

IS WORK DEAD?

The end of work as we know it?

1. Unemployment is largely a result of advances in technology. Large scale mechanisation of traditional manufacturing and service jobs through the application of the fruits of the latest technological revolution (particularly in microelectronics) is taking place. These jobs are being permanently eliminated. To give some examples: Japan replaced over a million workers by robot labour in the mid-70's, and a 1979 report to the Union of Automobile Workers predicted that 80% of the 25 million manual jobs in the USA would be gone by the year 2000 A.D. Examples from closer to home also spring to mind: containerisation destroyed many traditional jobs in Dublin and other ports; the introduction of new automated equipment in Guinness's has resulted in a reduction in the James' Gate workforce. While new technology is producing some new jobs, it is not producing them in anything like the quantity needed to absorb the great mass of unemployed people, nor does it show any signs of being able to do so in the future. There is good reason to suspect that by its very nature it cannot do so.

Gross National Product (GNP) tends to hold steady or even increase (as happened in Ireland in the mid-80's). It follows that we no longer need the labour utilized prior to the present wave of mechanisation in order to maintain our national standard of living.

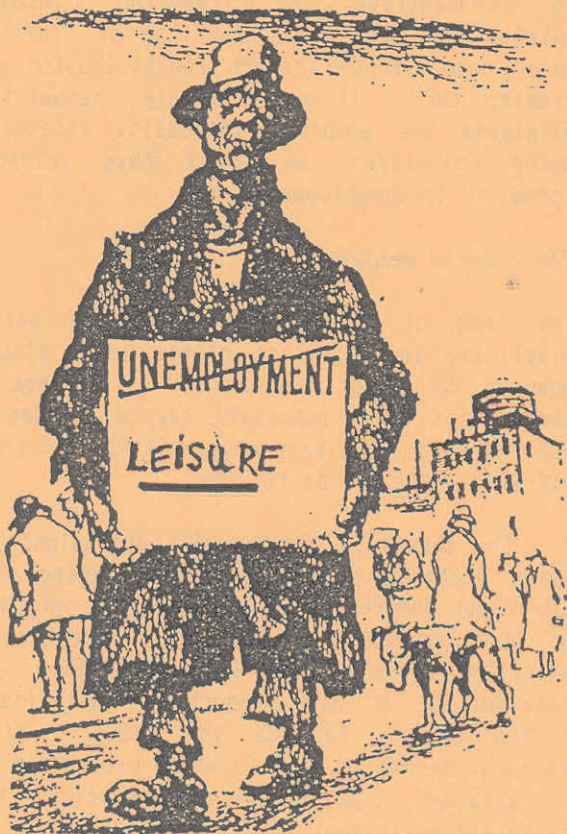
The counter evidence

The 'end of work' case has the merit of simplicity and at first glance seems plausible. However on closer examination it becomes clear that a lot of important counter evidence has been ignored. The main arguments against the 'end-of-work' case are as follows:

1. The thesis is historically shortsighted. At every stage of industrialization, going back to the first Industrial Revolution, the introduction of new technology has been associated with extensive job-loss. Following this, the introduction of new products arising from new technology has led to the creation of mass consumer demand to satisfy which production had to be expanded. Expansion of production led to increased employment, both directly in production, and indirectly, in spin-off services. Now while the job-possibilities in the latest technology have not been realised to any great extent as yet, it seems premature to claim that there definitely will not be any substantial job-outcome. The prognosis of 80% elimination of manual jobs in the USA by the end of the century sounds more sensational than it ought. After all most of the

manual jobs performed in 1870 were probably eliminated in the advanced economies by 1920 - to be replaced by new jobs.

2. The relationship between robot-introduction, mechanisation, etc. and levels of unemployment is not as simple or as obvious as one might think. According to an OECD report on industrial robots issued in 1983, Japan and Sweden both had low levels of unemployment (around 3%) and a high ratio of robots to employed (respectively, 13.0 and 29.9 robots per 10,000 in manufacturing); at the other end of the scale, Britain had a mere 2 robots per 10,000 manufacturing workers - and at the same time mass unemployment of over 13%. Nor were these countries unusual or freak cases; the figures for other countries made it very clear that advanced mechanisation and robot-replacement of labour did not necessarily lead a country to high unemployment. Mechanisation does of course eliminate jobs; what the OECD figures suggest is that certain countries have managed to develop policies which combine high technology and near full utilization of the available work-force.



