

## **EMPLOYMENT – WHERE DO WE GO TO NEXT?**

Anyone with even the slightest interest in the state of the UK economy, or even a passing interest in history, cannot have failed to notice that during the last 30 or 40 years, maybe slightly longer, that Britain's manufacturing industry has been in terminal decline much like the decline and fall of the British Empire and perhaps even associated with the loss of that empire. With the rise of independence and the growth of nationalism in former British colonies and other former colonial powers, products once manufactured in, for example, Britain, France, Holland and Spain, from raw materials supplied by their former colonies are now made in those emerging countries and are being exported back, sometimes as manufactured products, to the countries who colonized them.

If we look back a few centuries we might see that, prior to the industrial revolution that began in the mid 19th century and even half a century later, many people still worked on the land. So, in something like 100 years agricultural jobs gradually gave way to manufacturing jobs in, for example, textile mills, in coal mines and in steel plants near the sources of raw material and then in heavy and light electrical and mechanical engineering and shipbuilding.

Between 1950 and 1990 manufacturing jobs in Britain were, slowly but inexorably, replaced by service sector jobs in banking and finance, the retail trades, media and publishing and information exchange. And in the last 10 years not only have tens of thousands of manufacturing jobs been exported, outsourced or off-shored but now service sector jobs are also being moved abroad. It could, therefore, be suggested, that this gradual shift in manufacturing and service sector jobs, from advanced industrial nations, to the apparently much lower cost developing nations, is what has had the greatest impact on the economy, and that manufacturing is no longer important.

But, is that really the case? If so then how can the likes of Germany, with its Mittelstands, and France with much stronger Trade Union involvement in the workplace or the Scandinavian countries with their much greater social awareness, support and responsibility through higher taxation, still have world-class manufacturing companies? Some have suggested that we tried to hang onto such old-style industries as coal, steel, ship-building, cotton, wool and light engineering for too long and failed to move into areas such as the manufacture of personal computers and other high-technology electronic industries sooner. The real weakness in the UK has always been a failure to invest in people and companies for the longer-term and invest in research and development in order to seek out the products or services of the future.

No one can, sensibly, dispute the fact that personal computers (PC's) and all associated information technology (IT) systems, electronic equipment and gadgets have significantly changed the way we work, the way we spend some of our time and the way that we communicate. But, again, is that really the answer?

Besides, the manufacture of PCs and all associated electronic equipment, photocopying machines, printers and scanners appear to have moved to the southern regions of China or Eastern Europe where labour costs are considerably cheaper, although labour costs are rising because of the increase in demand for skilled workers. More recent global events and the downturn in the communications and telecommunications sectors in 2001 and 2002 indicate that had Britain moved much more heavily into those areas that we might be suffering even more.

It is not simply a case of greater investment in new technology, in greater automation, in advanced processes and on research and development. No, that ought to and should have happened in the 1960's through to the 1980's and should still be happening on a continuous basis and maybe now British companies might have reaped the rewards of such investment, but it did not and that is how we lost our industries.

However, the UK government spends less than other advanced industrial nations on basic education and on training programmes and UK companies spend far less than all other advanced industrial countries on research and development. Part of this failure to invest in the future began when companies stopped offering apprentice-type programmes, especially in heavy and light electrical and mechanical engineering and greater emphasis was placed on service-sector industries. Children were increasingly encouraged to attend University to read such mind-boggling subjects as film and media studies, television presenting, tourism and floor and wall coverings!

We still have the same City driven financial institutions and services 'short-termist' approach, where those who crunch numbers, press electronic screens and are paid not only large sums of money but also huge bonuses, demand dividends and returns much sooner rather than later.

Regrettably, short-termism means that companies fail to invest for the longer-term, are sometimes bought up in M&A activity and sometimes disappear; and, that not only increases instability in the labour market but tends to lead to a loss of jobs. It is a matter of attitude; the attitude, primarily, of directors and senior managers towards their companies and their workforce; and, the attitude of employees toward senior management. In other words we are still suffering from the 'us and them' attitude portrayed in previous 'Ealing Comedies' such as 'I'm alright Jack'.

