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# THE FUTURE ISN'T WORKING

Nick Srnicek and Alex Williams

## INTRODUCTION

~~As a confluence of recent events in UK politics have demonstrated, we are in an era of extraordinary political transformation. Technological unemployment, climate change, crises of political legitimacy and social cohesion: the current moment demands radical, imaginative thinking. In particular, In the wake of JeJeremy Corbyn's resounding victory in the Labour leadership race has given rise to, a defining question ~~has opened up~~: what does the contemporary Labour Party stand for beyond being anti-austerity? While the other candidates all accepted the necessity of austerity to some degree, Corbyn and his success are to a large part based upon his principled anti-austerity approach. ~~It is~~remains hard, however, to see how this directly translates into a positive vision for the future, ~~though, nor how~~ ~~on it might translate into a forward-looking programme of structural economic reform. its own it will transform the institutional underpinnings of how our economy operates and for whose benefit.~~ What, then, is the image of hope that Labour can put forth to mobilise voters and adapt the UK to 21<sup>st</sup> century realities? What ambitious project can it rally the people around?~~

The argument of this article is that Labour should begin building towards a society premised on less work ~~for all, combined with~~ better quality work for all, and ~~and~~ with ~~its~~the benefits of work more broadly shared. Not only is this increasingly possible with ~~the~~ rapid advancements ~~ss~~ in technology, but it is increasingly necessary as sluggish economic growth leaves the labour market weakened and inequalities of economic power and reward remain entrenched. Such a strategy will help define what happens after 'anti-austerity', work to establish a modern left politics outside the coordinates of 'Old Labour' and 'New Labour' alike, and will be a vital part of re-orientating the party in a new environment of grassroots movements and political pluralism.

## THE 21<sup>ST</sup> CENTURY LABOUR MARKET

Many will likely scoff at the claim that the UK labour market is weak. Employment levels are at all-time highs (since comparable records started in 1971), and unemployment has remained remarkably low during the aftermath of the 2008 financial crisis. As we write, it has reached a post-crisis low of 5.3%. Surely, it must be argued, the UK labour market is healthy, particularly when we look across the Channel at the ~~eurozone's~~Eurozone's unemployment rate of 10.8%. But dig beyond these headline figures and not everything is as rosy. In particular, we need to question the quality and pay involved in the jobs. KPMG research notes that nearly 6 million British workers are working below their local living wage, with the proportion of workers under the living wage rising each of the past 3 years to 23%.<sup>1</sup> Moreover, this quarter of the UK labour market has been subjected to

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<sup>1</sup> "Living Wage Research for KPMG" (London: KPMG, 2015), <http://www.kpmg.com/UK/en/IssuesAndInsights/ArticlesPublications/Documents/PDF/Latest%20News/kpmg-living-wage-research-2015.pdf>

rising household debt, pessimism about their future finances, and weakening job security. They have jobs, but these jobs are hardly meeting their needs.

A similar story holds more broadly as well. The ONS, in a report on the low level of unemployment after the crisis, notes that two-thirds of job creation came from the self-employment category.<sup>2</sup> Since 2000, 90% of new business growth has involved business with no employees.<sup>3</sup> And from 1959, the proportion of self-employed workers in the labour market has more than doubled.<sup>4</sup> This is a sector where jobs are more likely to be low-paying and precarious, and yet the UK has seen a long-term growth trend in this sector, combined with an acceleration of self-employment after the crisis. More broadly, the developed economies have been facing job polarisation: the traditional middle-skill, middle-wage jobs of old have been erased by technological change and globalisation. Replacing them has been an expansion of low-skill, low-wage jobs and a smaller growth in high-skill, high-wage jobs.<sup>5</sup> The UK may have jobs, but the quality and the security of those jobs have been massively suffering in recent years.

