

When Code Becomes Clothing: Software's Fast-Fashion Moment

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Note: the original article is provided as a separate file (attached to the email or downloadable from the website).

1. Explanation

Imagine if every app on your phone was as disposable as a Shein top – built in an afternoon, worn for a season, then replaced without a second thought. That world is arriving now.

What's Going On?

Anshu Govil and his friend Dhiraj – who runs both a software firm and an online fashion business – argue that AI is doing to software in 2026 what the power loom did to textiles in the 1800s. When making something gets ridiculously cheap, the thing itself transforms. Cloth went from a form of wealth (people owned 2-3 garments and named them in wills) to a form of expression (fast fashion, 100 items discarded yearly).

Software, the authors claim, is on the same trajectory. Five years ago, building a working app with backend, database, and frontend required a skilled team. Today, a non-developer can describe what they want to a language model and watch it materialise in an afternoon. That collapse in 'activation energy' isn't a speed-up – it's a phase change, like ice becoming water.

How To Think About It

The key mental model is the hollowing out of a middle. When a craft becomes industrialised, two ends survive – the luxury tier and the bare-bones tier – but the competent middle gets crushed.

- Think of music: top-tier stadium artists and bedroom TikTok producers both thrive, but the mid-list working musician who used to make a steady living from album sales has nearly vanished.
- Or restaurants: fine-dining tasting menus (\$300/head) and fast food (\$8 burgers) both keep growing, while the casual mid-tier sit-down chain – Applebee's, T.G.I. Friday's, Chili's – has been quietly closing locations for a decade. The same barbell shape now stalks software: serious enterprise platforms above, throwaway AI-generated apps below, mid-tier SaaS stuck in the squeeze.

Key Things To Know

- Pre-industrial cloth required 40-100 hours of labour per shirt; the power loom cut costs by roughly 95% in just 50 years.
- Most handloom weavers were not 'preserved as artisans' – they were impoverished and displaced; only a tiny fraction survived as luxury craftsmen (Banarasi sarees, Harris Tweed).
- The endangered software companies aren't the giants or the hobbyists – they're the mid-tier SaaS firms: form-builders, dashboard makers, workflow automation tools that an afternoon of AI prompting can replace.
- Customisation will become weirdly expensive – like dry-cleaning a \$15 shirt, it'll often cost more than just regenerating the software from scratch.
- The new scarce skill isn't writing code; it's taste – knowing what to build, specifying clearly, and recognising quality when you see it.

Why It Matters

If you're considering computer science, this changes the calculation – but probably not in the way panicked headlines suggest. Pure execution skills (cranking out CRUD apps) face the same fate as competent weaving in 1850. But the people who can architect complex systems, judge quality, and translate fuzzy human needs into precise specifications become MORE valuable, not less. The same logic applies to writing, design, and any field where AI handles the mechanics: taste, judgement, and clear thinking are the new premium currency.

The Bigger Picture

The textile transition took a century to fully reveal its costs – labour displacement, environmental damage, a culture of disposability. Software's version is likely to play out faster. Watch for waves of mid-tier SaaS companies failing or being acquired, a boom in 'personal software' that no one shares, and a luxury tier of bespoke engineering charging premiums precisely because they're inefficient. And somewhere in the chaos, expect a moment when someone points out that an emperor – a hyped AI product, an inflated company – is wearing nothing at all.

2. Key Terms Glossary

Activation energy

Originally a chemistry term for the minimum energy needed to start a reaction. Used here as a metaphor for the effort required to begin building something – when it collapses, things that were rare suddenly become common.

Phase transition

A change so fundamental that the substance behaves differently afterwards (like water becoming steam). The author argues software isn't just getting faster to build – it's becoming a categorically different kind of thing.

SaaS (Software-as-a-Service)

Software you subscribe to and access online rather than install – think Notion, Canva, or Slack. The article predicts mid-tier SaaS firms are the most vulnerable.

Capital vs. wardrobe

A capital good is an asset you maintain and reuse for years (like factory machinery); 'wardrobe' here means something disposable and seasonal. The author claims software is shifting from the first category to the second.

Bespoke

Custom-made for a specific client – the opposite of mass-produced. In software, this means hand-crafted systems for high-stakes uses like banking infrastructure or medical devices.

Subsistence production

Making just enough for personal or local use, not for sale at scale. In software terms: the weekend bot you built only for yourself.

Pricing power

A company's ability to raise prices without losing customers. The article warns that survivors of this shift may keep their customers but lose this leverage.