Meanwhile some major manufacturing companies in Japan are already suggesting that automation will continue to increase to the point where there is no human intervention in the near future and at the pace that they come up with new ideas for automation it is likely to happen sooner rather than later. And, that this is being done to reduce labour costs by eliminating the need for manpower. But the big question has to be how do families exist in future?

Over the last 3 decades, in Britain, our industrial and manufacturing base has gradually disappeared as companies outsourced or exported jobs to countries and areas of cheaper labour and more noticeably China, India and Eastern Europe. In addition, many companies have been sold off, especially the utility companies providing water, gas, electricity and energy providers, to American, French or German companies to the extent that there are fewer and fewer British owned companies in the country. This is a very strange situation given that the Industrial Revolution in the 18<sup>th</sup> century started in Britain and now we have 'sold off the family silver' and, effectively, we belong to other nations. I wonder how many British industrialists are spinning in their graves.

That reinforces the need for much greater investment in research and development, in education and vocational and professional training and in maintaining levels of employment in new sectors. That is why government, academics and business must maintain very close links not only to ensure that the state curriculum addresses appropriate subjects but also so that innovation and new areas of technology are more thoroughly investigated in the process of devising a national industrial policy.

Only this last week I received yet more magazines, published with newspapers, not only listing the best inventions during the year 2004 but also lists of the more expensive items of jewellery, watches, motor-cars, yachts, jet aeroplanes and resorts that only the wealthiest tiers can afford. There is little point in marketers, in our increasingly consumer-driven and divided society, dreaming up more ways to encourage people to spend large sums of money if people are not earning and learning in the first place; the end result will be increased debt leading to increased poverty.

Without employment opportunities and without incomes to enable people to purchase not only the necessities of life but also the goods and services they require to maintain a house and family the social strata of society will gradually collapse leaving a vacuum and possibly leading to a recessionary period similar to that in the second and third decades of the 20th century. As Abraham Maslow, stated,

“What conditions of work, what kinds of work, what kinds of management, and what kinds of reward or pay will help human stature to grow healthy, to its fuller and fullest stature? Classic economic theory, based as it is on an inadequate theory of human knowledge.”

**(Abraham Maslow (1908 – 1970), US philosopher and psychologist)**

Inequality is a fact of life, indeed inequality, particularly in countries like the US and the UK, continues to increase leading to increased relative poverty. There is inequality of upbringing and home life; there is inequality of school buildings and facilities, inequality in teachers and inequality in the whole education system; there is inequality of opportunity and inequality in career progression; and, inequality of lifestyle and living standards. Despite the spin and rhetoric of a Labour government since 1997 it appears the wealthiest levels in society continue to increase their personal wealth at a considerable rate whilst the poorest third have not improved their situation at all; and, where inequality exists it leads to disenchantment, unrest and social breakdown.

Politicians, economists and businessmen, do not appear to have fully appreciated, apart from exporting, outsourcing and off-shoring jobs, that there are many millions of people living in China, in other developing eastern nations and in Eastern Europe who are prepared to do the jobs that we do for less money. Unless real effort is made to retain jobs of all kinds in western nations and create more jobs through real effort in education, training and innovation then it must be fully recognized and understood that the living standards of people in the lowest quartiles in developed nations will begin to fall as the standard of living in workers in developing countries rises.

The real question is what is government, what are economists and what are businessmen doing to ensure that there is something to replace the jobs lost so that future generations have work to do, careers to pursue, employment to pay their way and provide taxation for social services such as healthcare and education? Where will future employment come from and in what areas; what qualifications, academic and vocational, will be needed to fulfill those jobs and when does the training start? I suspect very little and somehow we, in UK, continually fail to learn from history and learn to invest more in our people, on combating illness and disease and our societies than on wars, space races and on materials and objects that benefit no one? As George Santayana said,

“Those who cannot remember the past are condemned to repeat it.”