3. One suspects too that the end-of-work thesis was born of a certain fatalism in relation to mass unemployment. If one looks only at EC countries, the fatalism is understandable. But the picture is quite different in other industrialised countries. The USA, although it suffers from relatively high unemployment (nearly 7%), has created some 20 million new jobs since the early 1970's. Japan has held unemployment below 3% and at the same time managed to create 3 million new jobs since 1973. The EEC's job-creating score during the same period was virtually nil. In the early 1980s, certain other European countries

managed to keep unemployment low: Norway and Sweden each at 3%, Switzerland at 1%, and Austria at 4%. Analysis of their success shows considerable variation in their respective routes to 'full' employment. While Ireland may not be blessed with the same mix of favourable circumstances, it should at least be clear that there is more than one way out of the high-unemployment situation.

4. Redistribution is important in it's own right. However it is not a substitute for job-creation. The idea that from a financial point of view redistribution will solve the inequity in high unemployment and that we have enough to do so, is questionable. It ignores the cost of high unemployment. If we leave aside the financial and social-psychological suffering of the unemployed and their dependents, it is still the case that national economies with high unemployment are finding it a severe strain. Financially, the high levels of unemployment represent a huge loss of output and income from taxation, as well as vast expenditure on assistance. It could be argued that unless we can resolve the unemployment problem, the welfare system will be further undermined.

5. The end-of-work thesis concentrates too narrowly on the fact (and it is a shocking and numbing fact) of unemployment, and is in a sense mesmerised by it. An equally important fact is that there are great needs, in Europe and other industrialised countries, which are not being met. One can look around and see those needs for oneself: improved care of the elderly and the handicapped, health care for those on drugs, proper environmental care and development, and a host of community problems. All of these require the energy, creativity and labour of a substantial number of people, but because they lie outside the arena of market profitability, they are largely neglected.

In addition there are a number of unmet needs in the market itself. Industrial analysts have pointed out that future potential industrial expansion is hindered by the absence or poor quality of the infrastructural services (e.g. transport, roads, communications, an educated work force capable of rapidly acquiring new skills). For example Eoin O'Malley argues that far from being a 'developed' economy, Ireland, though comparatively wealthy in fact resembles an underdeveloped economy requiring considerable industrial development. Rather than accepting high unemployment as inevitable it can be argued that there is something wrong with the present organization of work, which permits unmet needs to coexist with unused labour.

In summary it seems that there is too much counter evidence for the end-of work argument to win its case. We must therefore conclude that the death-notices for work have been a little premature!

THE STATE AND INDUSTRY

When you enter the IDA's smart headquarters in Dublin 2, you immediately spot an area segregated off, with its own stairs and reception area. There, in a place apart, work the 18 staff of one of Ireland's newest State bodies, the National Development Corporation. They are dwarfed by the surrounding might of the IDA with its 600 staff, an IDA that was given £13.3 million for running costs this year, by the last Budget, as against £0.7 million for NADCorp. The nature of NADCorp's brief, however, leads one to hope it may prove to be a cuckoo in the nest and, one day, outgrow even the IDA.

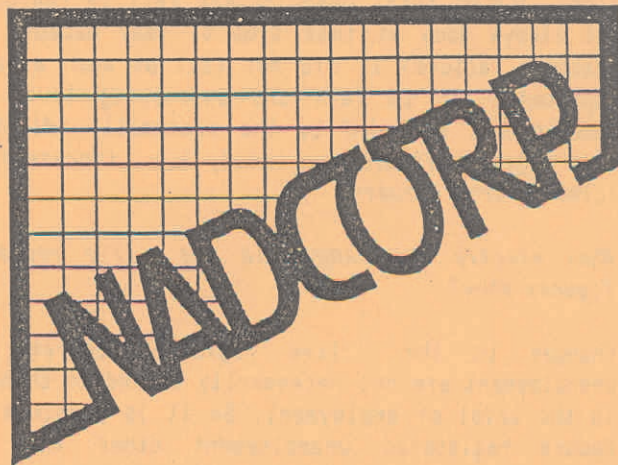
NADCorp is an addition to the State's armoury for implementing industrial policy. The Labour party and the trade union movement in particular fought for its establishment. It is a State-owned VENTURE CAPITAL company. "Venture capital" means it does not give grants (that is for the IDA) nor fixed interest loans (that is for the ICC) but risks buying a stake in a project which could be money lost if the project fails but may also be a source of dividends, and a stake-holding which could be sold on to someone else later, if the project prospers.