## TECHNOLOGY AND WORK

Those looking at the future of technology and work worry that even more problems are lying on the horizon. New technologies, premised on machine learning, big data, and advanced robotics, are all threatening to drastically change the labour market. We can think about this in two ways. For one group, it is mass unemployment which is the potential problem. A now famous Oxford study estimated that 47% of jobs in America will be automatable in the next two decades.<sup>6</sup> A similar study for Europe found that 54% of current jobs will be automatable.<sup>7</sup> Taken at face value, these reports suggest a huge emerging problem of unemployment. But this need not be the case. Undoubtedly, as some jobs are automated away, others will be created in areas that cannot be predicted. However, the numbers of new jobs created may not be all that high. [For example, over the next ten years, eight times as many jobs will be created by the need to replace employees due to retirement than will be generated through the creation of new types of jobs.](#)<sup>8</sup> More importantly, as the UK shows – low-wage jobs and part-time jobs can forestall these problems from showing in the unemployment statistics.

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<sup>2</sup>“Self-Employed Workers in the UK - 2014” (London: Office for National Statistics, 2014), 3, [http://www.ons.gov.uk/ons/dcp171776\\_374941.pdf](http://www.ons.gov.uk/ons/dcp171776_374941.pdf).

<sup>3</sup>“Business Population Estimate for the UK and Regions: 2015 Statistical Release” (UK: Department for Business Innovation & Skills, 2015), 2, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/467443/bpe\\_2015\\_statistical\\_release.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/467443/bpe_2015_statistical_release.pdf).

<sup>4</sup><http://www.ons.gov.uk/ons/datasets-and-tables/data-selector.html?cdid=MGRQ&cdid=MGRZ&dataset=lms&table-id=03>

<sup>5</sup>Maarten Goos, Alan Manning, and Anna Salomons, “Job Polarization in Europe,” *American Economic Review* 99, no. 2 (2009): 58–63; David Autor and David Dorn, “The Growth of Low-Skill Service Jobs and the Polarization of the US Labor Market,” *American Economic Review* 103, no. 5 (2013): 1553–97.

<sup>6</sup>Carl Benedikt Frey and Michael Osborne, “The Future of Employment: How Susceptible Are Jobs to Computerisation?,” 2013, [http://www.oxfordmartin.ox.ac.uk/downloads/academic/The\\_Future\\_of\\_Employment.pdf](http://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf).

<sup>7</sup>Jeremy Bowles, “The Computerisation of European Jobs,” *Bruegel*, 2014, <http://www.bruegel.org/nc/blog/detail/article/1394-the-computerisation-of-european-jobs/>.

<sup>8</sup>CEDEFOP, “United Kingdom: Skills Supply and Demand up to 2025”, (2015), <http://www.cedefop.europa.eu/printpdf/publications-and-resources/country-reports/united-kingdom-skills-forecasts-2025>

A second option is therefore more likely than mass unemployment: a decreasing number of good jobs. This means lower pay, more part-time jobs, more contract work, more self-employment, and more precarity in general. And given the expansion of surplus labour available (even if the absence of mass unemployment), this will also get expressed in lower quality jobs. Confident in their ability to find a new worker at a moment's notice, management will pressure workers to work harder, faster, and longer. It is impossible to precisely predict what effects emerging technology will have on the labour market, but all the signs point towards a difficult future.

## THE FUTURE OF WORK

It does not have to be like this. ~~But~~ However, achieving a different outcome means rethinking what the Labour Party – and the left more broadly – is oriented towards. The leadership election showed the limited appeal, at least within the party, of a defensive form of social democracy, overly reliant on a reactive tax and spend strategy rather than a bolder political economy aimed at changing how the institutional bases of the economy work and for whom. However, what that bolder economic strategy would look like in practice is as yet only vaguely sketched: one key area the party needs to examine is how it thinks about the politics and purpose of work.

The demand for full employment has long been a classic tenet of social democratic parties and trade unions since at least the Great Depression. With few exceptions, the aim has been to provide well paid, high quality, permanent jobs for everyone (though with important disparities in terms of women's employment). But what if this is no longer possible? Or, perhaps more radically, no longer desirable? Given the existing problems of the UK labour market – high employment at the expense of high-quality jobs – and the likely exacerbation of these tendencies with a new wave of technological innovation, perhaps we need to rethink how we approach work. In 1932, in the midst of the Great Depression, Keynes famously forecast a future where people would work 15 hours a week and leisure time would be massively expanded. It seems that this vision is not only more possible than ever before, but also more necessary.

