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Unemployment and the Future of Work : a Review Article

Background

The economies of the industrialised West are in the midst of a transition, from being focused on production to being driven by consumption. It is of course true that even when production was central, the needs of consumers were of great importance. Ford could not have produced his car if there had been no one to buy it. However, in the early part of the century most people earned just enough to provide for their basic needs and a few luxuries. Those who spent the bulk of their income on what would be regarded as non-essentials were in a small minority. This changed with the advent of 'mass consumption' after the First World War in the United States and after the Second in Europe. The change was achieved largely by the expansion of marketing which had previously played only a peripheral role, and by the availability of consumer credit. Business increasingly created the wants it sought to satisfy, and provided the finance to enable people to spend in the short term more than they earned. As a result, those who spent a large part of their income on non-essentials became a majority.¹

The result is that consumer values have become increasingly pervasive. These include a strong individualism, a stress on self-fulfilment and pleasure, an emphasis on appearance, suspicion of claims to absolute truth and a sense that reality is non-linear and fluid – 'postmodernism' by and large. On the other hand 'modernist', production-based values are still widespread. Work organisations limit individualism by stressing loyalty to the work-team; for many the search for pleasure when they are away from work is balanced in work by the ethic of service, the 'protestant work ethic' of hard work, obligation and honesty, or by professional ethics and codes of practice; a product or service may be marketed on the basis of appearance but a large number of people will have worked on what lies inside the package; the profit motive or the success of the organisation have the status of absolutes; reality at work is normally experienced as linear, logical and hierarchical. Modernism and postmodernism sit side by side just as production and consumption are mutually dependent.

1 A brief account of these developments is provided by Jeremy Rifkin, *The End of Work*, Putnam, New York 1995, pp 19-41.

On one view, what is happening now is that we are entering a new phase of the consumer revolution in which consumption values are changing the very nature of the production process itself. So whereas in the past, the options open to consumers were severely limited – they could buy a particular product with its own particular style or choose not to, and the producer largely determined what was available – now and in the future individual consumers will increasingly determine the nature of what they buy. Already, purchasers of Levi's jeans can stand in a booth, have their measurements taken by laser, and a few weeks later receive through the post a pair of jeans made to measure. Designers foresee a time when customers will feel the fabric in a shop, and then on a TV screen select from different styles and colours to assemble their virtual clothes, which will subsequently be manufactured to individual taste. Much the same is expected to be true of other products. The consumer will join the production process by customising their purchases.² Sherry Turkle has shown how the use of personal computers – first at home and then work (three-quarters of PC sales in the UK are for home use) – is encouraging the spread of postmodern values to those who have hitherto been on the edge of postmodernism. The idea that there is a fixed and objective reality, for example, does not ring true to those who are used to creating their own realities in the fantasy worlds being created on the Net.³ We are moving into an era in which the consumer rules in ways that are new, and to an extent that is new. Consumer values are likely to triumph over those of production and reshape the means of production.

The report

It is against this background that the report *Unemployment and the Future of Work*⁴ needs to be viewed. In September 1995 the Council of Churches for Britain and Ireland set up a working party to undertake an enquiry into unemployment and the future of work. Its report was published during the election campaign this year and has received much attention. It represents a masterful examination of the issues – from within a production framework.

The report is written 'particularly from the viewpoint of the poor and the powerless themselves' (p 6). Its central theme is that despite recent falls unemployment remains high by historic standards, that this is not inevitable and that on ethical, as well as pragmatic grounds, society should not tolerate it. "Enough good work for everyone" has to become an explicit national aim' (p 8). The emphasis on 'good work' leads to proposals to improve the quality of jobs. The report advocates a national minimum wage to prevent the worst abuses of low pay, and to signal that 'the offer of a job should be a mark of confidence and respect, the beginning of a relationship of co-operation and mutual support. That

2 A. Fuat Firat & Alladi Venkratesh, 'Liberatory Postmodernism and the Re-enchantment of Consumption', *Journal of Consumer Research*, 22 (3), 1995, pp 251-2, 258-60.