Vertical SaaS

Software tailored to one specific industry (e.g. salon-booking software, dental-office tools). These are flagged as especially vulnerable to AI replacement.

3. Reading Comprehension Quiz

Circle the best answer for each question.

Q1. Which choice best states the central idea of the passage?

- A) AI tools will eliminate all software development jobs within a generation, just as power looms eliminated weaving.
- B) Cheap production transforms an industry's structure, hollowing out the middle while preserving luxury and subsistence tiers.
- C) Software companies should immediately pivot to luxury bespoke services to avoid the coming collapse of the SaaS market.
- D) The fashion industry offers a more sustainable business model than software because clothing has tangible physical value.

Q2. According to the passage, the handloom industry survived primarily because:

- A) Governments protected traditional weavers through subsidies and tariffs on imported cloth.
- B) Handloom production became more efficient than power loom production over time.
- C) Inefficient production became legible as authenticity, supporting a luxury market segment.
- D) Most consumers preferred handmade textiles to industrially produced alternatives in daily life.

Q3. The passage indicates that the most endangered segment of the software industry is:

- A) Solo developers building personal tools and weekend hobby projects for themselves.
- B) Security-critical infrastructure firms providing foundational systems to large institutions.
- C) Mid-tier SaaS firms producing everyday workflow tools at reasonable prices for businesses.
- D) Language model companies whose products enable rapid software generation by non-developers.

Q4. As used in the passage, the word 'legible' most nearly means:

- A) Easy to read in printed form.
- B) Recognisable or perceivable as meaningful.
- C) Documented in official written records.
- D) Translatable from one language to another.

Q5. As used in the passage, the phrase 'binding constraint' most nearly refers to:

- A) A legal contract restricting how a product can be used or distributed.
- B) The factor that most limits what can be achieved given other resources.
- C) A physical attachment that holds materials together during manufacturing.
- D) A formal rule preventing companies from competing in the same market.

Q6. Which statement about customisation can most reasonably be inferred from the passage?

- A) Customising existing software will be cheaper than building it new from scratch.
- B) Customisation will become a major source of revenue for surviving software firms.
- C) Customising software will often cost more than simply regenerating it entirely.
- D) Most users will refuse to use any software that cannot be deeply customised.

- Q7.** The passage suggests that the skills which will become most valuable in the new software economy are:
- A)** Mastering complex programming languages and memorising standard library functions.
 - B)** Specifying clearly, prompting effectively, and recognising quality work.
 - C)** Building large engineering teams and managing long-term software maintenance contracts.
 - D)** Marketing finished software products to enterprise customers across multiple industries.
- Q8.** The author's tone throughout the passage is best described as:
- A)** Alarmed and urgently warning readers of imminent economic collapse.
 - B)** Nostalgic and mourning the loss of traditional craftsmanship in modern times.
 - C)** Analytical and measured, drawing structural parallels with historical detachment.
 - D)** Triumphant and celebrating the democratisation of software creation tools.
- Q9.** Which conclusion about the broader social effects of cheap software production can most reasonably be drawn from the passage?
- A)** These effects will be entirely positive because software is environmentally cleaner than textiles.
 - B)** Significant negative consequences are likely but will take time to fully emerge.
 - C)** Governments will quickly intervene to prevent labour displacement in the technology sector.
 - D)** Software's effects will be milder than textiles because fewer workers are involved.
- Q10.** Which choice provides the BEST evidence for the answer to the previous question?
- A)** 'When the cost of a thing changes by an order of magnitude, the nature of the thing changes with it.'
 - B)** 'They are not the focus of this essay. Of more immediate interest is what happens to the structure of the industry itself.'
 - C)** 'Software's equivalents are likely to follow a similar pattern, on a faster clock.'
 - D)** 'Anyone telling themselves they will be in the surviving fraction should be honest...'

My Score: _____ / 10

4. Answer Key with Explanations

Q1. Which choice best states the central idea of the passage?

Answer: B

B captures the passage's core argument: when production becomes cheap, the industry splits into luxury and subsistence tiers, eliminating the middle – illustrated through both textiles and software. A is the most tempting trap (TRAP A: right scope, wrong direction) – the passage explicitly says craft survived at the top and bottom, not that everything was eliminated. SAT Tip: For 'central idea' questions, the right answer almost always reflects the structural argument across the WHOLE passage, not a dramatic claim from one section. Beware options that overstate.

