

## 2 | THE NATURE OF WORK

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*As technology radically transforms our labour markets, our political economy stands at a crossroads. There are three competing tendencies in the future of work: towards extraction and exploitation, towards anxiety and insecurity, or towards connectivity and the human touch. The left must intervene to ensure the latter wins out, in doing so reasserting the moral value of work and creating a connection between humanity and the economy the like of which has vanished since the industrial revolution.*

**W**ork shapes our lives, it has the power to change the way we think and how we behave with and towards each other. Good work can bring a sense of identity, expression and meaning. At its best work can provide a vehicle for creativity, an opportunity for people to flourish and for friendships to develop. Contemporary disruptions in established patterns of work have the potential to further diminish this creative, human element in work, but, if mobilised effectively, they also have the capacity to usher in a new era of work in which it rediscovers its moral and meaningful character.

Beveridge understood the value of good work when he identified five giant evils facing society, and recognised that want and idleness were directly correlated to an absence of, or inadequacy in work. His report in 1944 contained a timeless truth. Work is good for the human

condition, its absence is harmful and the provision of good work is central to the creation of a good society. Given this insight, and with the benefit of time and perspective, I would therefore consider adding two more 'evils' to the Beveridge list: drudgery and penury. Both are caused when work is devalued to such an extent that it has the capacity to erode a person's basic sense of self, trapping them in in-work poverty such that their very humanity and spirits are sapped.

The nature of work therefore extends beyond economic discussion about rates of pay, it provides a vital building block in the way we choose to live our lives. Seen from this perspective, businesses aren't merely engines of economic growth, but also precious social mechanisms. Through the very nature of the work they create for people, they can at their best act as agencies for human betterment, but at their worst they can be asylums of misery.

Having a distinctive point of view about the nature of work we are creating as a society should therefore be a central concern for us all. Yet in order to have a credible perspective, we first have to fully grasp what is currently happening both within and to the world of business and understand the changes which are already shaping the way work is going to look through the rest of this century.

We are at the beginning of what some have described as a second machine age or fourth industrial revolution. It is a new and highly disruptive era, one in which we will see accepted practices turned on their heads. It will redefine not only the world of work but also the way we lead our lives. Much as steam and coal transferred muscle to machine power, this revolution has the potential to transfer brain power to artificial machine intelligence.

Where will this leave us all?

A complicated, messy picture is emerging. In this essay I have attempted to codify what is happening into three basic scenarios.

## **An age of extraction**

The first is the 'age of extraction', a world where business believes there is an economic logic in extracting the maximum value for the minimum cost, with no thought given to the human or social consequences. This is a dystopian future designed with people operating as mere cogs inside global supply chains. Welcome then to the dark side of the gig economy, where low productivity, low pay and low job security masquerade as efficiency, freedom and opportunity.

In the age of extraction, businesses find little incentive to invest in capital equipment, or to train their workforce. The result is commoditised workers with minimal rights, and little voice in the workplace. At its worst this world has already ushered back in bonded labour and human trafficking, rife again in producer countries and creeping into the UK, as workers on the factory fishing vessels operating off the coast of Scotland will testify.

We also see it in the mega warehouses that shadow the motorway networks, with people undertaking low-skill tasks as temporary or agency contractors on zero hour contracts; where products ordered online are taken the last mile or so to your home by drivers with the status of self-employed workers. For more technical or tailored tasks this is the world of the freelancer, working on short term contracts without job security or rights to the sick-pay, holidays or pension provisions of their fellow, permanent colleagues.

Some would say a highly flexible workforce is a recipe for efficiency. However, all the evidence shows the opposite, that productivity in one of the world's most flexible labour markets somehow lags the more human-centric models of Scandinavia.

## **An age of anxiety**

A second scenario is also emerging, an 'age of anxiety', disguised as a world of aspiration. It is a world where business is being radically reshaped by new technologies. A robot revolution, leading to what business claims will be 'fewer but better' jobs. The revolution will impact everyone, from sectors where there have traditionally been large numbers of lower skilled jobs, like retail, to the professions where artificial intelligence and algorithms will perform the data capture, number crunching and analytical tasks currently performed by qualified groups of accountants, lawyers and insurance and bank workers.

Academics at Oxford Martin University predict up to 35 per cent of jobs in the UK could go as part of this robot revolution. This then gives us the 'hour glass economy', divided between the few people at the top doing intellectually challenging and complex work and the many at the bottom with no access to secure work and little chance of ever escaping their fate. The content of the 'better' jobs that are left can sound fascinating. However, work is moving in the opposite direction for too many people, as the last vestiges of humanity in the workplace are being sucked out from their jobs.

