

IT'S EMPLOYMENT, STUPID

"If when a businessman speaks of minority employment, or air pollution, or poverty, he speaks in the language of a certified public accountant analyzing a corporate balance sheet, who is to know that he understands the human problems behind the statistical ones? If the businessman would stop talking like a computer printout or a page from the corporate annual report, other people would stop thinking he had a cash register for a heart. It is as simple as that—but that isn't simple."

(Louis B. Lundborg (1906–1981), U.S. banker. "The Voices of Business,")

I am tempted to suggest that the quotation from Louis Lundborg, referring to businessmen, can be applied to just about every politician in any country. However, it has been said, by more than one politician, that when it comes down to politics it is the economy that sharpens people's minds based on the premise that if they have sufficient coinage in their pockets, in their bank balances and in their property, such that they can do what they choose to do when they might choose to do it, then they will feel contented and will vote for the incumbent party.

But, conversely, it must be recognized that when people are unhappy, feel they are being ignored or not moving forward with their lives, when they believe they are economically, socially and spiritually poor and unable to afford more than the basic necessities in life then they will feel disenchanting and will, necessarily, vote for change and more especially when it includes the real possibility of employment. If that is the case, and I have no reason to doubt it, then it implies that it is more than the economy that affects people's every day lives. I suggest, therefore, that whilst a stable economy is important it is a stable system of employment and remuneration that tips the balance.

Ordinary working people need to feel not just moderately prosperous but more importantly secure in their company; they need to feel that they will not lose their job in any planned re-structuring of an organization; they need to feel they will not lose their livelihoods to cheaper labour imported from around the world and cheaper imported products that will undermine national producers and providers; and, that they will be able to continue to support their family in a manner to which they have become accustomed and in the process improve and increase the social mobility of their children. If politicians and economists cannot understand those fundamental needs and requirements then they have no right being in positions of power, responsibility and accountability.

In the last week, in the middle of 2005, the peoples of France and the Netherlands have rejected a proposed Constitution for the member states of the European Union for a variety of reasons not least of all because they feel that this proposal is imposing more change to their individual and national culture, customs, creeds, traditions and way of life; and, that elite politicians, whose arrogance appears to know no bounds, are interfering too much in the day-to-day running of countries.

This shows that there is a growing gap between the desires of ambitious politicians, often seen as international globetrotters bent on feathering their own nests at the expense of the proletariat, and the needs of ordinary people. Even though the idea has been rejected the chance of these same politicians make greater effort to resurrect it at some later date is very high. It begs the question how on earth can politicians seek to convince people of the importance of such draft constitutions when so many of their electorate are unemployed? Without doubt personal career and progression appear to be their overriding priorities and not the success of their nation and its people.

In order to deal with this particular problem and in the process re-introduce the 'feel-good' factor into people's lives, the European Central Bank (ECB) should reduce interest rates as low as possible in order to stimulate borrowing, but for investment in industry and commerce, in order to create more jobs. It is only through investment that you achieve growth, and only through employment you give people dignity and pride.

The fundamental principle of globalization, associated with trade, is that one country has goods or products to barter with another nation in return for other products or some other form of remuneration be it minerals or gold or oil. In a service-based economy there is little or nothing that can be bartered other than knowledge gained from experience in a particular area, for example electrical, electronic, mechanical, construction or some other form of engineering expertise. However, this is only a short-term measure as developing nations gain knowledge from experience and the Internet.

This means that an economy based almost entirely on the service sector becomes, in fact, a consumer-driven society that relies on people spending whatever they earn, on housing and goods and services, in order to keep the wheels of that economy turning. It also means that in order to sustain this 'merry-go-round' of demand and supply that, with the loss of an industrial and manufacturing base, more and more products and goods must be imported thus increasing a balance of trade deficit and an increasing economic deficit. But this is unsustainable over the longer-term causing peaks and troughs in economic cycles sometimes referred to as 'boom and bust' scenarios. Perhaps, we do not learn, as the Chinese sage Confucius suggested,

"When a man's knowledge is sufficient to attain, and his virtue is not sufficient to enable him to hold, whatever he may have gained, he will lose."