**(George Santayana (1863 – 1952). Philosopher, essayist, novelist. The Life of Reason Vol 1)**

Forty, maybe even twenty, years ago, up until the beginning of the 1980's, the workplace was a much more stable place in that many people joined organizations to pursue a career and tended to remain with one company for much of their working life. The whole system of work was based on progress through the shop floor, the production line, sales department or office management to higher levels depending on ability and commitment and the determination to succeed. The simple vertical pyramid structure appeared to give most people an opportunity to progress and not just those who went to University and entered the system at junior managerial level.

However, since the 1980's with the gradual privatization of government owned service companies and organizations such as water, gas, electricity, telecommunications and the rail network, the concept of a 'job for life' has long since disappeared, as has loyalty, commitment and motivation, to be replaced by stress, frustration because of increased work loads and maybe even unreliability because of social pressures and uncertainty because of the simplified 'hire and fire' culture, usually referred to as flexible working, imported from the USA. Privatization was trumpeted and introduced on the premise that private is good and public is bad, and that it would increase choice for consumers and customers and that choice would, necessarily, lead to competition and a reduction in the cost of such services. Frankly, that has proved to be a false premise because in many areas, especially some utilities, there is no real competition.

And, employment market flexibility has made the workforce in UK much more vulnerable to job losses than most if not all of our European neighbours and more especially when foreign companies set up subsidiaries here and then, when business and economic conditions deteriorate, they re-trench back from whence they came making British workers redundant in the process.

Whilst choice is something that each and every one of us would like it is not something that is available to everyone. Indeed, choice is a difficult concept because in many areas there can be no choice, for example in access to local schools and hospitals. A poor school is still a poor school, poor housing is still poor housing, a poor hospital with long waiting lists, poor standards economic incompetence and a shortage of surgeons and nurses is still a poor hospital and poor people are still poor people. Without real and concerted effort the number of people in poverty will increase.

For example, there is no real competition in the water industry and customers have to receive water supplies for the regional water company; in many areas there is no competition in rail operators because most regions are controlled by one company; and, there is only limited competition in the field of telecommunications, the first area to be privatized, because BT still owns and operates local area networks to which all other providers are connected and still owns household connections to most households.

Already many manufacturing and labour intensive jobs have been moved to parts of India, China, and other Far Eastern countries and to Eastern Europe and now many service-sector jobs are going the same way as companies seek to gain or increase profits by reducing overheads and always at the expense of jobs for people in the UK. In the last 25 years the number of people employed in manufacturing has slumped from the order of 13 million to approximately 4 million in 2004, only 15 per cent of the total working population, and it is projected to fall still further because jobs are not being created to replace the ones lost. It begs the questions what careers can today's school-leavers expect to enter during this decade?

Jobs in agriculture and farming have disappeared, partly because of the EU Common Agricultural Policy (CAP) and partly because of the increase in imports of more exotic fruits and vegetables from around the world and partly because of the increasing loss of farm-land under pressure to build more housing; jobs in mechanical and electrical engineering have disappeared and the associated areas of motor-car engineering and manufacturing and expertise in many of those areas has been lost abroad; jobs in steel and in shipbuilding have almost completely disappeared; jobs in the motor-cycle industry and jobs in the manufacture of all forms of white electrical goods and in the manufacture of radio and television sets; and, jobs in coal mining have disappeared as have jobs in spinning, weaving and all other areas of textiles. And now, over the last decade, many service sector jobs in call-centres, banking and finance and travel have disappeared and been outsourced to India because overhead costs there are cheaper.

