

The Other Economic Summit 1984

WHAT COMES AFTER FULL EMPLOYMENT?

Summary

1. High unemployment will continue for many years, and full employment may never come back.
2. There are two opposing views of a post-employment society:
 - first, that employment will be largely replaced by leisure;
 - second, that employment will be largely replaced by ownwork, i.e. various forms of self-organised local and home-based work.
3. Both these things will happen to some extent. Together they provide a basis for a new approach to the problems of unemployment and the economy as a whole.
4. In particular, a revival of the local and household sectors will benefit the people directly involved, and will also free the larger-scale economic sectors to become efficient and internationally competitive.
5. New policy changes are therefore suggested for the industrialised countries in the following fields;
 - distribution of basic incomes, not through employment, but through a Basic Income Scheme;
 - channels of investment, and means of access to land, for work in the local and household sectors;
 - planning, housing and development;
 - employment;
 - leisure;
 - education and training;
 - health and welfare;
 - new products, materials and technologies.
6. The effect of these policy changes will be to make the internal economies of the industrialised countries more robust and self-reliant, and therefore less exploitative of third world economies.

7. This, and the resulting widespread availability of modern small-scale technologies for local and household work, will create a more favourable context for third world development than conventional policies for trade and aid.

8. Employment has been a way of organising work that is:

- dependent;
- remotely controlled;
- specialised;
- instrumental;
- formal;
- masculine; and
- exclusive.

Typical forms of work in a post-employment society will be different in these respects.

9. The age of employment has coincided with the age of economics - roughly the last two hundred years. Will economics, as a system of thought, be able to handle the important questions concerning work in the post-employment age?

1. Introduction

In Britain today several million people are unemployed. In the countries represented at the June 1984 official economic summit in London the total number of people unemployed runs into several tens of millions. For third world countries the situation is even worse. In 1982 the International Labour Organisation (ILO) estimated that a thousand million new jobs would have to be created by the year 2000 in order to achieve full employment worldwide. The Director-General of the ILO commented: "It has to be fully understood that there will be no situation of full employment if we are speaking of conventional employment". ¹

¹ In "Development Forum", November 1982.

In fact, most conventional economists and politicians still seem to claim, though with diminishing assurance, that their particular policies will bring back full employment in the long run. But year by year these claims seem more and more like utopian wishful thinking as the impact of labour-saving technology, the competitive pressures of international trade, and the reluctance of taxpayers to finance more public service jobs, point more and more clearly to the probability that much future economic growth, even if desirable on other counts, will be jobless growth.

The possibility cannot now be ignored that employment may be becoming an uneconomic way of getting much important work done, just as slavery became uneconomic in its time.² The realistic and responsible expectation must now be, not only that many years of high unemployment lie ahead, but that full employment may never return again. Realistic and responsible leadership must now take this contingency into account and act upon it.

The appropriate policies will be both practical and visionary.

Practical action is urgently needed to ease the lot of the millions of people who face the prospect of continuing unemployment now. Societies which continue to propagate the job ethic and to link basic incomes with jobs, but which leave millions of people jobless, will continue to inflict great damage on those people and on themselves. But the practical action must also be visionary: the measures taken to alleviate the immediate problems of unemployment should provide stepping stones to new ways of organising work, different from conventional employment.

There are few signs that the official economic summit will give the responsible and realistic leadership, or show the practicality and vision, needed to deal effectively with the worldwide problems of high unemployment and the future of work. One of the aims of The Other Economic Summit is to rectify this. This paper is intended as a contribution to that aim.

² See the references to slavery in Adam Smith's "Wealth of Nations" and Karl Marx's "Capital".

2.Three Possible Futures For Work

There are three distinct views about the future of work.³ The keyword for the first is employment. The keyword for the second is leisure. The keyword for the third is ownwork.

The Business-As-Usual view assumes that employment will continue to be the normal form of work, and that most people's money incomes will be earned that way. This is how work has been organised and how incomes have been distributed in all industrialised countries since the industrial age began. This view is reflected in the debate that still continues between the conventional orthodoxies of Right, Left and Centre, not about whether but about how full employment is to be restored. The assumption is that the industrialised countries will be able to bring about a reduction of working hours and a continuing shift out of employment in the manufacturing sector into employment in the information, knowledge and other service sectors of the economy, in such a way as will create jobs for all who want them. Not surprisingly, perhaps, academics are prominent among those who support this view, believing that education will be one of the main growth areas for jobs in the coming years.⁴ A further hope is that this revival of full employment and economic growth in the industrialised countries will create expanding markets for third world products, and thereby lead to expanding employment opportunities for third world countries too. The Business-As-Usual view of the future of work as employment thus runs through the first Brandt Report⁵ and underlies its proposals for tackling the world's economic problems in the mutual interest of the North and the South.