(Confucius (K'ung Fu-tze), (551 – 479BC), Chinese philosopher, Confucian Analects)

And it is not just individuals who suffer from having to commit the bulk of their income on housing and furnishing, the rest of the economy suffers too. Personal debt in the UK, for example, runs into trillions of pounds simply because it is tied up in nothing more than bricks and mortar; and, people have to pay higher and higher prices for that housing and also pay higher and higher prices for utility services such as gas, water and electricity because the fuel required to keep the economy turning has to be imported added to which the price of many products is higher than in other developed countries.

Very high property prices in many parts of the UK means that people either cannot afford to find work or live in particular locations and if they do they are wary about bringing children into the world because of the additional expense; and, it is only those on well above average incomes who can afford to move and follow career paths. So, tying so much money into housing is, in effect, stifling the economy; the continuing loss of jobs is certainly not helping the country to become more productive and competitive; and it is also making life much more difficult for the future because many cannot save for retirement in private pension schemes.

Only very recently, in June 2005, we had the farcical situation where politicians, in advanced, industrial countries of western Europe, were exhorting people to save more for their pensions for the future because pension schemes and government funding for state pensions is under pressure; and, on the other hand, the directors of the European Central Bank (ECB) were suggesting that the EU economy is stalling because consumers are not spending enough and they must spend now to overcome stagnation!

Whatever happened to using interest rates to stimulate demand or even different levels of interest rate for investment in research and development and for designing new products and services, and government borrowing to help 'kick-start' an economy?

Of course, with the ECB economists and bankers are attempting the impossible and that is to pull together 20 or even more economies and have them maintain the same interest levels no matter the size of the country and its industrial and economic baseline. This can only be achieved by fudging economic statistics and transferring money from one country to another to 'even-out' spending. According to Jean-Claude Trichet, a Frenchman and president of the ECB, European consumers should follow his advice and, "Trust us. If you have the intention to embark on an increase in consumption and you are still hesitating because you have some lack of confidence you can do it – perhaps it is time to consume." Meanwhile, Otmar Issing, a German and the chief economist of the ECB, said, "I never in speeches encourage people to consume more"; he is concerned, allegedly, at the fast rate of borrowing in member states of the EURO currency. It is a financial mess and someone in the European political, banking and economic systems really needs to get their act together.

However, part of the problem with Europe is the lack of real growth. Growth rates in the United States, Asia and the Pacific region, South Asia, Latin America and the European Union are proceeding at very different paces and this leads, of course, to economic tension and rising frustration. In much of Asia growth is being driven by expansion in manufacturing industries fuelled by investment from the USA and Europe and this in turn is increasing the demand for raw materials and for greater supplies of oil, gas and other forms of energy production.

The situation is exacerbated, to some degree, by the differences in attitude of the peoples in the various regions, for example, people in Asia and the Indian Sub-continent and some European countries tend to be thrifty and save for future eventualities, and the peoples of some Western European countries and the United States tend to follow the mantra of consumerism, driven by marketing hype, media programmes and glossy magazines exhorting the lives of the rich and famous, and sometimes they increasingly live beyond their means because of the costs of goods and services.

Meanwhile, back in the UK, a nation whose economy appears to rely almost entirely on the service sector and the creation of public sector and civil service type jobs in central and local organizations including government, police and teaching, the high street, Britain's retail industry, is in turmoil because there is a slump in consumer spending putting hundreds of thousands of jobs at risk. New figures, in June 2005, confirm that retail outlets, apart from food sales, suffered their worst few months this year for a decade; sales in successive months of April fell by 4.7 per cent and by another 2.4 per cent in May. During the last year it is estimated that sales have fallen by approximately 50 per cent and they are likely to continue to fall.

On the one hand the British Retail Consortium, which represents the British high street retail industry and associated trades, has called on the Bank of England to cut interest rates otherwise the retail trade is likely to suffer a two-year slump leading to the loss of 150,000 jobs for shop staff. And, as usual, when there are high levels of job losses in one area it tends to have a 'knock-on' effect on other areas, in this case smaller companies who supply the retail trade with services in the UK including transportation and products from smaller manufacturers.

On the other hand it is low interest rates that have forced up the price of housing to ludicrous levels such that many people in many professions cannot afford to buy a house and there is an acute shortage of social housing to cater for their needs.