It was recently reported, in December 2004, that a very senior manager in the automotive industry said that it was easier to open and shut plants and assembly factories in UK than in the rest of Europe because of the weakness of labour laws and the 'laissez faire' attitude of government and that these were the causes of the loss of employment opportunities. It begs the question what can young people of today expect by the time they come to enter the work place? What sort of job, profession or career can they expect in the very near future?

In fact the only 'job growth' area in the last decade has been in public services where the number of civil servants employed by national and local government, teachers, police and the health service has grown considerably increasing the strain on the public purse and increasing an already difficult situation in paying civil service pensions which can only increase with the projected increase of an alleged 598,000 public employees. Frankly, this is a very dangerous scenario because tax-payers pay the wages of the public sector before those same public servants then pay income taxation. I suspect the increase in the number of local government employees is one reason for the large increases in the iniquitous Council Tax over the last 5 years.

Indeed, the situation is exacerbated by the fact that many civil servants can retire at age 55, for police forces the age of retirement can be much younger, on a full pension and most civil servants are 'encouraged' to retire at age 60. However, whilst it is important to provide sufficient numbers of public servants there is a limit to how many the public and the economy can afford to fund unless there are restrictions on pay rises, final pension schemes and of course the age of retirement. Why on earth can public servants retire so early and is there a need for standardization in employment terms and conditions to bring them in line with the commercial sectors? Or, is it because labour laws and conditions are so lax in UK and employees can be 'shuffled out of the door' once they reach 55 and certainly by the time they reach 60 years of age.

However, it must be recognized that the rapidly emerging economies in India and China, and before that in earlier decades in Japan and Germany, only achieved and sustained that rapid growth through high rates of investment in public services in health, education and the infrastructure to enable people to move rapidly up and down the country and have access to efficient, effective and standard services. In addition, those same nations achieved rapid growth not just through those standardized public services but they provided an equality of opportunity for employment and advancement through a meritocratic system that allows people to improve their situation and status through social mobility, something that is now sadly lacking throughout the UK.

To digress, but only slightly, the other day I went to do my weekly shopping in a local supermarket. It was during the summer school holiday period and at the checkout the young woman on the till was clearly not in the slightest interested in what she was doing and so I asked, politely, if she was happy with her job. The answer was that she had no interest at all because she was working part-time, it was not a job she would undertake, she had to perform more like an automaton than a human being and she was pre-occupied thinking about her Advanced Level academic results and whether she would achieve the level she needed for a place at University.

Everything, she replied, depended entirely on achieving the required predetermined grades of pass so that she could gain a place at the University of her choice and not someone's else's. I asked what subjects she had studied and whether she understood the content of the examinations, what she wanted to read at University and what career did she want to pursue. She replied that she needed 2 x A's and a B grade in order to get into medical school and that if she did not succeed she might just as well give up and stay at the checkout.

Furthermore, she had set her mind on getting to a specific medical college and she was not prepared to consider going elsewhere. I suggested that she must have alternatives and if she could not get to the best recognized University perhaps she could get into a second or even a third choice. That way she could still pursue the career that she felt she wanted but somehow she was adamant that there was only one University that would ensure a good start in the medical profession.

I must admit that I was very surprised at this negative approach but the young woman insisted that many of her friends thought the same way and had the same attitude to employment opportunities and career progression, basically that if they did not get what they wanted they might just as well resign themselves to nothing. Without the prospect of a real career, a real profession with a decent salary and the opportunity for advancement through promotion prospects some intended not to bother but others would, apparently, look to emigrate to a country with greater opportunity and social mobility in, for example, Australia, New Zealand, Canada and America. However, some even appear resigned to the notion of not working but either doing any courses that the government sent them on and drawing dole money or simply not bothering. That is an appalling waste of young talent in the indigenous population.

It seems, from asking questions and listening to comments from other young people that the expectations of most school children were very high simply because they had all been taught that it was imperative to succeed academically and they were used to passing lower scale examinations without too much effort. Further, it seems that the system, by continually suggesting that a degree is the route to managerial appointments, has raised the level of expectation far too high and many young people are going to end up disappointed.

