

## **How Much Is Enough? The Future of Work**

When we experience a great shock - when our world, the world - goes off an unpleasant, unforeseen tangent - it is natural to try to interrogate our situation. Why did it happen? What were we doing wrong? Perhaps we were on the wrong track?

We also search for new wisdom from half-forgotten fragments of old wisdom. Our own book, the book my son Edward and I wrote called *How Much is Enough?* started from exactly such an interrogation.

We drew our inspiration from two thinkers who, separated widely by time, seemed to be on the same length: Aristotle and the economist John Maynard Keynes. With Edward it was more Aristotle, with me more Keynes.

I had after all written a three volume biography of Keynes. I felt I knew him better than anyone else alive.

For me he had the advantage of having two strings to his bow. On the one hand, he had written a half-forgotten, certainly unread classic, with the forbidding title of *The General Theory of Employment, Interest and Money*. In this he tried to explain why unmanaged capitalist economies collapse, stagnate, and need to be rescued by purposive government action. This seemed to speak directly to the economic collapse of 2008, from whose consequences we are still suffering.

But more pertinent to our joint interrogation was a twelve page essay in he wrote in 1930 – the depth of the Great Depression – called 'Economic Possibilities for our Grandchildren'. Keynes thought that a hundred years hence – i.e. not far from now – people in developed countries, being much richer than they were then, would work much less, on average, than they then did. In fact, he thought that by now we would be approaching a 15 hour week as opposed to the 50 hour week which was then standard.

Well, he was right about the increase in wealth: just about what he said it would be. But then we looked at the weekly hours of work, and found that though they had fallen, they had fallen far less than he had thought they would – from 50 hours to just under 40. Moreover, they have been stuck at around 40 since the 1980s.

True enough, a lot depends on how you measure 'hours of work'. Annual hours of work have fallen more than weekly hours, because people have longer holidays.

But the fact that reduced time at work has been mainly by way of 'add ons' to holidays rather than reductions in weekly hours testifies to the continued centrality of work in modern life.

So the question we asked in our book was: Why do we go on working so hard when we could plainly get all that we need for a comfortable life with much less work? And then another one: is it wise to go on regarding work as the mainspring of our lives when there is a possibility – at least – that developed countries will run out of jobs?

In short, we do we work the hours we do? And what is the future of work?

We came up with six possible answers to the first question. The first three appeal to individual psychology: the hours we work represent voluntary choices between work and leisure. The second three answers introduce a social dimension. Let's explore these reasons.

In our book, we call the first explanation 'the joys of work'. Keynes, we say, underestimated, indeed ignored, the positive utility people get from work. This utility may have increased over time. Work has become less physically burdensome; it is an important source of identity; perhaps there is more job satisfaction. In a recent book, Nobel Laureate Ed Phelps argues that the workplace can become an arena of innovation, creativity, or, in his own words, of 'mass flourishing'.

However, the evidence is that the majority of workers show pervasive job dissatisfaction, distrust, and disengagement. And this often comes despite the fact that management is actually quite good. In the UK, it was found that 80% of workers had limited commitment to their employers' goals, and a quarter were described as actively disengaged. (For evidence, see Haring and Douglas, 175-6).

Even if it could be shown that for most workers work has a positive utility, this is not the same as saying that most people want to work as many hours as they now do. In fact the evidence suggests that most people would prefer to work fewer hours than they do. (Skidelsky and Skidelsky, 29-30)

A second explanation for failure of hours of work to fall may be called fear of idleness. Most people, it is said, would not know what to do if they were suddenly deprived of work. Retirees often find time weighing heavily.

Keynes himself acknowledged that the transition from work to leisure might produce a general 'nervous breakdown'. However, he was suggesting a gradual, not immediate, cessation of work. Certainly, it is perverse to argue that it is fear of leisure which keeps most of our noses to the grindstone: much more important is fear of unemployment and loss of income which this entails.

Still, we would not deny that people need to be educated for leisure, rather than for slotting into the job market; or that retirement might be made much less abrupt than it now is.

A third explanation for the flat work-line might be the appeal of novelty. The very fact that each generation of goods quickly palls excites our hunger for the next generation. But the continuous replacement of existing serviceable goods by new ones – think of the unfolding sequence of iPads – costs money, and money has to be got by work. Our hunger for new goods means that we can never ease up.

However, the view that human psychology mandates a ceaseless search for novelty has one rather important objection. For thousands of year this trait seemed to be absent. There were no improvements in the material world to speak of. This objection is not wholly disposed of by saying that the desire for improvement had to await the development of appropriate beliefs and institutions. If it was so strong, why were these beliefs and institutions not developed sooner?

So I don't think we can treat the desire for novelty *in isolation* as the answer to the riddle of work. Our wants may express themselves in individual purchase, but they are formed socially.

