



The Future of Work

We wrote in July about the systemic risks to the UK economy posed by the rapid move to homeworking since the outbreak of the Covid-19 pandemic. Empty city centres, boarded-up offices, and a crash in the commercial property market were the red lights flashing in our future. This unhappy prospect, we wrote, could come about not through cold-blooded big businesses acting in concert with one another to screw over the rest of the population. Instead, it could come about through something entirely innocent – decent and responsible organisations taking the steps that each, reasoning from their individual perspective, saw as necessary to safeguard their commercial future and the well-being of their employees.

While it is in the interest of business *as a whole* that our city centres be thriving hubs of economic activity, many firms see reducing their exposure to city centres (whether through homeworking or exiting their offices altogether) as a way out of the financial pressure they are under. The problem here is plain to see: commercial life in our cities cannot survive with continued widespread homeworking but it may not be able to survive without it. If the market were self-correcting, we could look forward to the prospect of these competing impulses spontaneously balancing one another out. But if, as most of us believe, this is a situation where the market is not self-correcting, then we are stuck in a collective fix that only government, through loading the bases in favour of a return to office working, can put right. As we write these words, the government again finds itself caught between the economic impulse to open up our cities and the public health impulse to keep the lid on them.

Of course, the debate about the future of our cities has been with us since long before the current pandemic. Worries about our decaying high streets and how far that decay is linked to the totems of globalisation (not least on-line shopping) have become a staple of political hand-wringing. The thought that globalisation is the gift that keeps taking when it comes to the stability and prosperity of our high streets is reinforced by the notion that Covid-19 is the quintessential disease of the modern era, spreading with internet-like speed across national borders. *Going viral* has come to mean exactly that.

If the debate about our cities did not begin with events in Wuhan, the same is true of the debate about the future of work. The idea that artificial intelligence might do to the economic security of the middle-classes what new technology and cheap overseas labour have done to

the economic security of the industrial proletariat has been doing the rounds for a while but Covid seems to be acting as an accelerant to its introduction and adoption.

Mass homeworking, greeted by many as liberating, may speed up some of these seemingly non-liberating trends. Perhaps we should have been careful about what we were wishing for or have recently been welcoming: homeworking has revealed a logic that may prove to have unnerving consequences. If my value to an employer is no longer bound up with my presence at a particular time and in a particular place – if my job can be done by someone *wherever and whenever* – my bargaining strength is weakened and my employer's is strengthened. After all, my employer can now shop around, across time and space, in ways they might have felt less confident about doing before it was shown that homeworking *works*.

But the shopping around need not stop with the ordinates of time and space. If my output as an employee is entirely in digital form – if nothing physically of me is present in my existence as an employee (even if only in the form of turning up to an office and sitting at my desk) – then my digital output starts to count for everything and my physically existent input for nothing. You can see where this is going. Once the physical existence of employees becomes irrelevant to employers, a whole new avenue opens up to them of artificial employees who have no physical existence.

As with the emptying of city centres, the question becomes one of the collective choices we are willing to make, the extent to which we want to apply the brakes to the market or to re-configure the way we regulate it, for instance through accepting that jobs (as we have understood them up until now) will increasingly become scarce goods in our society and that the link between jobs, self-respect, and economic security will need be broken once and for all if, as a society, we are to get through this next industrial revolution in one piece.

In what follows, we sketch some different possible futures for what can loosely be called middle class jobs – jobs that call for university-level education and that are characterised by relatively high levels of intrinsic satisfaction and/or external reward and recognition. How many of these kinds of jobs can either be taken over by artificial intelligence and machine learning or simply farmed out to low-cost labour on the other side of the world?

It is worth distinguishing here between the usual suspects of middle-class aspiration – the professions of law, medicine, banking and accountancy etc. – and a much larger grouping of new jobs on the block that graduates have been moving into, including in digital media, consultancy, marketing, public relations, and entertainment and leisure. As they have expanded, the middle classes have, occupationally speaking, become a lot more omnivorous than in earlier generations and, dare we suggest, less preoccupied with social stigma and keeping up with the Joneses. This willingness to be flexible when it comes to job choices – and not to view their occupational life as being *the professions or bust* – has allowed new generations of graduates to move around the economy in ways that are either in tune with technological change or one step ahead of it. In short, it looks like they need not be sitting ducks when it comes to artificial intelligence and machine learning.