Indeed, it seems that in this 'child-centred' learning process and the apparent concentration on, "Education, education and education", in which no one is allowed to fail, and one in which people are awarded GCSE examinations when they had scored as low as 15%, is creating problems for the future. To me that is farcical and indicates that there has been a 'dumbing-down' of academic qualifications simply to remove the possibility of failure, and to increase the notion of greater learning and greater educational attainment by teachers and students when it is far from the truth.

This also raises the questions, with his cry for a far greater proportion of students to go to University, whether the present Prime Minister is really only pandering to statistics and league tables and whether, as a result, teachers and pupils are prepared to cheat at both in order to improve those figures? Sadly, it seems that reported incidents of both reinforce the belief that it has become increasingly important for everyone to succeed and for no one to fail, and, frankly, that is not life and work as we know it. As the Australian satirist Clive James suggested,

“Everyone has a right to a University degree in America, even if it’s in hamburger technology.”

**(Clive James (1939 - ), Australian Author and satirist)**

There is an attitude among younger people and students that if they cannot do what they want, that is go into their chosen career or profession they are almost determined not to consider lesser alternatives. Worse, there are many young people who might have hoped to gain apprenticeship-type programmes in, for example, construction and building or in areas like heavy or light industrial engineering, but many of the jobs they might have had have been taken by cheaper immigrant labour who are prepared to work for less and sometimes as part of the black economy, and other job opportunities have been exported to Eastern Europe or to India and China, and that can only continue to exacerbate the general level of frustration.

Others, seeing and hearing about the huge sums of money paid to footballers, motorcar racing drivers and other athletes and because of the so-called ‘reality’ programmes on television, want to be pop stars and actors and have the same lifestyle. The desire for more and more material things is driven by the media, encouraged in some cases by easy lending from financial institutions and the result is increasing debt. Again, increased expectations and the prospect of easy money is the root cause of this particular problem.

Perhaps this attitude is understandable when they see how much time, effort and work their parents, grand-parents or relatives have had to put in to maintain even a reasonable standard of living whilst those associated with the media, the arts and the sporting professions enjoy a much more vigorous and expensive lifestyle epitomized by some footballers and their wives and girlfriends and exacerbated by programmes on television that glamorize the sporting arena and the ‘champagne lifestyle’ and excesses associated with sports men and women and presenters in the media.

I understand that some schools encourage sportsmen and women and parents, if they have an interesting or challenging job, to visit and give talks and presentations on what they do and the pros and cons of their work to children who are considering are about to or might be preparing to leave education. That is fine and a useful exercise but I have often wondered why people with ordinary jobs, like office workers, checkout staff, bank clerks, retail shop assistants, bus drivers, policemen and women, train conductors or local government employees should not also visit and tell the truth about their daily work programme to inject a dose of reality.

Too many are leaving primary education unable to read and write and too many are leaving the secondary state education system without academic or vocational qualifications and with few prospects but believing, because they have been told so by their mentors, that they can ‘have it all’ without real effort and commitment.

Suddenly every child believes that they can make it to the top and sometimes without even trying; suddenly it is normal to want to be the chief executive or at least a director of a company, a senior politician (well many of those people believe they are important, are full of hot air and are concerned only with their own careers and profiles), a very successful artiste in any profession or a successful Olympic athlete and that this will lead, automatically, to a career, again with big salaries, in the media reporting on sporting events, again following the lead of the USA. As the American humorist Evan Esar suggested,

“America believes in education; the average professor earns more money in a year than a professional athlete earns in a week.”