What do I mean? I mean they are formed in relation to the wants of others. Our needs may be absolute, but our wants are relative. We compare our fortune to others and find it wanting. As the song goes, the grass is always greener on the other side. 'Conspicuous consumption' – the desire to impress others with our wealth – is a conspicuous example of the relativity of wants.

However, at this point we must pause for thought. Although the absolute needs certainly loomed larger in former societies, there were plenty of opportunities for comparison. But such comparisons did not unleash insatiability till fairly recently –probably not till the last fifty years. The explanation must lie, I think, in the size of the comparison reference group. In former times, reference groups were more stratified and local than national, much less international. Three features served to limit them: hierarchy, lack of mobility, and lack of information. The comparison of wants was with one's peer group, in a fixed location, and limited to the goods and services available in one's own area; jealousy was not excited – or not to nearly the same extent – by the possibilities and fortunes of those outside it.

This is no doubt a stylized representation of the pre-modern want-system; but to the extent that it existed, it has been swept away by mobility – spatial and social – mass advertising, globalization: the forces unleashed by capitalism.

We have moved from the psychological to the social. We cannot explain the bargains which determine the hours worked apart from the institutional setting of such bargains, i.e., apart from the institutions of capitalism. It is capitalism, alone of the economic systems, which promises us the moon –but then fails to deliver.

The evidence for this, which is my fifth explanation, is rising income inequality. When we talk of people being four or five times richer than they were in 1930 we are talking of averages. One cannot say whether, or how much, the welfare of society has improved without taking account of distribution. The gains of productivity have been captured mainly by the rich, because they still control the means of production. Think of the growing gap between the pay of top executives and the average worker – up to 300% more in the United States. More generally, since the 1980s, median incomes have failed to keep pace with mean incomes. For example, in the UK 12 million people live below officially defined poverty. The proportion of minimum wage jobs has been growing. Such facts alone would explain a large part of the failure of hours of work to fall.

Finally, as the American sociologist Juliet Schor has pointed out, it is the business class which determines the earnings, hours, and conditions of work; it is the state which, largely at the behest of the business class, decides on the post-tax distribution of wealth and income. This is not Marxist ideology, but a reasonable observation of the way the contemporary capitalist system actually functions. After the war, the power of the bosses was somewhat curtailed by trade unions and democracy. But these countervailing powers have steadily yielded ground to the quest for profit maximisation.

The result is twofold: the inequality of wealth, income, and power has grown; and most people do not get the job arrangements they would like. Thus a large proportion of the populations of rich countries are deprived of the fruits of the technological progress which would enable them to work less. They work the hours they do because they do not 'have enough' to lead the good life. Capitalism is the deliberate organisation of scarcity.

The problem of controlling the insatiability unleashed by capitalism has two aspects, moral and social.

The moral aspect is to try to recover an idea of what money is for, because it is only in relation to such an idea that it makes sense to talk about 'having enough'. What money is for is, we argue, 'the good life', which we break down into the seven basic goods of health, security, respect, personality, harmony with nature, friendship and leisure.

To possess a sufficient quantity of these seven basic goods is to live well; to lack a sufficient quantity of one or more of them is to be deprived. If this account holds up, then the question 'how much is enough?' has a non-vacuous answer: it is 'enough for the good life.' Of course, precise figures are going to vary widely according to age, circumstance and temperament. The needs of twenty-year-old student are not those of a forty-year-old householder. But at least we have something more than the shifting fortunes of 'the Jones' to guide us.

The political problem is to structure our collective existence so as to make it easier for people actually to live the good life. The state has a positive role to play here; it should not pretend to be 'neutral' between rival conceptions of the good. In the last part of our book, we outline a number of policies for bringing this about, including working hour regulation, stricter

controls on advertising, an unconditional basic income and – drawing on the work of the economist Robert Frank – a progressive consumption tax.

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I come to the second part of my talk: the future of work. The contemporary contradiction of capitalism is this: it wants us to keep on working, but its own technological dynamism is continuously abolishing jobs. We live in a society which privileges work over leisure, but which forces more and more people into unwanted leisure called unemployment, or underemployment.

We struggle to keep work going by inventing more and more jobs. But despite our best efforts, are we not bound to run out of jobs?

In the early 19th century, groups of English workers, known as the Luddites, smashed the textile machines they saw as taking their jobs.

Then the fear of machines died away. New jobs – at higher wages, in easier conditions, and for more people – were soon created. And they made possible higher consumption for shorter hours.

But this doesn't mean the Luddites were wrong to fear machines, just premature.

Recently automation in manufacturing has expanded even to areas where labour has been relatively cheap. The Chinese are investing in industrial robots. FoxConn, which builds iPads for Apple, expects to have its first fully automated plant operating in next 5 to 10 years.