Q2. According to the passage, the handloom industry survived primarily because:

Answer: C

The passage explicitly states that luxury textiles like Banarasi sarees cost ten to a hundred times more 'precisely because the inefficiency of their production is now legible as authenticity.' D is the trap (TRAP C: sounds plausible in the real world but is unsupported – and contradicted by the passage, which says most consumers buy mass-produced clothing). SAT Tip: When a question asks 'according to the passage,' your answer must come from the text, not from general knowledge. If you can't point to a specific line, it's probably wrong.

Q3. The passage indicates that the most endangered segment of the software industry is:

Answer: C

The passage directly names form-builders, dashboard companies, and workflow automation vendors as the hollowed-out middle. A and B are explicitly described as surviving (subsistence and bespoke tiers). D is TRAP C – true in the real world that AI companies face competition, but the passage doesn't make that claim. SAT Tip: When a passage uses a clear three-part structure (top/middle/bottom), questions often test whether you can identify which tier each example belongs to. Track the categories as you read.

Q4. As used in the passage, the word 'legible' most nearly means:

Answer: B

In context – 'the inefficiency of their production is now legible as authenticity' – 'legible' means perceivable or interpretable as a signal, not literally readable. A is the trap (TRAP B: the common dictionary meaning of 'legible,' but it doesn't fit production processes being readable). SAT Tip: On vocab-in-context questions, substitute each option into the original sentence – the right answer preserves the sentence's meaning. 'Legible as authenticity' only makes sense if 'legible' means 'recognisable as.'

Q5. As used in the passage, the phrase 'binding constraint' most nearly refers to:

Answer: B

The passage states 'Taste becomes the binding constraint. When production is free, knowing what to produce is decisive' – meaning taste is now the bottleneck on what people can create. A is TRAP B (uses the legal sense of 'binding,' which is unrelated). SAT Tip: Economics and science writing often borrows technical phrases. When you see one, ask: 'What problem is the author describing?' The answer fits the situation, not the dictionary.

Q6. Which statement about customisation can most reasonably be inferred from the passage?

Answer: C

The passage compares customisation to dry-cleaning – 'more expensive than replacement, and therefore avoided' – directly implying it will cost more than regenerating the tool. A is the direct opposite (TRAP A: right topic, reversed direction). SAT Tip: Inference questions often include an answer that says the EXACT opposite of the correct one. If you find an option that flips the cause-effect, check the passage carefully – the wrong twin is usually a trap.

Q7. The passage suggests that the skills which will become most valuable in the new software economy are:

Answer: B

The passage states the emerging craft 'consists of specifying clearly, prompting effectively, and recognising quality.' A is the trap (TRAP C: true in the past and still partially relevant, but the passage explicitly says execution is no longer the constraint – taste and judgement are). SAT Tip: When a passage describes a shift from 'old way' to 'new way,' wrong answers often describe the old way accurately. Ask: 'Is this what the author says is changing TO, or changing FROM?'

Q8. The author's tone throughout the passage is best described as:

Answer: C

The author uses careful comparisons, qualifies claims ('likely to follow,' 'on a faster clock'), and acknowledges complexity – a measured analytical tone. B is the trap (TRAP B: the passage discusses lost craft, but the author doesn't mourn it; he describes it honestly, even noting 'the handloom story, told honestly, is not craft survived'). SAT Tip: For tone questions, look at HOW the author writes (word choice, qualifiers, structure), not WHAT they're writing about. A sad topic can be discussed in a clinical tone.

Q9. Which conclusion about the broader social effects of cheap software production can most reasonably be drawn from the passage?

Answer: B

The passage notes textiles produced 'significant downstream costs – labour displacement, environmental damage, a culture of disposability' over a century, and that software's 'equivalents are likely to follow a similar pattern, on a faster clock.' That implies negative consequences are coming, just delayed. SAT Tip: For inference questions, the right answer is usually a modest, well-supported claim – not a dramatic prediction. Look for hedged language like 'likely' or 'suggests' that mirrors the passage's own caution.

Q10. Which choice provides the BEST evidence for the answer to the previous question?

Answer: C

Option C directly states that software's downstream costs will mirror those of textiles ('a similar pattern') but on a faster timeline – exactly supporting Q9's answer that negative consequences are likely but delayed. B is the trap (TRAP B: it's from the same passage section and uses related vocabulary, but it dismisses these effects from the essay's focus rather than predicting them). SAT Tip: On evidence-pairing questions, find the passage line that most DIRECTLY states the previous answer – not just one that's nearby or topically related. The right evidence usually contains the same key idea in different words.