**(Evan Esar (1899 – 1995), American humorist)**

To make matters worse sport, which apparently was removed from most schools curriculum with the loss of playing fields and pitches sold off during the 1980's, has to be re-introduced and schools must make every effort to find the potential Olympic stars of the future! What for and for what end? The real problem created from the sale of school playing fields and park areas during the 1980's and early 1990's, and countryside for housing development is the increasing sight of grossly overweight and very unfit young people, many bordering on obesity, and this is a direct result of failing to provide compulsory and competitive sporting events as part of the school curriculum. This situation is placing additional strains on the public health system.

Meanwhile, many universities are finding it difficult to continue to provide the funding and staff for a variety of degree courses that are, in my view, far more important. Newcastle University, for example, is closing its physics course because of a lack of funding and insufficient numbers of students; Exeter University is closing its Chemistry department completely; and, apparently a third of all UK Universities have closed their physics departments during the last decade and many more planning to do so in this decade.

All this is happening at a time when politicians are preaching, with an apparent new found zeal, of the importance of Science subjects, the importance of investment in research and development, the need for more entrepreneurship and the overwhelming desire to raise academic standards to introduce and develop new areas of business. It sounds as though one part of government is not really communicating with another and that much of this preaching is little more than hot air and rhetoric.

Nonetheless, I get the distinct feeling that the whole education system, teachers, parents and government bodies, have all been involved in raising the expectations of all students to the point where if they cannot do what they want to do then they are not prepared to try. It begs the question, “Who can blame them?”

The fault for this unreal and greatly enhanced expectation lies clearly at the door of politicians, academics and parents. Of course it is important that children are encouraged to succeed, of course it is imperative that children gain academic and vocational qualifications, of course it is essential that children feel that they can succeed but just who is there to pick up the pieces when they fail and, importantly, who is there to advise them what they might sensibly do to earn a living? Children must learn that not everyone can get to the top of the pile and that many more fail than succeed to reach the pinnacle of a chosen profession.

Besides education and academic courses, and professional and vocational training, is an ongoing process and we should never stop learning. As the French novelist Anatole France suggested,

“An education isn't how much you have committed to memory, or even how much you know. It's being able to differentiate between what you do know and what you don't.”

**(Anatole France (Jacques Anatole François Thibault) (1844 – 1924), French novelist)**

But, we cannot all be leaders; we cannot all aspire and achieve the highest levels in government, in organizations and in companies; we all cannot achieve the highest sporting levels and success even with training; and we all cannot succeed, academically, professionally and vocationally to the same level for the simple reason that life is not like that and there is a need for the majority of people to be straightforward employees as part of a team working to achieve common goals.

Without teamwork there is no team, without group effort there is no company and without consensus there is no community. It is one thing to aspire but something else to expect. As William Shakespeare wrote,

“Oft expectation fails, and most oft where most it promises; and oft it hits where here hope is coldest; and despair most sits.”

**(William Shakespeare. 1564 – 1616. All's well that ends well.)**

But, to paraphrase Shakespeare, all things do not always end well and often people end up disappointed for one reason or another; sometimes because their expectations are too high, or they are under the false impression that a degree is a passport to everywhere or they simply do not have the ability to progress beyond a certain point. This has nothing to do with status, perceived or otherwise, and everything to do with reality. What sort of society are we creating or attempting to create? I am reminded again of the film ‘Logan's Run’ where everyone is of a similar status and no one really has to work, apart from the police or ‘sandmen’, where everyone is fitted with a microchip at birth and everyone is programmed to die at a fixed date and time.

The flip side is, perhaps, that since expectations are high then there is no reason why people should not lie when it comes down to their academic, vocational and/or professional qualifications. After all, I get the impression that in order to attract the supposedly brightest, or rather the more academically gifted employees, companies, or recruitment organizations, seem quite prepared to lie on job specifications.

They appear to do this by elevating the information on the required level of qualification or work experience and level of responsibility way beyond what might reasonably be required for a particular level of responsibility and by couching or phrasing the advertisement in such a way, human resource departments and recruitment specialists are often to blame, that the best person for the job does not understand the requirement and therefore does not apply to be considered.