The dystopian future

This picture of a flexible, carefree, and entrepreneurial middle class – endlessly re-inventing its economic identity and with it the identity of the economy itself – runs into the objection that impending technological change may descend so quickly upon the labour market that very large numbers of white collar workers (hemmed-in as they are by family commitments, high levels of debt, and an inability to re-train at short notice) will find themselves shut out of the economy, with nowhere to go.

A hollowing out of the middle-class economy in this way would have grave systemic consequences. With some 35% of UK government revenue coming from income tax and national insurance contributions, the hit to government tax and spending plans would be profound. Beyond these calculations, an entire world-view would come under threat. If academic achievement, that cornerstone of middle-class self-identity and aspiration, ceases to be a jumping-off point to success as an economic agent, then going to university may no longer be a cost-effective investment. Intellectual achievement and excellence will be financially rewarding for very few. For the rest, the doors will be closed. Education will be less a meal ticket than a diverting way to amuse yourself for a few years before facing up to a lifetime of unemployment or under-employment.

This could have both good and not-so-good consequences. With the doors to the professions closed or narrowing – and with the number of graduates in the workforce already reaching saturation point – there might be a much-needed rebalancing of the value of intellectual versus manual labour (as argued by David Goodhart in his very recently published book *Head Hand Heart – The Struggle for Dignity and Status in the 21st Century*).

This rebalancing might, in turn, spawn a revival in the manual crafts. Perhaps working in wood and metal will, once more, be seen as a worthwhile skill, with the unique products thus created commanding a premium in this new economy. All of this is indeed possible, but we doubt it will come to pass – after all, William Morris had similarly utopian ideals well over 100 years ago with the Arts and Crafts movement (“Have nothing in your house that you do not know to be useful, or believe to be beautiful”) and the world didn’t swing in his direction then. In any event, where will the free income come from to buy the products of this burgeoning body of skilled craftsmen?

A mass extinction of white-collar jobs, be it down to using lower-cost workers in far-flung locations or to artificial intelligence or both, would greatly diminish the number of people with a stake in the status quo, preparing the way for populist and protectionist political movements to come to the fore and prey on an increasingly dissatisfied and disenfranchised population. The combination of middle-class rage and working-class alienation is a toxic one.

The utopian future

A recurring theme in history is suspicion in the face of technological change (just think of the Luddites of the early 19th century destroying new textile machines). We humans find it easier to get a handle on what is concrete and in front of us than what is abstract and remote. We are more sensitive to losses in the present than to gains in the future.

Wariness in the face of a technological leap that promises to move us not just beyond *the way we work at the moment* but beyond *the way we have understood work up until now* is understandable. So much detail would need to be filled in moving from one world to another that the task seems beyond us: better, therefore, to stick with what we have got.

To be sure, technological change destroys old ways of working and living. But it opens up new possibilities. The danger here is of occupational ethno-centrism, in which the minority that undertakes rewarding work claims to speak for the majority for whom work is not rewarding (or who struggle to find work at all). If human labour was replaced by new forms of technology, the effect might indeed be emancipating. The drudgery and frustration of work – white-collar and blue-collar alike – would give way to entirely new forms of living. Technology would set us free from a working life in which we are technology in human form to an existence in which our distinctively human characteristics come to the fore. In short, technology offers the prospect of solving the problem that has bedevilled human history – the problem of producing enough to meet our material needs without exhausting ourselves in the process or, worse still, constantly being at each other's throats.

Seen in this light, there is much to celebrate in the coming of artificial intelligence: it is an important step on the road to the unleashing of the human spirit. To the objection that it may (in the short-term at least) make life more uncomfortable for the middle classes comes the response that that is to view the issue from the most parochial of standpoints. There is a big picture here that offers the prospect of old class divisions withering away. The middle classes of the here and now need to get with that programme rather than resist change in the hope of preserving their position in the social pecking order.

Meeting in the middle

We think the way this is going to shape up will contain elements of both of the futures – dystopian and utopian – we have sketched. Governments and business alike have to face up to whether they are willing to allow artificial intelligence to rip through the white-collar economy (in the hope of building an economic equivalent of herd immunity to it) or whether they are going to seek to apply the brakes in the hope of managing its disruptive consequences.

As part of this, they will need to maintain a sense of proportion about what those consequences are likely to be. Take the example of the legal profession – a profession that is already facing challenges on a number of fronts, including from new providers in the marketplace. Artificial intelligence can bring new levels of analytical sophistication to the work of lawyers as well as speeding up and improving the quality of legal processes such as the drawing-up of contracts. But it would be wrong to think that new technology will, bit by bit, eat into what lawyers have to offer their clients to the point where they have nothing left to offer at all. More likely, artificial intelligence will change the balance of the services lawyers provide, placing a premium on the personal touch and on the ability of legal representatives to connect emotionally with their clients and to read the emotions and intentions of those they are up against. The days when would be happy to confess to a non-

human that we no longer love our spouse and need a way-out of our marriage remain a long way off.

