

Will AI inevitably lead to ‘fully automated luxury communism’ (Bastani 2019)?

THE SERVANT OR THE SERVICED?

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Today, more than ever, the ramifications of artificial intelligence (henceforth, AI) are the subject of many a conjecture, both salutary and alarmist. Foremost among these is over the question: can capitalism survive in the wake of an AI revolution that seeks to dismantle the labor market as we know it? Despite disagreement over most everything else, both sides agree on at least one thing: the “creative destruction” that is AI has the potential to obviate wholesale productive efficiency and growth as issues in need of solving; solely allocative efficiency will be problematized due to the “paradox of abundance.”ⁱ

Embedded here is the notion that AI will one day lead to a state post-scarcity, to the end of “the economic problem” as John Maynard Keynes referred to it. Yet, how this might actually play out is contested, as more than one model has been proposed over the years. One thing for certain, though, is that out of all of them, by far the most provocative is Aaron Bastani’s “fully automated luxury communism” (henceforth, FALC), according to which AI will serve as the first of five pillars of post-scarcity.ⁱⁱ

1. Full automation (post-scarcity in labor)
2. Limitless power (post-scarcity in energy)
3. Mining the sky (post-scarcity in resources)
4. Editing destiny (post-scarcity in health)
5. Food without animals (post-scarcity in sustenance)

Bastani’s general thesis is that from a purely material perspective, there is no discernible difference between “techno-feudalism” and FALC: both promise a post-scarcity society; the difference resides strictly in their politics, in how the remunerations for value creation are either distributed or redis-tributed across society.ⁱⁱⁱ For Bastani, this is precisely why the institutional structures of capitalism are incapable of containing the excesses of this unprecedented innovation that is AI — only com-munism can.

However, as has already been noted by even partisans of his own broadly Marxist position, there is much to critique here. Scientifically, each of the five pillars is in some way or another sus-

pect.^{iv} Normatively, it is technocratic-utopian in ambition, with all its incumbent dangers.^v Yet, less discussed in the literature has been the politico-economic side of things. After all, if FALC aims at post-scarcity, how much room is there for our modern-day political economy, which avowedly begins from its antithesis, scarcity? The present paper argues this is a mistake: even if we grant, *arguendo*, that post-scarcity is possible for pillars 2~5 (energy, resources, health, and sustenance), labor is the one thing which cannot transcend scarcity — the price mechanism will see to that.

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FALC's most ambitious wager is that, where Soviet-type command economies failed, AI can more than make up for *vis-à-vis* the “economic calculation problem.” Unfortunately, Bastani provides neither the theoretical nor empirical foundations upon which to envisage just how that would be possible. Nonetheless, we may surmise the argument: just as AI has demonstrably done so for many an industry, we only need wait for AI to reach a sufficient level of computational prowess (aided, no doubt, by pillars 2~5) before central planning of unparalleled productive and allocative efficiency will be rendered possible. Two interrelated reasons, however, militate against this.

First, such an optimization of overall efficiency would require that AI be capable of not just knowing the market preferences of today, but of also *predicting* the market preferences of tomorrow. Yet, whether we follow the Austrians or the Minskyite post-Keynesians, this is to confuse uncertainty for risk: price is the single indicator that simplifies all the complex computations in the most natural way, dynamically altering according to the shifting preference patterns of the consumers. Competition, created by the forces of demand, is valuable in and of itself insofar as it provides information, rather than merely responding to this or that signal. Or put in terms of the Kirznerian theory of entrepreneurial discovery, it is the entrepreneur's awareness of and subsequent *labor* to materialize hitherto-unrealized profit opportunities that engenders the very signal that the centralized economy presupposes already exists.^{vi}

This brings us directly to the second error: the assumption that production at zero marginal costs perforce implies zero or negligible price. For while AI is undoubtedly capable of self-improvement, the current consensus is that even the most advanced models would require the

occasional intervention of human *labor* for *unpredictable* failures.^{vii} Yet, even in a post-scarcity economy which enjoys utmost productive efficiency and can afford to distribute “to each according to his need,” no utility-maximizing individual would surely be willing to work more than others in the absence of differential reward. The upshot is that, unless FALC somehow possesses an in-built mechanism by which to resolve the free-rider problem, everyone else can do no better than to find satisfaction with the level of output as permitted by the (economic-)marginal expected utility of those fixers.^{viii}

Now, of course, there still one possible response available to FALC: namely, that all economic agents are, in fact, satisficers — content with a “good enough” that stops at a predefined threshold. Equally obvious, however, is that we only see that type of behavior in the labor market, not in the goods market, as humans tend to cap effort but not wants; in the goods market, infinite wants are latent. To wit, Keynes predicted in 1930 that productivity would be such that workers will by 2030 need only suffer through 15 hours of work per week; yet, as we have seen all too well, today’s reality is far from that rosy picture, given the fundamental fact that wants — above all, positional wants, whose value is derived from the relative status among others and thus fixed in supply in nature — cannot be satiated by mere abundance.