They, directors and personnel managers, should not, therefore, be surprised when individuals not only tailor their Curriculum Vitae (CV) to the job description but also tailor their previous jobs, previous job titles and level of responsibility, and previous experiences and tailor their academic, vocational and professional qualifications to meet the job description.

Very recently, in December 2004, it came to light that one individual had applied for and obtained employment as the Chief Executive of not one, not two but three separate NHS Hospital Trusts with falsified qualifications on his CV. How on earth can that happen when, presumably, checks are made against the information submitted and at the higher levels in companies and organizations individuals usually are interviewed by a selection panel. It also begs the question how many more have succeeded with this particular ruse? Little wonder then that some, perhaps the more astute, choose to leave organizations that do not present the challenge they hoped for fulfill their ambitions and succeed. As the American actress Helen Hayes suggested,

“My mother drew a distinction between achievement and success. She said that ‘achievement’ is the knowledge that you have studied and worked hard and done the best that is in you. Success is being praised by others, and that’s nice too, but not as important or satisfying. Always aim for achievement and forget about success.”

**(Helen Hayes (1900 – 1993), American Actress)**

But this is not just about academic ability, the content of CVs or about practical ability and expectation; it is all about future employment trends and opportunities. In advanced industrialized countries, and more especially those in the group of G8 wealthiest nations and to which the UK is a member, individual employment and the collection of direct and indirect taxation from such employment is what pays for the provision of essential public and national services; and, without such employment for as many people as possible governments cannot provide such important public services and facilities in, for example, health and education.

To put the situation into perspective, the only growth areas in UK Plc during the last 7 to 10 years have been in national and local government public service areas. In fact, it is a situation that should never have been allowed to develop and can only lead to increasing levels of stress and poverty as taxation increases to pay for those jobs.

Apart from the continued loss of jobs in manufacturing and the off-shoring of thousands of jobs in call-centres associated with travel, finance sectors and information technology, to India there are underlying signs that the UK economy is not as sound as some are suggesting. Basing the economics of a nation on government employment, service sector jobs, investment in private housing and relying on consumers to spend most of their income in the high street does not make for a very sound economic policy.

For a developed nation like Britain the continuing loss of jobs in industry and manufacturing will cause increasing economic problems. There are increasing variations in the availability of jobs, housing and lifestyles between the very affluent and expanding south-east of Britain, in and around the capital London, and the loss of jobs and housing in the former industrial areas of the north-west, the north-east, the midlands and parts of Wales leading to increasing numbers existing on social security handouts and benefits.

The notion that the UK is a knowledge-based economy is bunkum. Yes, we live in a knowledge-driven society but profit and the economy thrives on offering products or services that people need or want, and it also depends on trained plumbers, electricians and carpenters. As I have said before, in an article on knowledge management or the management of knowledge, knowledge actually resides in the individual and not in an organization, and no company has the right to that knowledge or information, gained from study and from experience, without the approval of the individual.

The simple facts of the matter are that the rot in UK manufacturing started 3 or even 4 decades ago; the fault lies entirely with the City and banking institutions, as well as politicians and senior business leaders, who have not encouraged investment in research and development into new technology, with trades union leaders who encouraged strike action too often in the 1960's and 1970's; and, the fact that the UK appears to lack even a basic industrial policy for the future. Indeed, apart from some major players in the oil and engineering sector and in pharmaceuticals one would be very hard pressed to name any successful company in UK that is a major player on the global stage. Indeed, we have no major employers and manufacturers in, for example, information technology, telecommunications and the associated field of fibre optics.

This particular problem, jobs for the future, is one that every country has to address but more importantly the likes of Europe, mainly the UK, and the USA, where an ageing population is placing additional stresses and strains on health and welfare systems that are getting less and less as governments cut back on the provision of social programmes. And easy legislation allows for the 'hire and fire' approach which takes on and dispenses with people when no longer required placing additional pressure on social services. What will an advanced industrial nation do when one-third of its population is aged over 50 and how will it care for them?