There are, of course, private venture capital companies. The need for a STATE-OWNED venture capital company, however, is that the State can take a wider and a longer view of a particular industrial project than can the market. A wider view means that NADCorp will be influenced by the fact that a project may have identifiable spin-off benefits going to the wider productive economy that are not capable of being counted as part of the profits of the project itself. This implies, for example, that NADCorp has a particular interest in projects building on Irish natural resources, or which feature Irish people doing something that is technologically advanced. A longer view means that the market might find the delay in a particular project coming to profitability too long whereas the State can be prepared to live with a lower rate of return than could be got immediately somewhere else because the project in question is really developing something new for the national economy.

The first general duty, therefore, of NADCorp* is "to assist in the creation of the maximum amount of viable employment in the State." Its second general duty, however, financial self-sufficiency in the medium term, more clearly sets it apart from the IDA and other State agencies serving industry than anything else. Within 5 years, it is expected to be able to cover its own operational costs, i.e. it must be earning enough by then from fees, dividend and interest income to pay its own staff, etc. Over a longer time period, it is expected to be able to contribute to its own investment needs, i.e. in 8 or ten years time it should be able to sell some of the stake-

holdings it has now acquired, realising good money which can then be invested in totally new projects. This means it will be managing a "Revolving Investment Fund for Employment."

NADCorp was born in June, 1986, (when it also took over the activity of the short-lived National Enterprise Agency). Its annual report covers the period June '86 to May '87. How has it been doing? By May '87, it had decided on investing £6.2m in 21 projects (of which £5.6m had actually gone ahead). The projects are listed at the back of the report. Interestingly, 7 of them have to do with salmon and 5 with computer software so natural resources and advanced technology are immediately in evidence. However, traditional industries that are aiming at high quality products also figure, e.g. Dubarry shoes and Irish bog oak artifacts. A further interesting type of project has to do with the export of services: two companies specialising in staffing overseas hospitals with Irish medical personnel received backing. The 21 projects in total are only the tip of an iceberg, however. Some 347 projects came before NADCorp and were rejected during the year. At the time they wrote the annual report, a further 101 were still under examination. This is evidence of a lot of activity, entrepreneurial spirit on the part of people submitting projects to NADCorp and hard decision-making on the part of NADCorp's small staff. The hope must surely be that, as people become more aware of what NADCorp is there to do and as the resources of NADCorp grow to allow it to broaden what it can consider "commercial", that a lot more than 12 per cent of the projects coming before it will get beyond the initial screening stage.



It is worth noting that, when projects are being evaluated, NADCorp regard the track record and competence of the managerial team as of first importance. "NADCorp regards evidence of managerial capability and commitment, combined with entrepreneurial drive and enthusiasm, as of critical importance", they say. This needs to be explained more by NADCorp and the application of the principle monitored if a type of culture-blinkeredness is not to take over which regards "managerial capability" as requiring a good

middle-class background, and a "track record" as meaning involvement in profit-oriented business only. In areas of high unemployment and among community-based groups, there can be potential entrepreneurs which it could be difficult for investment executives from totally different social backgrounds to recognise.

Thanks, in a significant way to Congress and the

political left, a National Development Corporation now exists. Its business plan commits it to a supportive and pro-active role in developing industrial projects in such areas as advanced engineering, aquaculture, food processing, traded services, tourism, commercial forestry and biotechnology. Even greater effort should now be brought to bear in ensuring that NADCORP realises its full potential. ●

NUMBERS GAME

Official unemployment figures are published each month by the Central Statistics Office. At the last count (26 February 1988) there were 250,575 persons on the live register which is an unemployment rate of 19.2%. The unemployment figures are one indicator of the performance of the Government and so their interpretation is a politically sensitive, and contested, issue.

