

# Price of Slavery: Effects on Economic Health

Ibrahim Tash-Murkon (Dar al-Barakah)

*Ibrahim Tash-Murkon (Dar al-Barakah) is a Holder, a professional fund manager, and a guest speaker for the Caille University Athenaeum Lecture Series.*

Slavery has been a defining feature of the Empire since the Reclaiming began more than three millennia ago. It remains highly controversial with unceasing arguments occurring regarding the practice generally and the methods employed to sustain it. Criticism and discussion are not unique to those outside the Empire judging the institution. Foreign opinions and observations are only the most recent additions to a long history of internal reflection and struggle which ensued when my own ancestors became the first slaves to the True Amarr and then continued through history between our greatest theologians and ethicists to the present. In short, it is complicated. The religious and moral debates seeking to resolve its complicated nature are myriad and well-known. What is less well-known to the general public and even to those in academia who exist anywhere outside a few niche areas of study is that the practice of slavery is the subject of smaller (though no less fervent) discussion amongst economists. A discussion about whether slavery is good or bad for the economy. However, unlike the theological and ethical debates, the opposing sides of economists on the matter are being replaced with an increasingly unified chorus and it is one that does not sing the praises of slavery.

The Empire is the largest and most populous state in the entirety of New Eden. Without including the Ammatar Mandate (a semi-autonomous region of the Empire) or the Khanid Kingdom (arguably in semi-union with the Empire though recent events make this status the subject of much political debate) the Empire proper has 32.375 trillion citizens and permanent residents. Of these a staggering 10.712 trillion, almost a third of the entire population, are

enslaved. (Ministry of Internal Order, 114) This single piece of information goes a long way in shedding light on many facets of the Imperial economy. Rates of employment, income distribution, size and growth of the consumer market, and the specific sectors of the economy in which the Empire is most productive can be almost entirely explained by the widespread practice of slavery.

A steady supply of cheap human labor in the form of slaves has left the Empire in a very precarious position, economically speaking, when compared to the Federation and the State. Despite having a third of the people in the entire Cluster residing in the Empire it consistently falls behind both the Federation and the State in GDP, GDP per capita, growth, and human development. On the other hand it has the highest income inequality, highest unemployment, and second highest poverty rate of the major nations. (CONCORD, 115) Slavery encourages the picking of the lowest hanging fruits while disincentivizing innovation, development of human capital, or investment in industries beyond agriculture, resource extraction, and the most basic forms of manufacturing. (Korhokuda, Ehrerva, & Kokkoraishi, 114)

Now, it is important to note that this analysis depends on generalities. Not all slaves are uneducated and tasked with manual labor. Slave backgrounds, conditions, and occupations vary as widely as they do for free citizens. Slavery is ubiquitous but it is not uniform. Slaves, especially from older multigenerational lines, can be artisans and craftsmen. Some perform complex work in hi-tech industries. Others teach and might even be respected academics or servants of the Church. Political and religious differences play a role as well. A slave in possession of an Ardishapurite holder will lead a much different existence than would one under a Tash-Murkonite holder. However, the vast majority of slaves work in agriculture, mining, and basic industry and that is the economic reality with which we must deal.

## Disruption of the Labor Market

The existence of an overwhelmingly large source of cheap labor has resulted in a situation

where common citizens find it very difficult to secure employment. In the absence of advanced education many are unable to find regular work because those jobs which would typically be occupied by free manual laborers in other economies are, in the Empire, almost always filled by slave labor.

(Shavianus & Doromi, 117) This has resulted in consistently poor employment statistics and the Empire leads the Cluster in the number of citizens which require regular public assistance or charity in order to survive. (Nyrta & Bjolfr, 113) In relative terms the Republic has the highest percentage of impoverished citizens who require aid but at the present rate of development in the Republic this is expected to end in as little as a decade. (CONCORD, 115)