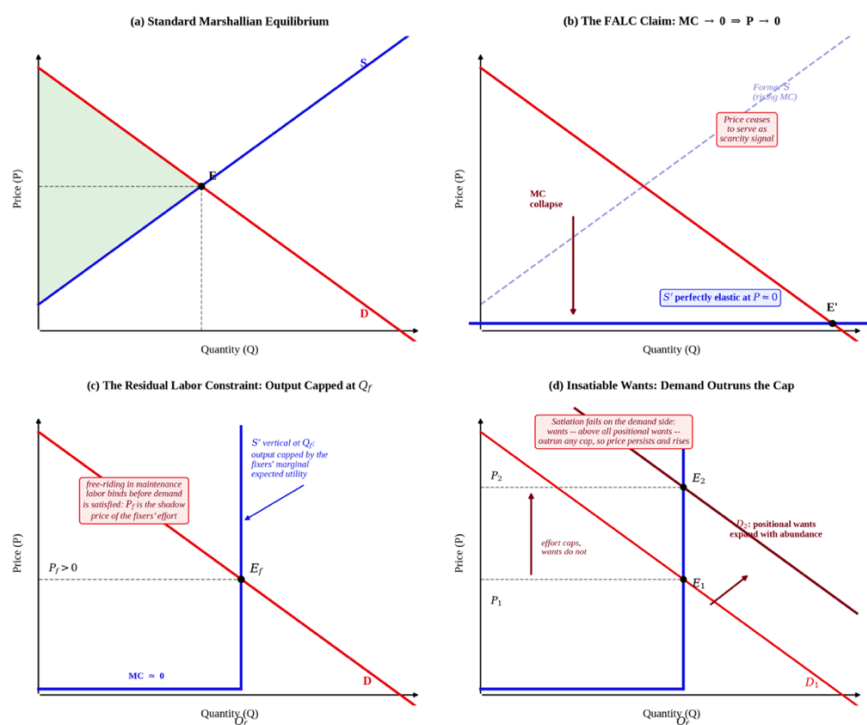


Figure 1. Differences in supply-and-demand curve of goods under perfect competition (a) and FALC (b, c, d).

This insatiability for goods is all the more heightened once we consider the possible ways in which Buchanan's club theory can hold even under conditions of pillars 2~5. As is well-known, the theory establishes that price can also be sustained by excludability, not just scarcity. And yet, as much as it pretends thereto, what FALC promises surely cannot qualify as non-excludable given all of the above. Exemplary here is the fact that as goods eventually reach the consumers through a particular channel, those infrastructures will be properties that have the potential to gain pricing power.^{ix} Indeed, if goods do achieve near-zero-excludability, the system may not retain enforceable gates such as patents and copyrights, and abandoning these would result in the inability to recover fixed costs and, hence, in zero-investments.

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FALC is enticing: it promises a utopia where *all* goods are within reach, delivered to us by the highest of our innovative powers. However, everything hitherto suggests the "luxury" component is a facade: luxury, by definition, is a relative term, and what FALC promises is at most absolute advantage. Indeed, the word cannot be reduced to merely mean "abundance in quantity."

The implications of this are not to be understated. At bottom, the above flaws of FALC can be traced to its treatment of the price mechanism as an endogenous, and not an exogenous, property. (To clarify, I am using the term "endogenous" in the constructivist sense, to mean that the price mechanism is the mere result of a social contract, rather than a brute fact to which all societies are subject.)^x The problem with this, however, is that no amount of post-scarcity in pillars 2~5 can change the fact that in any *social* system of control, undergirded as they inevitably are by the threat of force, individuals require and, indeed, demand differential incentives in dealings with others *out-side* the kinship network.^{xi} Bastani, for his part though, imagines this basic aspect of human behavior to be wholly dissolvable by simple virtue of there being just more of everything, of more goods and services of which we may all avail ourselves. Yet, even when we acknowledge the genuine conversation to be had on whether this self-interestedness is the byproduct of nature or nurture, there is little to no reason think such behavior by social agents would at all change under FALC. For, after all, FALC invokes, not Marx, but leftist accelerationism.^{xii} That is to say, Bastani's vision is not contiguous from Marx's calls for the dismantling of the entire capitalist edifice by our *own* hands, by sheer *political* will, but rather that of the accelerationist's wishful

dreams of capitalism devouring itself like the *ouroboros* ever and ever more quickly, such that we end up with a system in which firms — or their equivalent — continue to operate, just under the auspices of an all-mighty central commission. But under such a scenario, why would social agents cease to be moved by self-interest *vis-à-vis* that very central commission arrogating to itself the authority, the *power*, to tell them what to do?

