

Essay: *The end of labour?*

From labour to work: The global challenge

By Guy Standing, ILO*

The century of the labouring man is coming to an end. It began with calls everywhere for the rights of labour, meaning both freedom from labour and improved conditions in jobs. For those of a radical disposition, the primary objective was freedom from labour, through drastically reducing working time or even overthrowing the labour relation altogether. For others, it meant steady reforms to secure rights within labour, or better working conditions for labourers.

In most places, the latter tendency prevailed. By the middle of the century, the main call had become the right to labour, meaning the right to have a job, captured in the term Full Employment. This was a convenient and sexist fiction, since it meant ensuring all 'working class' men had full-time wage labour. For the most part, women's work was disregarded and their involvement in the labour market was seen as 'secondary'.

With the spread of mass unemployment in the 1970s and 1980s, and with the ascendancy of the Chicago school of law and economics – an economic revolution equivalent to the Keynesian revolution of the late 1930s – the right to labour was gradually dropped. By the 1990s, the main message was that there was a *duty to labour*, epitomized by talk about 'no rights without responsibilities' and the 'reciprocity principle'.

So, in a growing number of countries governments are introducing *tax credits* paid to 'families' if members are working for an income. And increasingly entitlement to state benefits is only ensured if you have laboured, and if you have done so for increasingly long periods, or if you are prepared to labour or undertake training in preparation for labour.

In the process, there has been a revival of the 19th century dichotomy of the *deserving* and *undeserving poor*. In short, by the end of the century, the emphasis

had shifted to the *duty to labour*, with reforms of welfare policy tying entitlement to state benefits to the obligation to take a job or undertake training. In this respect, an irony was that the duty was being extended to women with young children.

Yet this threefold shift – from rights of labour, through the right to labour to the duty to labour – is running up against powerful counter-trends. With globalization, technological changes and the shifting balance of bargaining strength of workers and employers, more flexible labour relations are spreading everywhere, while contrary to the expectations of 20th century policymakers employment is becoming increasingly informal. This is the case in industrialized and in developing countries. In many respects, more flexible and informal labour markets could be beneficial. But, what these changes have brought in their wake is an upsurge and global awareness of pervasive social and economic *insecurity*.

Is labour becoming a commodity?

For much of the century in many parts of the world, there were advances in seven forms of labour security, and there was an expectation that developing countries would follow in the same mould. Essentially, two labour-based models competed for supremacy as development models – state socialism and welfare state capitalism. The former collapsed from its own deficiencies, in terms of authoritarianism, centralization, and lack of economic dynamism. Underlying the latter was a model of income distribution designed to reduce income inequality in the course of economic growth. The ILO caught the mood, when in its Philadelphia Declaration it asserted in a one-line paragraph, "Labour is not a

commodity." The main post-1945 trend was what was called *labour decommodification*, meaning that the labour market was expected to become less like a market for lemons, and that the price mechanism should become peripheral, or in effect the money wage should become a smaller part of total income. In many countries, there was a shift in the form of *social income* from money wages to state benefits and other non-wage benefits. Employment was based on the payment of good wages and benefits, and was thus redistributive, backed by progressive taxes, and in the background the state acting as 'employer of last resort'.

All this has gone into reverse in the last decades of the century, for reasons outlined in my book. There is *labour recommodification*. Yet the counter-trends arise because more people everywhere are finding it necessary or desirable – depending on their opportunities or competencies – to combine several work activities, to move in and out of employment, to indulge in their work-based enthusiasms, and to define themselves in ways not easily captured by the labour statistics that have measured economic activity in the 20th century.

The counter-trends of flexibility and informalization are making it more ridiculous to measure work as labour in the sense used during the 20th century. For instance, the work of *caring* for others has been legitimized as work, and some countries have introduced national insurance for care or have moved to provide income compensation for carers. For too long, most of those people providing care to relatives or to others in their communities have not been regarded as working. In the future, they will be. Similarly, most of those involved in the hundreds of thousands of non-governmental civic organizations on a voluntary basis have tended to slip through the labour statis-

ticians net. And most of those doing 'informal' work activity on an own-account basis or on some handshake basis have escaped as well.