It is simply impossible for free laborers to compete with slave laborers in the job market. With the use of Custodial Servitude Contracts (CSCs) it is easy for Holders to sell the labor of slaves to individuals and companies who are not authorized to directly own them. Unemployment among free citizens is further hurt through slavery's effect on growth and consumption. Unemployment and the skewing of the value of labor are also partially responsible for the extreme wealth inequality in the Empire with most wealth concentrated not just in the aristocratic Holder class but in a relatively small portion within the Holder class. Even moderate estimates suggest that as much as 80% of the wealth in the Empire is held by as little as one half of one percent of the population. (CONCORD, 115)

### **Innovation and Investment**

The Imperial economy is the least advanced among the nations of the Cluster in the metrics of technological development (Controrefeli, 115) and sector diversification. (Korhokuda, Ehrerva, & Kokkoraishi, 114) Outside of some specialized scientific fields (longevity enhancement, implant production, weaponized laser technologies, armoring, etc.) the Empire lags behind other economies in the development of consumer technologies and scientific research. (CONCORD, 115) Further, the economy has become extremely dependent on sectors which can be staffed with

unskilled and easily organized laborers. Agriculture, mineral extraction, and basic industry have gained a dominant position in the Empire because their outputs can be achieved through brute force use of the massive supply of slaves.

This has left no incentive for mechanization and these industries maintain their massive production through the inefficient but easy use of excessive numbers of workers rather than through labor saving devices, automation, scientific management techniques, or productivity enhancements. (Knilsa & Gorbet, 117) Similar industries in the other major economies all operate more efficiently and more profitably than their Imperial counterparts. (Asbjolbert, 112) (Vestolistis, 113) Lack of investment in an educated workforce and more cost-effective business techniques by owners has also made investors wary of purchasing equity stakes in Amarrian businesses and ventures. (Knilsa & Gorbet, 117)

### **Growth**

Slavery is profitable but only for a limited subset of the population. Slave owners, the slave control industry, and those involved in slave logistics and infrastructure do benefit from an overall "slavery sector" which has revenues running into the tens of trillions of ISK. (Amarr Trade Registry, 117) Slave owners in particular enjoy wealth levels and standards of living comparable to the upper classes of the Federation and State. (Kakia, Codami, & Siima, 116) However, the benefits provided to these few has come at the cost of severely retarding the Imperial economy overall. It is left as an easy exercise to the reader on how what has already been said about the effects slavery has had on innovation contributes to sluggish GDP growth in the Empire. What concerns us here is the net effect that slavery has on the economy as a result of removing the potential for growth that would result from a properly compensated labor force.

Slavery severely restricts economic activity which would occur in a system where the vast numbers of currently unpaid or minimally paid workers were compensated at the fair market rate. In the present system the majority of the ten trillion

slaves subsist on minimal food, shelter, and medical care. While very beneficial to the owners, who can extract labor at bare minimum costs, the overall effect on the Empire is to make the economy far smaller than it would be in a system of universally free labor. This is evidenced by the Empire having the slowest GDP growth and money velocity of the major powers. (CONCORD, 115) Slaves either are unable or only able at minimal levels to purchase consumer products, utilize services, or in general to contribute fully to the economy because they are used only as wealth producers and not also as consumers. Economies depend both on the production and consumption of goods and in the Imperial economy one third of the people are not allowed to fully contribute. Extrapolations with present demographic data by researchers suggest very strongly that a free labor force (also adjusted to reflect a typical allocation of education and occupations) replacing the slave system would result in GDP at least as high as the Federation. (Viraishi & Breivanen, 114)

## Conclusion

The practice of slavery has created a minimalist economy for the Empire and left it severely uncompetitive in comparison to the Federation, the State, and the Republic. It disrupts the labor market for the general populous leading to unemployment and poverty, it concentrates wealth in the landed aristocracy, it results in undiversified and inefficient industries being the dominant sources of production, and it slows growth by removing trillions of potential consumers from the market. Without systemic changes approaching or including total liberation it can be expected that the Empire will continue to be outperformed by the Gallente and Caldari in absolute terms and to eventually fall behind the Minmatar in relative terms.

The political situation has not been amenable to these reforms on an Imperial level. However, with the emancipation under Jamyl I (PBUH) and the potentials offered by a new Emperor, there is every reason to hope that some progress on the issue is made in the interests of Faith and the economic wellbeing of the Empire.

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