

The Future of Work (David Haigh)

A new word has been introduced into the English language: “The precariat”, an emerging social class with job insecurity. Included are immigrants, young newly educated with high student loans to repay and people who have been made redundant from industry. The word was put together by Professor Guy Standing using two other words ‘precarious’ and ‘proletariat’. Standing was a keynote speaker at the recent NZ conference on the future of work. He blames neo-liberal policies of flexible labour markets and globalisation for having plunged people into the social class of the precariat.

In Europe, according to Standing, a classic contradiction has arisen: new migrants are demonised by politicians but at the same time they are the most flexible of all workers. Standing argues that if we accept labour market flexibility with no job security then people should have a right to basic modest income security. This theme of a Universal Basic Income (UBI) was discussed at the conference and is being studied by governments around the world.

A number of countries are investigating the costs and benefits, and the practicalities of introducing a UBI. One obvious benefit is that it would be a universal income (in the same way that universal superannuation for 65 year olds is administered). It requires no bureaucrats to check eligibility. The wealthy could be taxed in such a way as to overcome the criticism that we are paying the rich as well as the poor.

It seems that the costs will need some new form of taxation rather than merely adding to the income tax system. My ideas might include:

- Securing a fair share of taxes from multi-nationals who presently avoid taxes by shifting profit to other low tax countries.
- Clamping down (including the seizing of assets) on any form of money-laundering.
- Imposing taxes on carbon and the use of natural resources such as water, oil and minerals.
- Introducing a polluter pays tax system.
- Tax on sugar

To some extent, these measures might also help reduce a reliance on income taxes.

Analysis on the future of work demonstrates that nearly 50% of all present-day jobs would disappear due to automation over the next 20 years. It is unclear whether there will be sufficient new jobs to make up for these losses. Hence, government, the private sector and individuals will need to step up and mitigate the impacts. For example, individuals with social skills such as team work, critical thinking and a commitment to life-long education and training should have the flexibility to handle this change. People may be content to work by doing a number of part-time jobs. A real danger though is that workers could be open to exploitation due to the growth in the casualisation of work.

It is predicted that in the next two decades, machines will substitute labour in low and middle income jobs. Some people will thrive in this competitive environment but others will be left behind. The precariat are not, at this stage, an organised social class. However, if they find life permanently insecure, negative Luddite reactions may occur as they did in the early stages of industrialisation.

“The future ain’t what it used to be”. Yogi Berra