'Selective reporting'

Official comment on the figures almost always indulges in "selective reporting" i.e. tries to find a way of presenting the figures that reflects well on the Government. The angle that has been taken over the last three months has been to highlight the fact that the live register total in each of these months has been less than the total for the corresponding month one year previously. So for example when the latest figures were released a Government statement pointed out that unemployment was 1,900 lower in February 1988 than in February '87, and said "this trend is encouraging". While the figures used in the official statement are true they are not the whole story. Though total unemployment fell in February (it always does at this time of year because of seasonal factors) it did not fall as much as was expected. So in fact the underlying level of unemployment recorded by the seasonally adjusted live register figures worsened, i.e. increased by 1,100 during February.

What exactly do changes in the live register figures show?

Changes in the live register figures for unemployment are not necessarily linked to changes in the level of employment. So it is possible to reduce registered unemployment other than by increasing employment. A number of factors may act to reduce the official unemployment totals. These include:

* emigration - currently running at around 30,000 per year - certainly holds down the unemployment level and could bring about actual reductions in the registered totals.

* any increase in the number of places on State schemes or in the take up of existing places by people on the live register (which is an effect of the Jobsearch programme) means fewer people on the live register.

* changing the rules governing eligibility to sign on, for example the plan to re-classify older people on the live register as 'pre-retired'.

While the Government has abdicated any direct responsibility for job creation it seems to have increased its efforts to 'massage' the unemployment figures in other ways. For example they claim to have removed some 15,000 people from the live register through the Jobsearch programme. But something is wrong here. The obvious problem with this claim is that there is no sign of any significant decline in the live register total as a result. Either the claim that Jobsearch has removed significant numbers from the register is false or unemployment grew significantly and offset the gains from Jobsearch. Either way the claim backfires on the Government!

MAY DAY 1988

This year, there is an effort to put more energy and sparkle into the traditional labour day march in Dublin. It will be 75 years since the 1913 lock-out, and - in addition - the millenium, of course ; a thousand years of labour history ! Wide and colourful participation is important. You will hear actor, Ger O'Leary, dressed as Jim Larkin gave a word-for-word rendering of one of Big Jim's 1913 speeches. It all begins in Parnell Square, 2.00 pm, Sunday May 1st, and concludes at Liberty Hall where theatre and concerts are being planned. For further information contact:

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COMMENT

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The world of work is undergoing a major transition. Some of the most striking features are the introduction of new technologies, the elimination of wide categories of jobs in manufacturing and services, high unemployment and the slow appearance of new types of jobs. This article intends to question one particular interpretation of these changes: unemployment, which is 'here to stay', is largely the result of advances in technology.

Japan replaced over a million workers by robot labour in the mid-70's and in the USA a 1979 report to the Union of Automobile Workers predicted that 80% of the 25 million manual jobs in the USA would be gone by the year 2000 A.D. Examples at home spring spontaneously to mind: Waterford Crystal recently made 750 of its 3,000 work-force redundant, containerisation of Dublin's docks created huge unemployment among the unskilled, and Guinness in the past number of years has been introducing new automated equipment and consequently cutting back its work-force. While new technology is producing some new jobs, it is not producing them in anything like the quantity needed to absorb the great mass of unemployed people. As a result, one matter in the minds of many seems to be definitively settled: 'there will be no jobs!' Work is dead!

However, it is argued that simultaneously, as unemployment rises because of mechanisation, GNP tends to hold steady or even increase (as happened in Ireland in the mid-80's). It follows that we no longer need the labour utilized prior to the present wave of mechanisation in order to maintain our national standard of living.

In the light of the above, it seems that the most sensible option is to concentrate on reducing inequality, particularly that resulting from an inevitable mass unemployment, through redistribution of our growing GNP. If we eliminate inequality, or eliminate the economic inequality attendant on being unemployed, we shall have solved the 'problem' in unemployment.

A too narrow concentration on the shocking fact of unemployment can leave one numbed by the problem.

A closer examination of the above 'argument' shows that the conclusion reached is only possible if important evidence is ignored.