The UK government has a significant role to play in this. At least three complementary options present themselves. The first option is simple enough: a reduction in the length of the working week. A vast amount of research supports this move, in productivity terms, in mental health terms, and in environmental terms.<sup>9</sup> If the amount of work needed to run a healthy economy is decreasing, then a reduced working week is a crucial tool for spreading the remaining work out in as equitable a manner as possible.

A second option would be to begin experimenting with a universal basic income and establish the basis for a sustainable and effective basic income in the future. This would build off of experiments in Canada and the US in the 1960s, along with more recent

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<sup>9</sup> It has been estimated that the US would reduce their energy consumption by 20% if they moved closer to the average European work week. David Rosnick and Mark Weisbrot, "Are Shorter Work Hours Good for the Environment? A Comparison of US and European Energy Consumption" (Center for Economic and Policy Research, December 2006), [http://www.cepr.net/documents/publications/energy\\_2006\\_12.pdf](http://www.cepr.net/documents/publications/energy_2006_12.pdf).

experiments in [the Netherlands](#), India and Namibia. Besides being an immensely effective anti-poverty tool, a universal basic income enables people to freely choose whether to take a demeaning, dangerous, or low quality job – or whether to choose some other life path instead. Some would choose to further their education, gaining new skills in the process, others would turn to the household in an effort to care for their families, and still others would turn towards creative activities as a mode of expression. A universal basic income is an important foundation of freedom in a world where good jobs are on the decline.

The final possibility is greater public investment into research and development of technologies for automation. Building off of Mariana Mazzucato's path-breaking work on the role of the state in technological development, we could here imagine a state seeking to build up the tools needed to [deploy the new technologies of automation to eliminate the worst jobs](#).<sup>10</sup> In the first place, this would help to overcome the stagnant productivity of the UK, but it would also liberate workers from having to do demeaning, dangerous, and dirty jobs. [Similarly, new thinking on governance and ownership, particularly in the deployment of new forms of technology, offers a route for public policy to help better democratise gains made returns in the economic productivity. Such a process would and create the space for more fulfilling work, and perhaps more importantly, more fulfilling lives. incentivise more fulfilling work in the future.](#)

## A MODERN LABOUR PARTY

While Corbyn's opponents have presented him as a throwback to an old left style of politics, in fact ~~he~~Corbyn has been the only one to recognise the changed realities of the UK in the 21st century. The creation of a mental health shadow cabinet position, the questioning of the utility of Trident and NATO, and the call for social support for the self-employed all reveal a politics that is well aware of contemporary Britain and [its discontents. Meanwhile, the prevailing hegemonic position of the Conservative Party, and much of the UK media and business community, appears mired in the thinking of the past. Using ever more coercive methods to prepare workers for a future which is fast being erased, while business investment remains sluggish and dangerous financialised growth is pursued is unsustainable. The space exists for a new future to be articulated. its global role. His opponents, meanwhile, are mired in a Cold War fascination with nuclear weapons and obsolete security communities, and fondly reminisce about the good old 1990s.](#)

But if Labour wishes to fully shed the past, it should reject ~~now~~—outdated social democratic goals and present a radically new future of less work, [high tech automation, and socialised productivity gains](#). This would be an ambitious and hopeful vision ~~of future~~ that promises ~~ed~~ direct improvements in the lives of everyday people. [Only in taking back the ground of modernity, and presenting a vision of the common good which is more modern than is capable under the austerity neoliberalism of the Conservative Party, can Labour recapture power and redefine the terrain of the possible for UK politics.](#)

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<sup>10</sup> Mariana Mazzucato, *The Entrepreneurial State: Debunking Public vs. Private Sector Myths* (London: Anthem Press, 2013).