The second view is based on a hyperexpansionist (HE) vision of a post-industrial society, in which the dominant trends of development during the industrial age are emphasised and accelerated. The growing gap between the more and the less highly skilled, and the growing distinction between core workers

³ See James Robertson, "The Sane Alternative: A Choice of Futures", revised edition 1983, for a fuller account of these scenarios.

⁴ For example, Tom Stonier in "The Wealth of Information", 1983.

⁵ "North - South: A Programme for Survival", 1980.

and peripheral workers⁶, will widen to the point where only a minority of citizens will be employed. These will be highly skilled, highly responsible, highly regarded, and highly paid members of a technocratic elite, employed to run the automated factories, put the space colonies into orbit, carry out research at the new frontiers of knowledge, and manage the largely automated financial, communication, education, health, and welfare services. The rest of the population will have no useful work to do, and will live lives of leisure.⁷ In contrast to the typical industrial society, split between a superior minority of employers and an inferior majority of employees, the so-called leisure society will be split between a superior minority of workers and an inferior majority of drones. This view has little to say about the future of work in third world countries.

The third view of the future of work is part of a distinctly different vision of a post-industrial society - based on a new direction of development, rather than on a continuation or acceleration of industrial-age trends. We may call this scenario sane, humane, and ecological (SHE), implying that higher priority will be given than in the industrial age to human growth, social justice, and ecological sustainability.

For today's industrialised countries, this view foresees a shift to a more decentralised society in which increasing numbers of people will organise useful and rewarding activity for themselves. Instead of a widening split between those who work and those who live lives of leisure, there will be a merging of work and leisure in many people's lives. Instead of a shift to a super-service society dominated by experts, there will be a shift to self-service and mutual aid; increasing numbers of people will take more control of their work and other aspects of their lives. Whereas technological developments in the earlier industrial age had a centralising effect which deprived people of the capacity to control their own work, and deprived many localities of economic autonomy, the technological developments of today already point in the other direction. In the fields of energy, food production,

⁶ See John Atkinson, "Flexible Firm Takes Shape", Guardian, 18th April 1984.

⁷ See Clive Jenkins and Barrie Sherman "The Collapse of Work", 1979, and "The Leisure Shock", 1981.

food preparation, information technology (including home computers), building, plumbing, decorating, electrical work, furnishing, clothing - even hardware manufacturing with small, inexpensive, versatile robots - advanced small-scale technologies will help to bring productive work back into the home and neighbourhood, and enable local work to meet a greater proportion of local needs than today. Instead of an employment society, or a leisure society, the post-industrial society will be an ownwork society.

For third world countries, the SHE vision foresees a comparable shift away from centralised, "trickle-down" development strategies, and from utopian hopes of one day achieving full employment in the formal economy, towards "another development".⁸ "Another development" will give top priority to enabling local people to acquire the capacity to develop themselves, and to become more self-reliant economically and less dependent on exported commodities and cash crops. As in the industrialised world, so in third world countries, a key feature of future patterns of work will be the growing use of small-scale technologies which people control for themselves.

The SHE vision thus foresees, in industrialised and third world countries alike, a growing tendency for development to aim at rather greater economic self-reliance at every level - household, local and regional, as well as national. For the international economy this will mean a reversal of the past tendency towards an ever more specialised international division of labour and an ever greater degree of dependence by different nations on one another for economic essentials such as staple foods and energy supplies. Reversing these trends, supporters of the SHE scenario argue, could have the additional advantage of reducing causes of international tension and possible conflict.

⁸ For the concept of another development see *Development Dialogue*, the journal of the Dag Hammarskjöld Foundation, Uppsala, Sweden, and the *IFDA Dossier*, the journal of the International Foundation for Development Alternatives, Nyon, Switzerland.