Thus, in the final analysis, the concept of self-interest is, at least for now, long here to stay: it is a nomological fact with which any serious politico-economic project today — especially those hoping to overcome and transcend the limitations of “already-existing capitalism” — must contend.

ENDNOTES

ⁱ For example, the productivity of AI could be such that, ironically, most workers will be made wholly redundant and bereft of the very sources of income necessary to purchase the goods and services now produced by AI. For more arguments along this line, see Cassidy, J. “The Dangerous Paradox of A.I. Abundance”. *The New Yorker* (Jan. 12, 2026). Available at: <<https://www.newyorker.com/news/the-financial-page/the-dangerous-paradox-of-ai-abundance>> (accessed May 14, 2026).

ⁱⁱ The 5 pillars are the chapter titles of section II of Bastani, A. *Fully Automated Luxury Communism: A Manifesto* (Verso, 2019).

ⁱⁱⁱ See *supra* note ii.

^{iv} For a succinct summary, see Kellokumpu, V. “Fully Automated Luxury Communism: A Manifesto by Aaron Bastani”. *Politics & Political Theory* (Sep. 3, 2019). Available at: <<https://www.societyandspace.org/articles/fully-automated-luxury-communism-a-manifesto-by-aaron-bastani>> (accessed May 14, 2026).

^v See, for example, Sweet, J. “Is Fully Automated Luxury Communism Desirable?”. *Science & Society: A Journal of Marxist Thought and Analysis* [online edition] (2026). Available at: <<https://journals.sagepub.com/doi/10.1177/00368237251399096>> (accessed May 12, 2026).

See also Featherstone, M. “Review: Aaron Bastani, Fully Automated Luxury Communism: A Manifesto”. *Theory, Cultural, and Society* (Feb. 11, 2020). Available at: <<https://www.theoryculturesociety.org/blog/review-aaron-bastani-fully-automated-luxury-communism>> (accessed May 10, 2026).

^{vi} This point is borrowed from Acemoglu, D. “Would AI-Enabled Communism Work?”. *Project Syndicate* (June 28, 2023). Available at: <<https://www.project-syndicate.org/commentary/ai-central-planning-versus-decentralization-by-daron-acemoglu-2023-06>> (accessed May 23, 2026).

^{vii} For the latest consensus to this effect, see, for example, Chen, M. et al. “Recursive Self-Improvement in AI: From Bounded Self-Refinement to Autonomous Research Loops”. *arXiv* (2026). Available at: <<https://arxiv.org/html/2607.07663>> (accessed July 10, 2026).

^{viii} As is well known, there is still controversy over the precise definition of utility. This notwithstanding, the present paper views Bastani’s proclamation that money as such will become obsolete as a misguided response to that controversy. At minimum, one can reasonably argue that economic agents are motivated by *economic* utility, whether under the existing capitalist order or — as the paper will go on to demonstrate — FALC.

^{ix} This also holds for digital platforms such as software applications. For example, in the Epic Games, inc. v. Apple, inc. lawsuit of August 2020, the former argued that Apple’s 30% commission was anti-competitive. For reference, see Ambrasaitė, P. et al. “Epic games v. apple: Fortnite battle that can change the industry”. Vilnius University Open Series (2021): 6-25.

^x For support that Bastani can be read as thinking this, see Ajl, M. *A People’s Green New Deal* (Pluto Press, 2021): pp. 48–49 and ch. 5.

^{xi} Strong empirical support for this core assumption of economics and the social sciences in general is given by Bocian, K et al. “Individual differences in the self-interest bias in moral and justice judgments: The role of greed, self-interest versus other-interest, and moral identity”. *Personality and Individual Differences* vol. 257 (2026). Available at: <<https://www.sciencedirect.com/science/article/abs/pii/S019188692600156X>> (accessed July 1, 2026).

^{xii} See *supra* note x.