Services were once considered intrinsically labour intensive. No more. Soon in every supermarket you will see checkout staff replaced by self-service machines.

Automation is eating up professional service jobs. In education and health care, technology is already reducing the demand for skilled labour. Translation, digital analysis, legal research jobs will wither away.

Optimists airily assert that 'many new types of jobs will be created'. But they are quite vague about where they will come from.

In the not too distant future, we will have car-trains with lead drivers joining up convoy style.

Imagine a handful of technicians replacing a fleet of taxi drivers and truckers, a small cadre of human mechanics maintaining a full robot workforce, or a single data analyst and his software replacing a bank of quantitative researchers.

What produces value in such an economy will not be wage labour, but machine labour.

No doubt some of the claims made for robots replacing human labour will prove as far-fetched as they have in the past. New jobs will surely be created in what are called the 'caring' sectors. We may end up with the young spending more and more of their working lives

looking after the old, or the old more and more time educating the young. Some of the young may not regard either as pleasing prospect.

Still, having made all possible allowances under this head, it is hard to resist the conclusion that what Keynes called 'technological unemployment' will continue to rise as machines make more and more people redundant. I think we have already started to see this happen: what economists call 'structural unemployment' –the unemployment which persists when the economy is growing to trend –has been steadily going up.

Logically, there are two escapes from this trap.

The first is deliberately to engineer a decline in productivity, so that more people would be required to produce a given quantity of goods and services. This would mean calling a halt to, or even reversing, technological progress, and the division of labour, or what we now call the rate of economic growth.

This is the solution of the Greens; much of their inspiration comes from the writing of E.F.Schumacher, who wrote a famous book called "Small is Beautiful" in 1973. Schumacher appeals to the Buddhist concept of work. For Buddhists work has a threefold function: 'to give a man a chance to utilise and develop his faculties; to enable him to overcome his egocentredness by joining with other people in a common task; and to bring forth the goods and services needed for a becoming existence.

If a man has no chance of obtaining work he is in a desperate position, not simply because he lacks an income but because he lacks this nourishing and enlivening factor of disciplined work which nothing can replace'. (Small is Beautiful, 33-5)

At the heart of this view is the reconnection between production and consumption, or what Marx called 'exchange value' and 'use value'. Producers would have a much closer connection with the consumers of their products. To a much greater extent than now, production and consumption would be local: hence 'small is beautiful'.

We would re-enter a world of small communities, local markets, small-scale, and largely artisan production, and reciprocal personal services.

'Small is Beautiful' offers one escape route. The alternative is to accept the world created by technology and convert technological unemployment into leisure.

We would progressively reduce the hours of work as technology increases the power to produce.

The reversion here would be to the Aristotelian idea of activity undertaken for its own sake, or the sake of the city, but not for money. Notice that both ways of escaping from the consumption trap presuppose a radical ethical transformation.

Insatiability would be disciplined by a conception of the good life; with money as a means to it, rather than an end in itself.

Both visions also presuppose a much more equal distribution of income.

Both presuppose, that is, a vast change in social habits and aspirations.

But whereas the 'small is beautiful' idea keeps work firmly at the centre of the human picture, the alternative places the Aristotelian concept of an active leisure at its heart.

How do you decide between them? The standpoint of our book is Aristotelian. It seems more logical to build a future on the achievements of economic progress than try to seek to reinvent the wheel, which would in any case be impossible, barring a catastrophe.

The logic of leisure seems to us unassailable. Leisure is by definition time spent in not earning income. It depends therefore on unearned income. A rich society, in which wealth is more equally distributed than our own, could afford to give everyone an unearned income, and therefore the choice of how much to work.

On the other hand, the Aristotelian concept of leisure was aristocratic. It depended on a minority of 10 citizens living off slave labour. It requires an effort of imagination to see how it might be applied in conditions of mass affluence.

In a technologically advanced world which lived by Aristotelian precepts, the machines would be the slaves.

One can foresee a time when the semantic and substantive distinction between work and leisure will lessen as the character of both changes. Work will become more fulfilling, leisure more active. The distinction which remains will hinge on ownership.

Leisure is an activity wholly owned by the leisurely. But any feasible organisation of work in a modern society is bound to remain partly owned by the businessman who provides it, however fulfilling its character – subject to entrepreneurial purpose, and rewarded by market demand. Machines cannot replace human labour entirely; the purposes for which work is done will therefore remain partly extrinsic.

Nor will the socialist dream of workers' ownership overcome this inherent characteristic of modern business organisation, being simply one way of sharing out the proceeds of work.

All this may seem remote from present preoccupations. But technological progress constantly accelerates, bringing us ever closer to the challenge of what Key called the 'permanent problem of mankind – how to win the freedom which science and compound interest have won for us to live wisely, agreeably, and well'.

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