3. A New Policy Approach

If we ask, not which of these three possible futures for work we like best, but which of them the actual future of work is most likely to resemble, the realistic answer must be that the actual future of work is almost certain to contain elements of all three. To some extent work will continue to be organised as jobs, and to some extent money incomes will continue to be linked with employment. To some extent there will continue to be a widening gap between the activities of the more highly and less highly skilled members of society, a general increase in leisure, and a weakening of the link between employment and income. And to some extent there will be a revival of local economies, a growth of self-organised work, and a blurring of work and leisure. A realistic approach to the future of work and the problems of unemployment must take all these elements into account. The following section of the paper summarises a range of policies which do precisely that.

However, if we ask which of the three possible futures for work contains most hope, a great deal of weight must be given to the third - i.e. to the SHE scenario, centring around an increase in ownwork. Only by going in that direction shall we be sure of avoiding the miseries of a Business As Usual society which continues to preach that everyone should have a job when jobs are no longer available, and the evils of a HE society in which an elite of superior workers dominates a mass of inferior drones. Moreover, it is a safe prediction that the actual future of work will tend quite strongly toward the SHE scenario. This is partly for negative reasons. The existing, centralised, employment-based ways of organising work, distributing income and providing welfare are beginning to break down; and it is difficult to see what remedies the Business As Usual and HE scenarios offer for this. But there are positive reasons too that support the SHE scenario. One of these, already mentioned, is that the new frontiers of technology face this way. Another is that changes in people's values are now moving this way too⁹.

⁹ See, for example, "Work and Human Values: An International Report on Jobs in the 1980s and 1990s", Aspen Institute, 1983.

That some shift towards economic revival at household and local levels is a likely prospect for the industrialised countries is clear from looking at the four principal sectors of the economy.¹⁰

Sector 1 is the capital-intensive, highly automated, mass production sector. Employment there is bound to continue to decline. If businesses in this sector are to be internationally competitive, they must continue to improve their productivity - which means that employment in the sector must continue on a downward trend. If they are not internationally competitive, that in itself will bring a further decline in employment.

Sector 2 is the large-scale services sector. Employment there is also more likely to decline than to rise. Within the next five or ten years office automation and structural changes in the financial services industry could very well bring a downturn in employment in banking, insurance and commercial services of that kind; and limits on public expenditure are likely to preclude much expansion in employment in nationwide public services like education and health.

This leaves Sectors 3 and 4, the local and household sectors, as the main potential growth areas for work. New work in these sectors will include some expansion of conventional forms of employment in small local businesses and some expansion of home-based self-employment in professions and trades. But it will also include an expansion of work in a whole range of local activities and enterprises like community businesses and community associations which, though they will have to be economically viable, will not be exclusively economic in the normal sense of the word. Similarly, it will include expanded household production of goods and services for direct consumption by household and family members and close neighbours - in other words, an expansion of the informal economy, reversing the migration of work to the formal economy discussed in Section 5 below.

¹⁰ This four-sector model of the economy was termed "plus-industrial", in "Management for the 21st Century", 1982. Also see Turning Point, "The Redistribution of Work", 1981.

Expansion of useful work in the local and household sectors will reduce the dependency of localities and households on jobs provided by the large-scale organisations of Sectors 1 and 2, as well as on goods and services purchased from them or provided by them at public expense. This reduction of dependency will be doubly significant. In the first place, it will contribute directly to the wellbeing of the localities and households concerned, many of which today are suffering unemployment and hardship as a result of failed dependency on employing and social welfare organisations outside their own control. In the second place, by relieving the organisations of Sector 1 and Sector 2 of the obligation to provide routine work and routine services for localities and households which could provide such work and services for themselves, it will free those organisations to become more efficient in their own proper spheres. This will apply both to firms competing economically in international markets in ways in which local and household enterprises cannot be expected to compete, and to organisations providing sophisticated social services, such as hi-tech hospital services, which self-help and mutual aid at local and household levels cannot be expected to provide. In other words, the revival of the local and household economies (and the expansion of work contributing to them) will make an essential indirect contribution to the further development of the big organisations of the national economy and the welfare state, and will thus be an essential feature of a successful strategy to improve the efficiency and the international competitiveness of the economy as a whole.¹¹ This is not understood by any of the conventional economic and political schools of thought. It may be the single most important point made in this paper. It is underlined in the discussion about incomes that follows now.