It is as a consequence an increasingly unhappy, unequal and unstable world, where economic insecurity and mental illness stalk everyone's worst nightmares.

## **An age of connectivity**

An alternative world of work is also emerging, one which places greater value on humanity and has the hallmarks of greater connectivity. In this world, technology enables rather than defines the future, and the highest value is placed on working with, and being of service to, each other. This alternative world foresees large organisations

surviving only if they provide a greater human touch and a heightened sense of community in the way they deliver their products and services to customers.

It would be a world where smaller -scale organisations are able to compete with global behemoths because they are combining technology and community to form new ecosystems of work. This future model puts personal relations and 'making' skills back at the heart of commerce. This then is a truly social economy, where people recognise that there is value in what they personally contribute, create and share.

This is a future where people bring their whole selves to work. It is a world where individual 'makers' and small businesses are able to offer their wares to the whole globe on shared accessible platforms. Where advanced technology is enabling a new wave of distributed manufacturing, and people can produce highly sophisticated products on a micro level. It's a world where unique ideas, innovation and authenticity can and do compete with scale.

It suggests a more artisanal environment, where people value unique things over mass-produced products and the handmade over the machined. It's a world which supports a 'circular economy' where quality products are built to last and can be reused, repaired and recycled rather than thrown away. It may seem inefficient to think of an economy where things are repaired rather than dumped, but with the internet of things, technology will enable complex diagnoses to extend the life of products and move us decisively away from a throwaway consumerist society.

For those who struggle to imagine how such a shift could take place we only need look at the boom in Britain's micro-breweries, a trend which global mega brewing brands are struggling to react to. Cities such as Sheffield now have over 50 brewers making craft beer, cumulatively employing hundreds of people. This sense of creativity,

craft and community combined is the signature of this new work environment.

Another example of how creativity and craft are combining is emerging out of the use of 3D-printing in the eyewear industry. In some ways, the possibilities provided by new technology are bringing the eyewear industry back to its origins. Back in the 18th century Clerkenwell and Farringdon in London were the centres of an international industry dominated by hundreds of tiny workshops performing eye tests, shaping lenses and making frames. Whilst the UK industry grew and experienced a boom under the free spectacles era of the early NHS, it collapsed after privatisation moved production offshore.

However, in the past five years acetate cutting machines used in frame manufacture, that once cost upwards of £1 million, are now accessible to new entrants at as little as £3,000. As a result new businesses are springing up. Highly entrepreneurial, they have funded their growth thanks to crowd-sourcing and multiple investors putting in small amounts of cash, all from within their community.

Deb Oxley, CEO of the Employee Ownership Association, says this crowd-funding trend is appealing to many tech start-ups, who are increasingly interested in shaping environments where people can work collaboratively, sharing in the fruits of their labours. It is a mini-revolution in its own right and in many ways reminiscent to the development of the co-operative movement.

It shows how the quality of the work and the community in which it happens are interwoven environments in which small has finally become beautiful again. This pattern is not only about small entrepreneurial activity. The prices of solar and wind-power generation are now within reach for individuals or communities and battery storage means that communities can become fully self-sufficient. As a result a new kind of interdependency is emerging where all aspects of the economy intersect: small

business, not for profits, government, the creative sector and social enterprise. It is creating what some are calling a new fourth sector, at the heart of everything.

This new thinking is starting to unpick the old siloed, rigid and hierarchical working that has dominated so much of the 'bigger is better' industrial-era mentality and replacing it with smaller, localised, distributed models.

To work it will require a newly invigorated sense of local democracy as these new creative craft communities encourage people to act more autonomously, be more accountable and work in a more balanced way. It will require individuals with broader sets of skills, creating and caring again about their work and the communities in which it happens.

## **Conclusion**

It is easy to forget that industrialists once argued that it was economically desirable for children to crawl under weaving machines and climb up chimneys. For the first time in over 70 years we need to once again reassert the moral dimension of work, to return to that aspect which Beveridge so clearly recognised, to acknowledge that a failure to provide good work allows evil to rear its head in society. We need once again to argue that the absence of good work is not only instrumental in causing poverty but also undermines communities and is detrimental to our mental, physical and social wellbeing.

We therefore have to look closely at each of these very different scenarios, to understand who the real winners and losers are, and where the true costs fall. Only then can we move beyond focusing policy on the issues caused by the absence of work, and start to form ideas about how the nature of work itself can contribute not only to the nation's economic fortunes, but also be woven into our thinking about the fabric of a resilient, sustainable and inclusive society.