Already the signs are bad in that ageism has crept, over the last decade or so, into the recruitment business and the majority of companies choose not to employ people aged over 50; and this is backed by university research. Other countries, such as the Scandinavian countries, Finland, the Netherlands and Spain already have social partnerships that are designed to help the poorest levels whilst maintaining very high standards in social welfare and medical facilities, and they are likely to continue to succeed.

Countries, like France and Germany, have systems that are designed to provide help and support to major companies, which provide employment to many of their people, or champion their products and services on the global stage; this is how they retain and maintain control over some areas of employment and in a way work to support their national identity through national companies. Perhaps discussion and agreement between all sides in the world of work is one that functions much more effectively than one based on confrontation, laissez-faire and divisiveness.

The \$64,000, perhaps with inflation that should now be the \$64 Million, questions that remain, for politicians, businessmen and academics to answer are, what are the likely business areas of possible growth and employment opportunity in the short and longer term; where will the necessary investment come from to ensure that employment opportunities are created in order to employ future generations; will the government seize the initiative and produce a national industrial policy to show the way ahead?

Further, how many public servants are necessary to provide the optimum and not necessarily the maximum number of public and social services and what are those future services to be; what academic, vocational or professional qualifications will be required in the near future and in the longer term; how can the state education system be improved to meet the demands of the 21st century; how can we best employ older people to ensure that knowledge and experience are not lost in the workplace and that older workers are not left to their own resources; and, how can we remove, entirely, the notion of ageism and retirement ages from the workplace?

How do we intend to address those issues in order to maintain impetus and provide employment; and, for managers in particular, how will you determine what is the best management structure of your company and how will you best manage the diverse areas of knowledge and experience within that organization and in the best interests of the people and the company. If you do not accept that society exists then you are likely to have a very difficult time responding to those questions.

The loss of jobs to developing nations is a real threat to the general stability of the UK economy placing undue pressure on the provision of public services, especially health, education and housing, now and in the future; and, unfettered immigration will increase the pressure on public services and also increase the number of unemployed in the indigenous population causing resentment and possible anger. This matter should not be ignored or taken lightly because the likelihood is that companies, concerned only with shareholder interests and the 'bottom-line' will continue to seek out areas of lower employment costs and move their companies abroad. The result will be that pressure is likely to increase as the costs for public services increases and the opportunity for employment in the 'money-making' private and commercial sector decreases.

And, this lack of jobs, lack of real opportunity to progress up a career ladder and being undervalued by organizations, is leading to a considerable increase in emigration, by younger professionally, vocationally and academically qualified people, to countries like Australia, Canada and New Zealand and even into parts of Europe; and, it is exacerbated, in part, by senior business leaders indicating that they prefer to recruit foreigners rather than the indigenous population. That shouts volumes about the general inability of the UK state education system to educate and train and deliver young people to meet the demands of an expanding global economy now and in the future.

The lack of any real and clear direction and standards in education, training, future trends for career progression, employment opportunities and investment in people, products and plant as part of an industrial policy is a damning weakness for the UK economy in this and the next decade; and, the increasing lack of integrity and openness in politics, business and commerce does not bode well. As the English lexicographer, critic and author, Dr Samuel Johnson observed,

"Integrity without knowledge is weak and useless, and knowledge without integrity is dangerous and dreadful.

**(Samuel Johnson (1709 – 1784), English author, critic and lexicographer)**

That is why, again, I suggest that, even though it might already be too late, politicians, academia, organizations representing business and commerce and professional institutions should come together, regularly, to determine and define a national industrial policy! If politicians, businessmen and academia, fail to address these issues then the future for many young people could be bleak and so will the future of the country; and, of course so will the future for pensions and for pensioners.

(7080 including quotations)

**KENNETH ARMITAGE**

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