¹¹ See "The Sane Alternative", Chapter 3. Also my paper on "The Role of the Formal Sector in Tomorrow's Dual Economy" given at a Swedish Government conference in June 1983.

4. A Range Of Policy Initiatives

The following paragraphs summarise some examples of the range of policy initiatives that will be needed. They apply primarily to the industrialised countries.

Incomes

Most industrialised countries accept an obligation to ensure that every citizen receives an adequate subsistence income. But the assumption still is that the normal way to get this income is from paid employment. People who get it from the state in the form of unemployment benefits and social security benefits are still treated as unfortunate exceptions to the general rule. These benefits are, therefore, almost always subject to conditions which severely limit the recipients' freedom to commit themselves to useful activities, such as training or voluntary work (since these might make them unavailable to take a conventional job - if one existed), and heavily discourage them from trying to build up paid work on their own account. The assumption is that people who don't have a job can do no work.

That assumption must now be regarded as out of date, in the light of the high unemployment levels in prospect for the next ten or fifteen years, and the possibility that full employment may never be restored. Administrative changes must be made, so that people in receipt of benefits are no longer prevented from spending their time usefully and building up new sources of income for themselves. Already some limited schemes have been introduced with this aim. But they only tinker with the underlying problem. Its solution requires a rationalisation of the personal tax and benefits systems in a Basic Income Scheme, which will unconditionally entitle all citizens to receive an adequate untaxed subsistence income from the state, and allow them the freedom to top this up with additional taxed income from other sources if they so choose.¹² This will open up a more flexible set of work and leisure options for everyone, ranging from full-time paid employment, through part-time paid employment and part-time

¹² See Keith Roberts, "Automation, Unemployment and Distribution of Income", 1982

involvement in unpaid and voluntary work, to full-time involvement in unpaid and voluntary work - with the opportunity to vary the work pattern from one period of life to another.

The Basic Income Scheme, or Guaranteed Basic Income, will simultaneously achieve a number of apparently disparate purposes. First, from a social point of view, it will reduce the social stigma now suffered by those who are unemployed or receiving social security; they will simply receive their guaranteed basic income from the state in the same way as all other citizens. It will also do away with the so-called "poverty trap", which today makes it pointless for many recipients of benefits to try to increase their income and improve their situation. Second, from an economic point of view, the Guaranteed Basic Income will open up the possibility of a much freer labour market, by excluding the subsistence element in employees' incomes from the wages and salaries paid by employers. It will thus contribute to national economic competitiveness. Third, from a more general socioeconomic point of view, the Guaranteed Basic Income will make it possible for many more people than today to take part in local activities of a voluntary or semi-voluntary nature, thus contributing to the welfare and amenity of themselves, their families and fellow-citizens, and reducing their dependence on the welfare state.

Investment, Capital and Land

During the employment age, it has been assumed that employers will provide the land, premises, equipment and other forms of capital needed for people's work. Investment grants and other forms of financial assistance, as well as depreciation allowances, are given to employing organisations to enable them to create and maintain jobs. These forms of assistance and incentive discriminate in favour of employment and against other kinds of work, and are to that extent an obstacle to the revival of self-organised work in and around people's homes and in small local enterprises. Rather than extending these forms of assistance to productive investment in households and local enterprises, they should probably be wound up altogether. Their loss would hardly cancel out the financial benefit that employers will receive from the introduction of the Basic Income Scheme.

New mechanisms and new institutions will be needed to enable people to channel their savings into investment in small-scale local activities of their own choice, whose needs cannot be handled by the centralised financial institutions dominant today. Organisations like OECD are, in fact, already beginning to look at the financial needs of local employment initiatives.¹³ New ways will have to be developed to enable people with little capital and low incomes to build up "sweat equity" for themselves - for example by helping to build their own houses, and to plan and build their own new communities. In Britain two such current schemes are the Lightmoor Project at Telford New Town¹⁴ and the Greentown Project at Milton Keynes.¹⁵

New forms of land tenure, including land-holding by community land trusts and community development trusts, may have to be evolved for projects such as these. More generally, ways will have to be found of making land available to people and local enterprises needing land for their work, on terms which such people and enterprises can afford.