1. *UNMET NEEDS.* There are great needs, in Europe and other industrialised countries, which are not being met. These two facts are appropriately juxtaposed in balanced perspective by John Paul II in *Laborem Exercens* (1981):

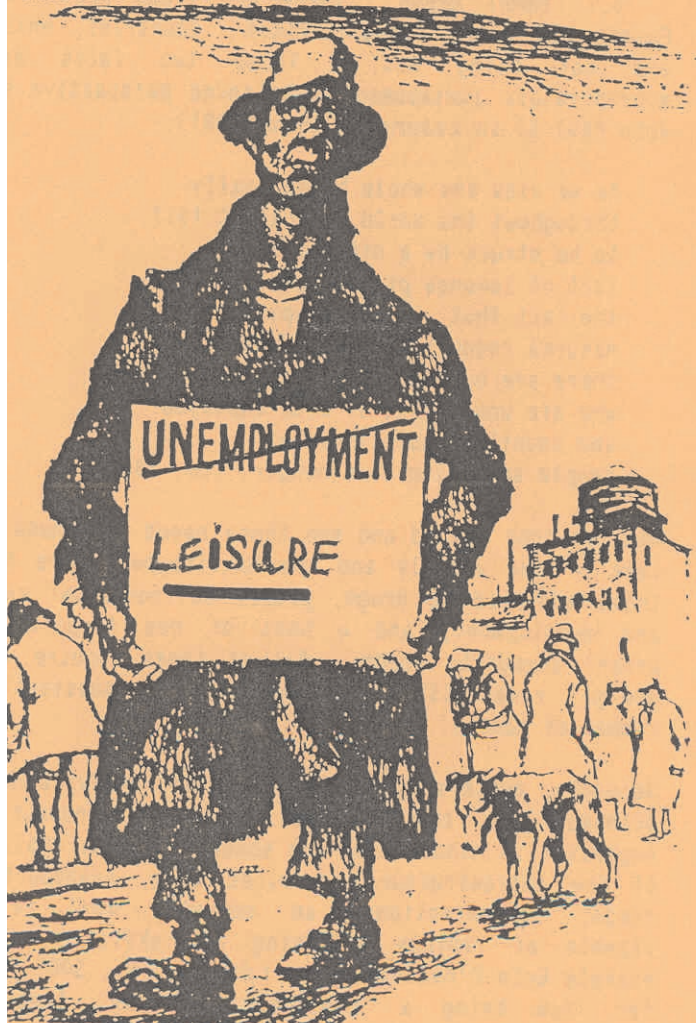
As we view the whole human family throughout the world, we cannot fail to be struck by a disconcerting fact of immense proportions: the fact that, while conspicuous natural resources remain unused, there are huge numbers of people who are unemployed or underemployed and countless multitudes of people suffering from hunger. (no. 18)

One can look around and see those needs for oneself: care of the elderly and the handicapped, care for those addicted to drugs, proper environmental care and development, and a host of new (especially urban) community needs. All of these require the energy, creativity and labour of a substantial number of people.

Secondly, quite a number of industrial analysts have pointed out that future potential industrial expansion is hindered by the absence or poor quality of the infrastructural services (e.g. transport, roads, communications, an educated work force capable of rapidly acquiring new skills). For example Eoin O'Malley argues (*Studies*, No. 300) that far from being a 'developed' economy, Ireland, though comparatively wealthy in fact resembles an underdeveloped economy requiring considerable industrial development. There is undoubtedly 'something wrong with the organization of work and unemployment' (*Laborem Exercens*, no. 18) which permits unmet needs to coexist with unused labour.

2. *HISTORICAL PERSPECTIVE.* At every stage of industrialization, going back to the first Industrial Revolution, the introduction of new

technology has been associated with extensive job-loss. Following this, the introduction of new products arising from new technology has led to the creation of mass consumer demand, and to satisfy this new demand production had to be expanded. Expansion of production led to increased employment, both directly in production, and indirectly, in spin-off services. Now while the job-possibilities in the the latest technology has not been realized to any great extent as yet, it seems premature to claim that there definitely will not be any substantial job-outcome.



The prognosis of 80% elimination of manual jobs in the USA by the end of the century sounds moresensational than it ought. After all, most of the manual jobs performed in 1870 were probably eliminated in the advanced economies by 1920 - to be replaced by new jobs.