3 Sherry Turkle, *Life On The Screen: Identity in the Age of the Internet*, Weidenfeld, London 1996, pp 1-26.

4 Council of Churches for Britain and Ireland, *Unemployment and the Future of Work: An Enquiry for the Churches*, CCBI, London 1997, £8.50, ISBN 0 85169 238 9.

requires that the rate of pay offered is not insultingly low' (p 106). It calls for improvements in the conditions of employment of home workers and temporary workers, including better protection against unfair dismissal, and for trade unions to negotiate on behalf of the least well-treated workers. 'Employers should be required to negotiate with a union where a majority of the workers concerned wish it' (p 113). It also addresses discrimination at work. One is left with the impression that in seeking to redress the worst excesses of the "Thatcher" era, the report wants to recreate as far as possible the framework for employment that existed before 1979.

The report devotes most space to ways of cutting unemployment by creating many more 'good' jobs. It seeks 'to change the structure of taxation to encourage more labour-intensive methods of production' (p 91). To do this, it suggests lowering employers' National Insurance contributions, and the tax and insurance contributions paid by those on lowest incomes. This would be offset by raising taxes on the better paid. It suggests ways of expanding employment in the voluntary and public sectors, paid for largely by higher taxes. It shows how specific help could be directed to the long-term unemployed, and urges that priority be given to basic skills in the education system so that *all* young people benefit. It calls for the reform of social security benefits to reduce reliance on means-testing. "To achieve that would mean a change of heart among the electorate towards a "higher doctrine" of taxation – as it were a vital spiritual transformation towards seeing tax as a willing contribution to the common good' (p 7). Apart from its helpful third section on what churches can do, the report represents a sustained argument for higher taxes on the grounds that they *would* make a difference and improve the common good. Again, perhaps, there is a sense of wanting to recreate the 1970s in the context of the 1990s.

Taxation

The main shortcoming of this worthy report is its failure to take seriously enough the extent to which consumer values have altered the terms of the debate. To say that unemployment can be solved by raising taxes is not, at the end of the day, to say a great deal. There have been numerous articles, books and reports over the past eighteen years that have made the same point. The question is not how you tackle unemployment, but how to persuade people to pay for it. To address unemployment, what we really needed was a report on taxation.

The report rightly notes that there is scope to raise taxes. Despite pressure to compete globally on tax and pressure from within Europe to harmonise tax rates, the report notes that there is still plenty of scope for national governments to set the levels of taxes and public spending. Britain has a relatively low ratio of taxation to Gross Domestic Product compared to our main competitors, which implies that there is some room to raise taxes without losing a competitive edge. However, what the report fails to consider adequately is the way that consumer values have placed political limits on the ability to raise taxes. A succession of Tory governments and now New Labour have been elected on the basis that they were expected to be tough on taxes. Reflecting the distrust of authority generally, voters are hugely

suspicious of allowing government to spend their money on their behalf. They want to control how their money is spent themselves. This largely reflects the high value attached to individual choice in our consumer culture. Within that culture, the report's ethical appeal to a sense of obligation for the sake of the common good will fall almost inevitably on deaf ears. The sociologist David Harvey notes that in our consumer driven society aesthetics has triumphed over ethics as the prime focus of social and intellectual concern.⁵ Values of appearance, pleasure and personal choice carry considerably more weight than moral obligation.

This does not mean that Christians should give up on a theology that is biased to the poor. What it does mean is that we should find ways of incarnating that theology in the consumer culture which is steadily engulfing our society. This will involve, for example (in the language of the think tank Demos), exploring ways to reconnect taxation to the individual. One suggestion has been to increase the proportion of revenue that is raised through preallocated (or 'hypothecated') taxes. A preallocated tax is a tax that is raised for, and spent on a specific government activity. The 'windfall tax' to pay for Labour's welfare-to-work programme is a good example. The Treasury has always strongly opposed raising revenue in this way because it reduces the scope for government to shift spending between different activities as the need arises. However, it has been argued that preallocated taxes would help solve the paradox that voters frequently tell opinion pollsters they would pay more in tax for better public services, and then promptly vote for parties which are committed not to raise taxes. It seems that the reason for this 'inconsistency' is that voters do not trust government to spend any tax increase in ways that they want. Yet if voters knew that a particular tax was to be spent in a particular way (a health tax, for example, to fund the NHS), they might be more willing to pay for increases in that tax.⁶