Planning, Housing and Development

Planning, housing and development policies all assume today that people's work will be done on employers' premises and organised by employers. So planning regulations often prevent people from working in and around their homes; and building regulations prevent them from adapting their homes to productive purposes. Architects design people's homes as places of consumption and leisure, providing no space for productive work to be done there. Development policies seek to perpetuate local vulnerability by attracting outside employers into a district instead of helping local people to organise their own work. All these policies need to be reviewed. Higher priority will have to be

¹³ As part of the Co-operative Action Programme on Local Initiatives for Employment Creation.

¹⁴ Information from Town and Country Planning Association, 17 Carlton House Terrace, London SW1 5AS.

¹⁵ Greentown Group, Urban Studies Centre, Milton Keynes.

given to enabling people to organise work for themselves in their own households and localities.¹⁶

Employment Policies

Employing organisations should be encouraged to help employees to become less dependent on them for providing and organising their work. For example, they can help redundant employees to set up businesses of their own; hire former full-time employees to work for a period on a part-time contractual basis, thus enabling them to build up work for other customers and clients, and eventually to become successfully self-employed; help redundant or retired employees to involve themselves in voluntary work. They can introduce job-sharing schemes and part-time jobs, thus giving employees (men, as well as women) opportunities for a dual work-role in the paid and unpaid sectors. Example of all these things are already to be found in Britain, though on a small scale as yet.¹⁷

Leisure

In a full-employment society a sharp distinction has been made between work and leisure. The assumption has been that people will enjoy leisure when they are not at work, and that leisure goods and leisure services will be provided for leisure consumers, either being purchased directly from firms in the leisure industry or being provided at public expense. Proponents of the so-called leisure society argue, therefore, that the increasing numbers of

¹⁶ Many planners and other local government officials are personally well aware of this.

¹⁷ Concerned as the present paper mainly is with a new approach to economic problems and the future of work, I have not done justice in this paragraph to the various forms of action needed to redistribute existing employment and to create alternative forms of near-employment. As regards the latter, there will probably always be a need for special arrangements to provide work for certain categories of people - such as young people and, perhaps, disabled people - who may not be able either to find jobs or organise work for themselves. Many Manpower Services Commission projects aim to do this, as - on a more permanent basis - does the "Youth Call" proposal to provide young people with special opportunities for community service.

people without employment will create an expanded need for leisure facilities and leisure services.¹⁸

However, expansion of the leisure industry and leisure services will only be part of the picture. Increased emphasis will have to be given to enabling people to undertake leisure activities that are positively useful (such as voluntary work), leisure activities that positively save money, (such as growing vegetables and doing DIY repairs to one's own house), and leisure activities that can actually bring in an income. In other words, new policies for leisure should be designed to encourage leisure pursuits that fall within a wider range of useful and productive activities embracing both work and leisure.

Education and Training

Orthodox opinion is concerned that education and training should help to prepare people for jobs. Important new initiatives in recent years in Britain, for example, have been to do with Youth Training, Work Experience, and Education for Capability - all in the sense of giving people education, training or experience that will better equip them as employees.¹⁹

This is not necessarily undesirable in itself. But, given the future prospects for employment, the emphasis must now shift towards educating and training people in a wider range of practical skills which will help them to live without employment, to make productive use of their leisure, and to organise useful and satisfying work for themselves. "Education for self-sufficiency" or, better, "education for co-operative self-reliance", conveys the sense of what is needed,

Health and Welfare

The shift of emphasis from employment to ownwork and leisure, and the revival of the local and household sectors of economic

¹⁸ See "The Leisure Shock" - note 7 above.

¹⁹ The references are to Manpower Services Commission projects and the Royal Society of Arts' Education for Capability scheme.

activity, will go with a necessary shift in health and welfare priorities.

There is evidence from many industrialised countries that the conventional welfare state cannot be developed much further in its present form. There will have to be a switch of emphasis to therapies and forms of care in which self-help and mutual aid play a greater part, including the so-called "alternative" therapies which take account of the psychosomatic nature of health. There must also be a switch of emphasis away from the cure of sickness and from remedial action on social problems that have already become acute, to the creation of physical and psychological conditions in which people will be able to live healthier and more satisfactory lives.

