered by a realistic assessment of the profound political, ecological, and governance risks that accompany any radical transformation. The failure to confront these challenges could lead not to a world of plenty, but to new forms of digitally-enforced dystopia.

4.1 The Rise of Techno-Feudalism and Digital Neocolonialism

As warned by futurist Brett King and economist Yanis Varoufakis, the AI revolution could produce a techno-feudalist world. This dystopia is the direct political realization of the centralizing potential of AI and platform technologies. In this scenario, the owners of AI—the 'cloud feudalists'—accumulate immense wealth and power. The general population, reduced to 'cloud serfs', generates behavioral data in exchange for basic subsistence. A Universal Basic Income, in this context, becomes less a tool of liberation and more a social license for the new ruling class to manage a permanently displaced and economically irrelevant populace.This dynamic also functions as a form of **digital neocolonialism** . Technology-hegemonic powers, primarily in the United States and China, can control international markets and create new systems of dependency for the Global South, mirroring colonial power structures under a digital veneer.

4.2 The Ecological Reckoning: Resource Limits to Abundance

A powerful counter-narrative to technological utopianism comes from the material analysis of resource constraints. The work of geologist Simon Michaux provides a stark refutation of models like FALC that assume infinite technological expansion. According to Michaux's research, phasing out fossil fuels requires an unprecedented quantity of minerals to manufacture the necessary renewable technologies, such as solar panels, wind turbines, and batteries. For many of these minerals, current mining production is catastrophically insufficient.Furthermore, the intermittency of wind and solar power requires a massive energy storage system to stabilize the grid, with estimates ranging from two days to seven weeks of buffer capacity. At present, no proven and costed energy storage solution exists that can be scaled to meet this demand. This ecological reckoning suggests many 'Green Transition' plans are physically unfeasible, directly challenging political projects that ignore material limits and providing a potential explanation for the RBE's jarring pivot to a resource-constrained model.

4.3 The Governance Gap: Algorithmic Control and Bias

The misuse of AI in social and economic management poses a significant threat to fairness and justice. When algorithms are applied to complex social domains, they risk cementing "irrational fears and flawed logic... behind a veneer of scientific objectivity." Examples of this are already emerging globally:

- Algorithms used to **predict future criminal behavior** can reinforce existing biases in the justice system.
- Major companies are using AI in **hiring processes** to screen job applicants, analyzing micro-expressions in ways that may be discriminatory.
- Individuals have been **denied insurance policies** based on opaque algorithmic risk assessments.These systems can create and perpetuate inequalities, concentrating

power in unaccountable technological frameworks. Mitigating these risks requires deliberate policy and governance frameworks designed for a new era.

5.0 Engineering the Transition: Social Contracts and Governance for a New Era

The transition to a post-scarcity economy is not an automatic outcome of technology but a process requiring deliberate social and political design. The technologies of abundance can either reinforce existing hierarchies or enable a more equitable future. This section explores the key policy debates and governance shifts necessary to engineer this transformation.

5.1 Redefining the Social Safety Net: Universal Basic Income (UBI) vs. Universal Basic Services (UBS)

As automation displaces labor, two primary models have emerged to provide economic security: Universal Basic Income (UBI) and Universal Basic Services (UBS).

- **Universal Basic Income (UBI)** is an unconditional cash payment to all citizens. Proponents see it as a potential "revolutionary reform" that could break the necessity for labor to be commodified. However, critics warn that UBI could function as the wage-form of techno-feudalism—a social license for AI owners to maintain economic control over a non-working populace of "cloud serfs," managing the masses rather than empowering them.
- **Universal Basic Services (UBS)** advocates for the collective, universal provision of essential needs like housing, care, transport, and information. Services are guaranteed according to need, not the ability to pay. The case for UBS rests on the argument that it is more equitable, sustainable, and efficient than market-based provisions for meeting common human needs.A growing number of proponents argue for a **hybrid model** . In this approach, UBS provides a foundational "safety net floor" by ensuring everyone's basic needs are met collectively, while a modest UBI provides a "top-off" that allows for individual choice and economic flexibility.

5.2 The Evolving Role of the State: Towards a 'Partner State' Model

The transition to a post-scarcity society necessitates a shift in the role of the state from a top-down regulator to an enabler of commons-based initiatives. In the proposed **'Partner State'** model, the state's primary function is to empower and facilitate citizen-led projects. This model represents a potential resolution to the Hayekian "knowledge problem" at the municipal level, enabling decentralized action while leveraging public infrastructure—a direct contrast to failed 20th-century central planning. Practical examples of this logic are already emerging at a local scale, such as the citizen-led municipalist coalitions in major Spanish cities that are experimenting with public-commons protocols.

5.3 New Value and Accounting Systems

A post-scarcity economy requires new accounting systems that can recognize and measure value beyond the narrow confines of finance. As outlined by commons theorist Michel Bauwens, proposals to align economic activity with post-scarcity values include:

- **Contributive Accounting:** Recognizes value based on contributions made to a commons, as determined by the community itself, not by market price signals.

- **Flow Accounting:** Moves beyond the binary logic of double-entry bookkeeping to provide a more holistic and open registration of the many collaborative actions involved in creating value.
- **Thermo-dynamic Accounting:** Tracks the use of material and energetic resources to ensure that economic operations remain within planetary boundaries, making ecological limits a core component of accounting.These innovations in policy and governance are essential components for building an economic system that is both abundant and just.

6.0 Conclusion: Designing, Not Predicting, the Future

The convergence of technological advancement and systemic crisis has placed humanity at the threshold of a new economic paradigm. This paper finds that the end of scarcity is not a technological inevitability but a complex socio-political project. The path forward branches into multiple potential outcomes, from dystopian futures of eco-austerity and techno-feudalism to the hopeful vision of a globally collaborative commons. Which path we follow depends not on prediction, but on deliberate design.The critical challenge lies in consciously architecting systems that prioritize generative value over extractive profit, collective well-being over concentrated power, and ecological regeneration over the fiction of infinite growth on a finite planet. The technologies of abundance are here, but they are agnostic; they can be used to deepen inequality or to build a more equitable world. Navigating this transition demands innovation not just in AI, but in our social contracts, governance models, and definitions of value. The questions we face are no longer merely technical; they are fundamentally ethical and political. Shaping an equitable and sustainable post-scarcity civilization will depend on our collective capacity for open public debate and the political will to design a future that serves all of humanity.