During the century of labouring *man*, there has been a distorting ambiguity about the notion of 'labour'. The trouble began with the fact that labour means three things. For most economists, it means a 'factor of production', expended in combination with 'capital'. For many ordinary people, labour means the activity of working. And in popular imagery, labour also means workers or the 'working class'. A consequence of this treble meaning is that often political and learned discussion is conducted at cross purposes, and reality is distorted.

It does not take a genius to recognize that there is much more work going on than meets the eye. Yet the focus on official employment (labour) statistics and formal "jobs" leads numerous sages to fret over high unemployment, "jobless growth", and so on. Of course, unemployment is important. However, what is far more important is the poverty and lack of income security among an increasingly large number of people who are working. More and more people in jobs cannot expect to receive an income on which they can live in decency. It is also clear that the income from capital has been growing enormously for many years, absolutely and relative to the income from labour. To compound the growth of functional income inequality, governments have been cutting taxes on capital, and have been cutting subsidies for labour while increasing subsidies for capital.

Globally, there has been a growth of seven forms of socio-economic insecurity – labour market, employment, job, skill, work (health and safety), income and representation insecurity. Together, these trends mark a new era of personal insecurity for numerous millions of men and women. There are several "labourist options" for rectifying these adverse trends – notably welfare reforms such as "workfare", employment and wage subsidies, minimum wages, and selective "social safety nets." These make up part of the "new paternalism" that has been so influential in the 1990s, which has worrying longer-term implications for socio-economic security and the pursuit of occupation.



Economically just societies in the 21st century will require a shift away from labour to work, policies to ensure basic income security and new forms of representation security, and new democratic means of redistributing income and wealth so that all groups in society can benefit from the dynamics of the modern economic system.

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The fundamental tenet that guided the ILO throughout the 20th century is the vital need for collective *voice regulation* of economic and social affairs. Without organizations, institutions and regulations that guarantee an effective voice for the vulnerable and insecure, will any scheme for transferring income to those sections of society be sustainable? In this era of cyberspace, the Internet and distance communication, there may appear to be an historical lull in the appreciation for collective voice and action. Yet without

it, the forward march of distributive justice will not resume. And history teaches us that the march will go on.

Only if people have effective voice, adequate income security and access to the surplus generated by economic growth will they be able to make rational choices about their working lives. Without a guarantee of a modest income from society, as a human right set at a level according to the capacity of that society, ordinary people will be exposed to the insecurity that gives rise to intolerance, anomic behaviour and the chilling willingness to follow extremists peddling their potions of social poison. It is this huge lesson of the 20th century that makes it essential that world leaders give the extension of socio-economic security a very high priority in the early part of the 21st century. It is why the ILO is launching, in the 2000-2001 biennium, an InFocus Programme on Socio-Economic Security.

In the light of a shift from labour to work – decent work, as expressed in the Director General's report of June 1999 – the international community needs to think afresh about the so-called *right to work*. This should not mean the right or duty to labour. It can only be meaningful if there is a right to refuse despicable forms of onerous labour, jobs that 'deskill', and 'makework' schemes. It can only be meaningful if policies and institutions are moving in the direction of enabling everybody in society to have a right to *occupation*, to have an opportunity to develop and realize their competencies, and to define themselves through their work with a sense of dignity and pride. This in turn means finding ways of enabling people in *all* walks of life to have more autonomy, more *self-control*, so that they can pursue their own sense of occupation. This may seem almost utopian at the end of the century of labouring man, but it beckons as a great theme of the coming century, which must be made the century of decent work, when basic security becomes the right of every man, woman and child. □

*This article is based on *Global Labour Flexibility: Seeking Distributive Justice* (Basingstoke and New York, Macmillan and St.Martin's Press, 1999). Just published by Guy Standing, Director of the ILO's InFocus Programme on Socio-Economic Security.