The necessary shift of emphasis in health and social policies will be directly facilitated by the shift to post-employment patterns of work, and the revival of the local and household sectors of activity that will go with it.²⁰

Products, Materials, Technologies

The development and diffusion of a wide range of small-scale new technologies, as the revival of the local and household (including informal) sectors of the economy takes off, will be fuelled to a great extent by market forces. Some business strategists, financiers, and industrial and commercial innovators will get in early; others will wake up too late. But there will also be scope for government departments, research institutes and other public bodies to study the potential demand and promote the required innovation.²¹

²⁰ See the Swedish Government's report "Time To Care", 1984. Recent publications on lifestyles and health from the World Health Organisation (European Region), Copenhagen, are also relevant.

²¹ See recent reports from Intermediate Technology Publications.

International Implications

The direct impact of the policy initiatives summarised above will be mainly on the internal employment patterns and domestic economies of the industrialised countries. However, by making those economies more self-reliant, and therefore less exploitative of the third world, they will help to create conditions in which third world countries will be able to develop more self-reliant economies too.²² In fact, this will be a far more positive contribution to development in the third world than the industrialised countries could ever make through conventional forms of trade and aid. A more direct contribution will come from the new availability in the industrialised countries of up-to-date small-scale technologies in every field. Though developed for widespread use within the industrialised countries themselves, these new technologies will also become available to the third world on a scale not envisaged by conventional development strategies.

A Further Comment

Because this paper has been written for The Other Economic Summit, it has concentrated attention on the kinds of policy initiatives that governments should consider.

This makes it all the more important to stress that the new patterns of work characteristic of the post-employment age will not be created primarily by government action. They will be created primarily by people, out of their own energies, in response to their own situations, their own needs, and their own values.

Government's role will be important. But it will be mainly a facilitating role - removing obstacles, such as the existing system of income provision for unemployed people and the existing assumptions underlying planning, housing and development policies, which make it virtually impossible today for most people to organise productive and useful work for themselves, and which

²² For example, see Frances Moore Lappe and Joseph Collins, "Food First", 1978.

thus perpetuate their dependency on (non-existent) employment. Governments' task will be an enabling task, enabling people to shake off this dependency, and to take up new opportunities and new responsibilities for organising their own activities, their own economic wellbeing, and their own welfare, to a greater extent than is possible for them to do today.

5. Some Attributes Of Work: A Review

During the age of employment, certain attributes of work have come to be taken for granted. These must now be reviewed.

Work as a Dependent Activity

Employment became the normal way of organising work when the common people were excluded from the land - for example, by the land enclosures of 17th and 18th century England. It was well understood at the time that, by depriving people of the chance of economic independence, the enclosures would make them dependent on paid labour and compel them to work for employers. It was hoped that "the subordination of the lower ranks of society would be thereby considerably secured".²³

The introduction of the factory system brought a further loss of autonomy at work. For example, weavers in England in the early 18th century may often have been miserably poor. But at least they worked together in family groups in their cottages, in charge of their own work, fitting it in with other household activities, and talking, singing, and taking their meals as and when they themselves decided. Factory discipline put a stop to all that.²⁴

Since then, so it is argued,²⁵ the development of scientific management has consistently aimed to limit the autonomy of employees at work. However that may be, there is no doubt that most people now take for granted their dependency on an

²³ Contemporary official report quoted in Christopher Hill, "Reformation to Industrial Revolution", 1969.

²⁴ E.P. Thompson, "The Making of the English Working Class", 1968.

²⁵ See, for example, Harry Braverman, "Labor and Monopoly Capital", 1974; and Mike Cooley, "Architect or Bee? The Human Technology Relationship".

employer to provide them with work. Whereas the common people of the 18th century protested and rioted against being turned into wage labourers, the trade unionists of the 20th century protest and strike for their right to remain dependent on employment.²⁶

Work as Activity under Remote Control

Just as individual people and households have lost control over their own work during the employment age, so towns and districts and localities have lost control over theirs. In industrialised and third world countries alike, local work has come to be increasingly dependent on decisions taken elsewhere. Just as people and households have become increasingly dependent on earning money to spend on goods and services they no longer produce for themselves, so localities likewise have become increasingly dependent on working for employers based elsewhere to earn money to spend on importing goods and services that they no longer produce locally for themselves. The vulnerability of many towns and districts all over the world today reflects this loss of local economic autonomy, just as the vulnerability of unemployed individuals reflects their lack of economic autonomy at the personal level.