Would it be possible to extend this approach? The Landfill Tax is an environmental tax on business. Yet companies can commute part of that tax by spending what they would have paid to government on environmental projects that they devise themselves. Could the same principle be extended in a small way to personal taxation? Instead of reducing the standard rate of income tax to 20p, as advocated by the Conservatives, might there be scope for allowing individuals to commute part of their income tax in favour of, for example, government-approved projects to alleviate poverty, run by the voluntary or private sectors? This could be done in stages, the first being to allow people to commute 1p of tax in this way. Would it be politically possible to increase income tax on the same basis, so that an additional 1p of tax could be allocated by individuals to anti-poverty programmes of their choice? Such an approach would be more in tune with the mood of our culture, and would provide a direct link between the comfortably off and the alleviation of poverty. Clearly there are limits to how far one could go, but tailor-made taxes are likely to have wider appeal than the present off-the-shelf taxation taken for granted by the report.

5 David Harvey, *The Condition of Post-modernity: An Enquiry into the Origins of Cultural Change*, Blackwells, Oxford 1990, p 328.

6 For a fuller treatment of this, see Geoff Mulgan & Robin Murray, 'Reconnecting Taxation' in Geoff Mulgan, ed, *Life after Politics*, Fontana, London 1997, pp 294-311.

Education

Though the report says that the importance of education and training needs to be kept in proportion, improving the skills of young people and the unemployed is nevertheless a key component of its recommendations. Here again the report fails to take account of the effects of the consumer age. Young people are saturated with television adverts. A TV advertisement of 30 seconds may have 25 images. Young people are used to interpreting images quickly and seeing a great variety of them in succession. This helps to create a mindset which expects to switch rapidly from one thing to another. Teachers and employers sometimes complain that young people have no staying power. What has actually happened is that many have found a different, and often more efficient way of organising their time. Instead of going about tasks in a linear, sequential way, they prefer to undertake a variety of tasks in parallel – spending a little time on one, turning to another, and then fairly quickly going back to the first.

This has immense implications for our mass production model of education, where there is often whole class teaching at secondary level. The more able and motivated may acquiesce in this, but it is likely that one reason why so many of the 'bottom sixth' fail literally to make the grade is that the approach is alien to their outlook. Other features of our production-based education also sit uneasily with the consumption values of young people. Any effort to raise educational standards must address this as a key issue. Michael Barber, now an education adviser to the government, has proposed ways to begin to individualise the learning experience and give greater scope for choice and flexibility.⁷ One Nottingham comprehensive school has recently begun to envisage setting up a Cybercafé on Saturdays: in return for a small parental contribution, pupils could come into a club atmosphere in which they used a computer-based learning program for a few minutes, then played a computer game, then chatted to friends over coffee, before returning to the learning program. A growing minority of educators see this 'club' approach to learning as one way of connecting with pupils who are being failed by the current system. Yet the report is silent about all this – silent because it is locked into a production rather than a consumption model of society.

There will of course be those who fear that if we take too much note of the consumption nature of our evolving culture, we may be seduced by its individualistic and amoral values. However, incarnating our theology in this culture is more likely to have the opposite effect. By starting where people are and reconnecting taxation to individuals, for example, people would be encouraged to move in a more ethical direction and to take the first step in subverting our culture. What we need, in short, is theology that speaks to the world which is coming, rather than hankers after a world that is past.

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7 Michael Barber, *The Learning Game: Arguments for an Education Revolution*, Gollancz, London 1996, pp. 239-90. For a

more radical view see Roland Green, *The Next Learning System, Educational Heretics*, Press, Nottingham, 1997.