3. *OTHER EXPERIENCES.* The USA, although it suffers from relatively high unemployment (nearly 7%), has created some 20 million new jobs since the early 1970's. Japan has held unemployment below 3% and at the same time managed to create 3 million new jobs since 1973. In the early 1980s, certain other European countries managed to keep unemployment low; Norway and Sweden each at 3%, Switzerland at 1%, and Austria at 4%. Analysis of their success shows

considerable variation in their respective routes to 'full' employment. While Ireland may not be blessed with the same mix of favourable circumstances, nevertheless the experiences of some other countries give grounds for hope that mass unemployment is not necessarily 'here to stay'.

4. *ROBOTS AND UNEMPLOYMENT.* The relationship between robot-introduction, mechanisation, etc, and levels of unemployment is not as simple or as obvious as one might think. According to an OECD report on industrial robots issued in 1983, Japan and Sweden both had low levels of unemployment (around 3%) and a high ratio of robots to employed (respectively, 13.0 and 29.9 robots per 10,000 in manufacturing); at the other end of the scale, Britain had a mere 2 robots per 10,000 manufacturing workers - and at the same time mass unemployment of over 13%. Mechanisation does of course eliminate jobs; what the OECD figures suggest is that certain countries have managed to develop policies which combine high technology and near-full utilization of the available work-force.

5. *UNEMPLOYMENT COSTS.* If we leave aside the financial and social-psychological suffering of the unemployed and their dependents, it is still the case that national economies with high unemployment are finding it an economic strain. The EEC's 19 million unemployed represent a huge loss of output and income from taxation, as well as vast expenditure on assistance. The idea that redistribution will solve the inequity in high unemployment and that we will always have enough financial resources to do so is hardly a healthy long-term strategy. If we Irish do not develop new products and services, support key indigenous industries with a view to export, and expand our markets abroad, there will be repeated calls to cut back further our welfare system.

6. *CHANGING THE MEANING OF 'WORK'.* Some argue that because we are going to have few jobs in the future, it follows that *therefore* the meaning of 'work' must change, to include anything from recreational activities to the invaluable home-making. Expanding the meaning of 'work' in this way, while serving to remind us of the value of other kinds of activity, only clouds the core issue which is confronting us - unemployment.

Is work dead? Has this matter been definitively settled? Hardly! Unemployment - as the evidence from Japan and Sweden, in particular, emphasises - is not necessarily the result of advances in technology. And redistribution, while very important in its own right, in the context of technology and unemployment may only serve to consolidate an unnecessary resignation on job creation. Logically, at least, it follows - work is not dead.

WORK MUST LIVE!

If one looks at the work-is-dead thesis in the light of contemporary Catholic social teaching, their respective notions of work appear to be radically at odds with each other.

For the work-is-dead advocates, the only real problem in unemployment is lack of income. If we can rearrange the structures of society so that all have a more or less equal share of the national wealth, the problem of unemployment will be solved.

Taking Pope John Paul II's document on human work (*Laborem Exercens* - 1981), we find a different view: work is at the centre of human existence, since it fulfills a variety of other needs as well as that of providing an income for workers.

1. Work is basic to the human family in the Biblical vision, since it is through work that men and women "subdue the earth", developing its resources and transforming it so that it meets human needs (L.E. 4). 2. Every person needs work in order to develop as a human being. As the Pope puts it, "when a person works, not only are things and society altered, but one's own humanity develops as well" (L.E. 26). In other words, work is that activity which is most directly involved with human dignity: a life of perpetual leisure would be a trivialised, even meaningless, life.

3. People need work, not only for personal development, but also because of their innate need to contribute to the well-being of others: their immediate family, their community, their country (L.E. 16). There is a strong sense of moral obligation in people which makes them desire to give to others, and which joblessness frustrates.

4. Work, in contributing to the better ordering of human society, is "of vital concern to the Kingdom of God" (L.E. 27). By enduring the toil entailed in work, one can be sharing in the paschal mystery (L.E. 27).

Many of these themes are drawn together in the following words:

"When man works, he wishes the fruit of his work to be used by himself and others, and he wishes to be able to take part in the very work process as a sharer in responsibility and creativity at the work bench to which he applies himself," (L.E. 15)

The need to assert the human person's place in creation, the drive towards realising one's humanity in creative work, the moral urge to help others, "the christian possibility of sharing lovingly in the work that Christ came to do" (L.E. 27); all these are key elements in any analysis of the importance of work.