Work as Specialised Activity

Ever since Adam Smith wrote "Wealth of Nations" just over 200 years ago, specialisation has been regarded as synonymous with economic progress.

It has not just been individuals who have specialised in their work. Localities and regions have specialised in coal-mining, or steelmaking, or ship-building, or fruit-growing, or coffee-growing, or fishing, or tourism, or glass-making, or whatever. Whatever their specialism, specialist persons and specialist localities have become more and more vulnerable to economic changes outside their control. This vulnerability is now a key feature of the economic and social problems of the world today. It applies not

²⁶ This point is made by Ivan Illich in "Shadow Work", 1981.

only to the industrialised world. Precisely the same is true, often on an even more disastrous scale, for third world countries.

For many people and in many places the desirable limit to economic specialisation has now been reached, if not passed. The relative costs and benefits of specialisation and self-reliance now tend to favour the latter.

Work as Instrumental Activity

As industrialised societies have developed, work has become more impersonal and the purposes of work have become more remote from people's own lives.

One early cause of this was that the technologies typical of the industrial age required increasing division of labour. They thus favoured large-scale organisation. Having pulled work out of the home into the factory, they led to the replacement of small factories by big ones. Then rail and, subsequently, road transport enabled people to commute longer and longer distances to work; until in due course, in late industrial societies, most people have come to accept that the energies which they channel into their working lives will be spent in places and on purposes unconnected with their home and family, their neighbours and their friends, and even the locality in which they live. The purposes of work have become instrumental, rather than intrinsic.

This instrumental character of most employment has disconnected people from a sense of personal responsibility for the outcome of their work, in three particular respects: in terms of its contribution to their own self-development; in terms of its effect on the interests of other people; and in terms of its impact on the natural environment. Just as the dominant economic thinking of the industrial age has been blind to the needs of personal development, social justice and ecological sustainability, so the dominant form of work during the industrial age (i.e. employment) has largely excluded these from its objectives.²⁷

²⁷ E.F. Schumacher in "Good Work", 1979, and William Morris in "Useful Work Versus Useless Toil", 1885, are among those who have drawn attention to this.

Work as Formal Activity

Whereas our pre-industrial ancestors mostly worked to produce goods and provide services for themselves and one another on a person-to-person basis outside the market economy, we now work to produce goods and services as paid employees of organisations which provide them to customers, consumers and clients. In other words, work has migrated from the informal to the formal economy.²⁸ So pervasive has been this process of formalisation, that politicians, economists, business people, trade-unionists and many other people now assume that the formal economy, in which people's work takes the form of jobs and in which transactions have a money tag attached, is the only part of the economy that counts.

Thus conventional measurements of economic production such as Gross Domestic Product (GDP) and Gross National Product (GNP) are based on the money values of the transactions of the formal economy. These calculations measure the value of the work that is done, and the number of people working is measured by the number of people in jobs. The shortcomings of GDP and GNP as measures for past economic progress and as targets for future economic achievement are now well-known, and will no doubt be mentioned in other TOES papers. So far as work is concerned, the misconception is that paid work has positive value, but that unpaid work does not. For example, if everyone stopped cooking and eating at home and cooked and ate in restaurants instead, this would not necessarily mean a higher standard of living or an improved quality of life. But the statistics would show a big increase in the value of work done.

The assumption that people's economic and social activities don't really count unless the economists, accountants and statisticians can actually count them, is an example of the much more general so-called "Cartesian" approach that has been typical of every field of understanding during the industrial age. However, in the last few years the arbitrariness and irrationality of this

²⁸ For a fuller discussion of the dual (formal/informal) economy see "The Sane Alternative" - note 3 above.

assumption, that the only important phenomena are those which can be measured and calculated, has begun to be seriously challenged in such fields as medicine and science. Similarly, in the last few years an increasing number of people have begun to realise that we do actually live in a dual economy, part informal and part formal; that what we do for ourselves and one another outside the formal economy is significant; and that for the future the informal sector of activity may prove to be one of the most important growth areas for economic and social progress - and for work.