Beyond this, a whole new economy will grow up around artificial intelligence itself: developing it, servicing it, selling it. Perhaps, over time, these functions will themselves be taken over by artificial intelligence. But by then we may have shifted our creative energies in other directions altogether. Either way, the idea that AI is the technology to end all technologies and marks the beginning of the end for the human workforce (middle-class or otherwise) may just be false.

And even if it is true, the question remains whether that truth is to be welcomed or feared. It would certainly be welcomed by those utopians who believe that the end of work as we have known it until now cannot come soon enough. And in case this position sounds unduly romantic, two things bear it out. First, the move towards mass home-working may be evidence of a widespread desire to re-claim control over our working lives: it turns out that white-collar workers may be more homely and less in thrall to turbo-capitalism than has been supposed. Second, climate change means there is something at stake here that goes beyond preserving a particular working pattern or even social system. If artificial intelligence can help us spare the planet, we need to grab it with both hands.

Conclusion: The ball is in our collective court

In speculating upon what the future might hold, all roads lead back to the task of political and economic management that lies ahead in the coming years and the broader debate we need to have about the future of work.

The issues here are both tactical and strategic. In terms of tactics, who should pick up the tab for the job losses that the coming of artificial intelligence might bring in its wake? The businesses that are introducing (and profiting from) it or the government as the economic guarantor of last resort?

We have no doubt the businesses concerned will resist any moves to place the burden upon them, arguing that the scale of investment required to introduce artificial intelligence to their organisations will leave them with no cash to spare, that it is in the broader economic interests of the United Kingdom to have businesses that are internationally competitive, that the pay-off to the government will come in higher corporation tax revenues from increasingly profitable companies, and that it is not for business to take on the task of re-training the workforce to adapt to shifting economic patterns.

There are two pressure points here. One comes if, having deployed new technology in order to reduce staff numbers, the companies concerned seek to remove themselves (wholly or partly) from UK tax jurisdiction – in other words, to remain selling to the UK market without paying their full whack of taxes. Even if (through a combination of carrot and stick) they remain fully signed-up to the UK tax system, it is possible that the introduction of artificial intelligence will not produce ballooning corporate profits after all. AI may end up being a cost-cutting measure that companies feel compelled to introduce in order to keep pace with their commercial rivals, one that has little impact on margins in the medium-to-long term.

The other pressure point comes if white-collar jobs start disappearing in large numbers not because of mind-blowing technology but because these jobs can be farmed-out to lower-paid and possibly lower-skilled workers in other parts of the world. Again, governments will need to weigh the economic costs and benefits of allowing this to happen. Making things cheaper for the consumer is all very well so long as he or she retains the wherewithal to consume in the first place. If the middle classes start running out of road in the labour market – in much the same way as unskilled and semi-skilled workers have – we can expect a powerful and articulate political backlash.

As we suggested earlier, the broader strategic issue centres on whether jobs, as we have understood them up until now, will become increasingly scarce goods in our society and on what this means for the link between jobs, self-respect, and economic security. For those who inhabit the gig economy, job scarcity has long since been a fact of life: blue-collar workers who have already been through the mill can justifiably say to their anxious white-collar counterparts *welcome to our world*. The judgemental spirit that still informs our thinking about work and economic reward – according to which those who get on in life do so because they are made of the right stuff and those who fall short deserve their fate – may have to give way in the face of an economy that resembles a giant production line operated almost entirely by robots (backed up by cheap labour in distant lands). The question of how we distribute the product of an economy in which we participate as consumers but not as producers means ideas such as a guaranteed basic income need to be taken more seriously than ever.

Who we are:

Adam Gold founded Adam Gold Consulting in 2004. He has over 30 years' experience in management consulting working at Board Level with private sector clients across Europe and Africa.

Christopher Lake is the co-founder of Syllogism, the recruitment, strategy, and ethics consultancy. A former fast stream civil servant, he was Tutor and Fellow in Politics at Magdalen College, Oxford from 1995 to 2000.

We would be delighted to receive your comments on the article. Please direct these to:

Adam Gold at adamgold94@gmail.com

Christopher Lake at christopher.lake@syllogism.co.uk