In Europe, Italy is under threat from the European Union's revamped stability pact on economic matters because of fears that public borrowing and spending is out of control. Italy apparently has a public budget deficit, presently running at about 106 per cent of the country's GDP and well outside the stability pact agreement of 60 per cent. Pressure from the European Commission has led to the resignation of 3 ministers in the Italian government and for calls, from some quarters, for the return of the Lira and to get rid of the Euro. Could this be the first chink in the Euro armoury and which country in the Euro zone will be next to feel the pinch?

Already France and Germany are suffering from high levels of unemployment and growth is very low. Gerhard Schroeder, the German Chancellor in 2005, has already tried tax-cutting measures and introduced social welfare and labour reform but the German people are not happy because the reforms allow for the introduction of much easier and harsher Anglo-Saxon policies of 'hire and fire' at will in the workplace, something they are not used to and something they are very unlikely to accept. If things continue in the same vein it seems highly likely that there will be general elections in the summer of 2005 and more than 12 months ahead of schedule.

In France, the new Prime Minister, Dominique de Villepin, has declared that job creation is now his number one priority and any previously proposed income tax cuts are now suspended in an effort to fight high levels of unemployment, currently running at more than 10 per cent of the working population, and programmes to encourage employers to recruit older workers over age 50. He has indicated that there is a need to strike a balance between social protection and creating jobs but he also promised not to impose an alien culture on the French people; allegedly this is an oblique reference to US-style capitalism and Anglo-Saxon 'hire and fire' workplace policies.

Perhaps politicians in Europe are at last beginning to realise there is little point in having a sound economy if a large proportion of their voting population are unemployed and unable to gain appropriate and meaningful employment to look after their families. Perhaps politicians secure in their ivory towers and cosseted from the real world, are beginning to realize that peasants can and will revolt against policies that keep them unemployed and poor. Perhaps politicians are beginning to realize that governments get less from taxation when more of their people are unemployed. Perhaps politicians might begin to concentrate, one day, on looking after the interests of their constituents.

In the USA, already a weakened economy because of the costs of the war in Iraq, the outsourcing of many manufacturing and service sector jobs to countries with cheaper labour costs and tax reductions introduced by the present administration, the biggest domestic American car manufacturer, General Motors, is planning to shed 25,000 employee jobs. This is being done to save £1.5 Billion (US\$2.6 Billion) a year in an effort to remain afloat and recover from poor performance and poor sales figures. What is the betting that similar major American motor car manufacturers will be forced to look at their models and portfolios and follow a similar path? The poor performance may be due to poor models and design, perhaps not enough is being put into research and development, it may be due to poor work practices or inefficient use of labour, or it simply could be because competitors from Japan and Germany build better motor cars.

However, when those jobs are lost from General Motors many others are likely to follow from the many smaller companies who supply manufactured parts, finished goods, other materials and services to support General Motors; this, in turn, will have a 'knock-on' effect on spending in the retail sector because more families will have no or less income and even less to spend. As the former President and US politician Calvin Coolidge, succinctly or is it obviously, suggested,

"More people out of work leads to higher unemployment."

(Calvin Coolidge, 1872 – 1933. US politician and 30th President of the USA)

Compare that with progress in, for example, south-east Asia. In India officials have agreed to proceed with building a pipeline from Iran through Pakistan to India in order to provide future needs of those countries for oil and gas in order to keep the wheels of industry and commerce turning and burning and to sustain a present growth rate of between 7 per cent and 8 per cent in India. In addition, India has agreed a deal with Iran to import millions of tons of liquefied natural gas for the same purpose, for industrial growth and creating yet more jobs; all this at a time when some western countries are losing jobs due to a lack of sustained investment.

In Pakistan the economy is predicted to grow at approximately 8.4 per cent this year allowing for an increase, for the first time in decades, in social security and defence spending. Large scale manufacturing is growing at 15.4 per cent, the service sectors by 7.9 per cent and agricultural output by 7.4 per cent leading to a possible increase in overseas investment, provided insurgency from some quarters can be contained.