Work as Masculine Activity

The spread of employment brought a deep split between men's work and women's work. As employment became the dominant form of work in the 19th and 20th centuries, the father typically became the breadwinner going out to work, while the mother typically became the housewife staying at home. As money loomed larger in people's lives, the paid work of men achieved higher status than the unpaid work of women. Eventually this led women to insist that they should have employment rights equal with those of men, and women now have a somewhat fairer deal where paid work is concerned. But progress towards equality has been lop-sided; most men still remain unwilling and unable to do their fair share of the unpaid work of running the household and raising the family. They still assume that the really important work is work done for employers for pay, and they give priority to that.

The paradox is that many of the higher status, typically masculine employments in factories, offices and other institutional places of work have served no directly necessary purpose, by contrast with typically feminine forms of unpaid activity in the household - bearing children, providing food, providing clothing, caring for the old and the sick, educating young children, and looking after the home. Men's work in the industrial age has typically been abstract, impersonal and instrumental. For example, men's work has been concerned with things in factories, papers in offices, money in banks, and ideas in universities. Women's work, by contrast, has had its own

intrinsic purposes; it has typically been concerned with people; it has provided directly for basic human needs.²⁹

Three factors are now reversing the conventional difference in status between men's work and women's work. First, attitude surveys in many industrialised countries show that a shift of values is taking place away from the masculine towards the feminine.³⁰ It is widely believed that the present crisis of the industrialised way of life is a crisis of masculine values. Second, much of the physical work which men have hitherto done because of their physical strength, can now be done by machines. Third, increasing numbers of people are beginning to think that the normal working life for the future will not be modelled on the pattern of continuing full-time employment that has been typical for men, but on the more flexible mixture of part-time employment, family work at home, and voluntary work, together with spells of full-time employment, that has been typical of many women's working lives.³¹

Work as Exclusive Activity

Women are not the only members of society whose work status has been downgraded by the ever growing dominance of employment over other forms of work. People reaching retirement age are made to feel their useful life is over. Teenagers not yet eligible to join the labour market are made to feel they can make no useful contribution. Unemployed people of working age are made to feel excluded and marginalised. Old, young and unemployed alike are discouraged from doing useful work of an informal kind. Work has become a stark question of either/or. Either you have a job or you don't work. Either your contribution to the economy takes the form of a job, or you are

²⁹ See Virginia Novarra, "Women's Work, Men's Work", 1980.

³⁰ See, for example, note 9 above.

³¹³¹ I owe this point to Sheila Rothwell.

excluded from work and perceived as a burden and a cost to be carried by those who do have jobs.

The Implications for Economics

These characteristic attributes of work in the form of employment - work as activity which is dependent, remotely controlled, specialised, instrumental, formal, masculine and exclusive - are likely to be sources of serious economic, social and personal vulnerability from now on. The policy initiatives summarised in the previous section of this paper will help to encourage new forms of work - as activity of which the main attributes will include independence, personal and local control, all-round capability, intrinsic goals, informality, a more equal balance between masculine and feminine values, and inclusiveness in the sense of giving everyone opportunities for useful work.

What will the spread of these new forms of work, with attributes quite different from those of employment, mean for economics as a system of thought?

The age of economics has, in fact, coincided with the age of employment. It is only over the last two hundred years that employment has developed as the dominant way of organising work, culminating in full employment (i.e. the provision of employment for all who want it) becoming a policy goal for governments. Similarly, it is only over the last two hundred years that economics has emerged as a dominant way of understanding and managing human affairs, culminating in economic policy becoming a central field of policy for governments. If the age of employment is now beginning to draw towards an end, what will this mean for economics?

At the personal level, for example, will economics have anything helpful to say about the relative benefits and costs of different possible mixes of activity - including paid work, informal household and family work, voluntary local work, leisure activities, and so on - in one's own life? At the level of the local economy, will economics have anything helpful to say about the relative benefits and costs of varying degrees of local economic self-sufficiency (i.e. of using local work to produce goods and

services to meet local needs), as contrasted with economic dependence on national and international factors outside local control?

Many other such issues will arise, about the values to be placed on various kinds of work and related human activities, which conventional economics has ignored. The question is whether economics will turn out to have been a fairly short-lived structure of reasoning and speculation reflecting the values of the industrial age, during which time employment has been the dominant form of work; or whether economists will be able to extend their discipline to deal with choices that reflect the wider needs and activities of real people (as contrasted with those of homo economicus), together with considerations relating to social justice and the sustainability of the ecosystem. Only time can give the answer.

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