The Minister of State for Finance is now proposing cuts in duties on the manufacture of engineering components, home electronic appliances and IT equipment to stimulate growth yet further. Why - because overseas investment has been pouring in. Over the last decade, economic reform and the slight loosening of control from Beijing has led to a considerable period of economic growth in China and more especially in the southern regions of Guangdong and Guangxi fuelled by huge overseas investment, from the same companies shedding jobs in Europe and America, in manufacturing.

Manufacturing has reached such a peak that China is now the second largest consumer of oil and other forms of energy after the USA and it is the biggest consumer of locally produced coal to fire the wheels of industry and commerce. In order to meet that increasing demand China has also invested in hydro-electricity at the Three Gorges Dam project on the Yangtze River. China is also continuing to build more and more coal-fired power-stations thus increasing global warming through dirty carbon-dioxide and other greenhouse gas emissions. And, she is spending increasing amounts on defence.

But, this growth in manufacturing is leading to an Industrial Revolution in China where poorer people, who were working on the land, are now flocking to the towns and cities in order to work in factories, just as they did in Britain three centuries ago, leading to increased demands for housing and access to transport system. As more and more American and UK-based companies move their manufacturing to China, not just because of lower overheads and labour costs but also because of the huge prospective internal consumer market in China, economic and political influence is also growing. This in turn is leading to the building of huge shopping malls with shops of all kinds to meet the growth in consumerism and demand for western-style products.

It appears from reports that many people in China are happy with the progress their country is making and with the implementation of not capitalism but the introduction of market forces; indeed, Chinese people living in America have expressed delight at the economic progress and cultural change in China and some are even returning. Perhaps this is yet another effect of the 'growing Global village' that people with knowledge, experience and qualifications will, over time, not only move from company to company but from region to region and from country to country to seek employment and economic stability in whichever country offers them the most opportunity? I suspect this is one reason why many young professionals are emigrating from the UK.

However, the strength of the Renmimbi or Yuan has led to calls from the USA for China to allow their currency to float instead of being pegged to the US Dollar. It has even prompted the Chairman of the US Federal Reserve to hint, strongly, that greater flexibility in the value of the Yuan would lead to greater efficiencies. This may be because the US has an enormous trade budget deficit with China! That approach led to Zhou Xiaochuan, governor of the People's Bank of China, to respond saying that economic policy would increasingly focus on stimulating domestic consumption and reducing investment designed to increase imports and slow down China's huge trade surplus. However, there was no decision for the time being to revalue the Renmimbi (Yuan) but it might be considered as part of a bigger reform of economic policy at some later date.

I feel absolutely certain that the Chinese authorities will decide what to do with their own currency and economy when it best suits them and not from any external advice or political influence. So, for the time being China's continuing economic growth and expansion and creation of more employment opportunities for its people to also grow and expand is leading to the 'feel-good' factor that is so apparently missing in many western, advanced and industrialised nations.

And we in the advanced industrial nations, well those who used to be the powerhouse of the world's economic stability because we designed, manufactured and marketed finished goods around the world, have a choice; we either join in with the industrial revolution that is now happening in China and in India and to a lesser extent in Pakistan, or we gradually fall into economic stagnation.

One other important factor to note is that investment on research and development in most Asian countries is moving apace and some American companies have actually set up technology research centres in some technology parks that have sprung up in Bangalore, Hyderabad and Beijing and dozens of other examples of bioscience and technology parks can be found in Asian countries like Singapore, Taiwan and Korea. Spending on research and development in China has more than doubled in the last 5 years and India intends to double its investment in research in development creating many thousands of jobs in the process.

Meanwhile, Japan, which used to head the international competitiveness comparison ranking tables, because of the very high investment in research and development coupled with investment in academic programmes, high levels of employment and a very sound public infrastructure, has gradually slipped down the table primarily because of an apparent weakness in reforming government organizations and institutions, banking and financial institutions, some inefficiencies in public institutions and the reluctance of Japanese people to spend, but not because of a failure to invest.

Compare that with the European Union where it is estimated there is a shortage of many hundreds of thousands of engineers and scientists, especially in Germany, to keep the wheels of research and development turning; where manufacturing jobs are disappearing, especially in the UK, rapidly on a daily basis primarily because we are unable to compete with the cheaper labour costs and overheads in China, India and other developing nations. The short-term 'knee-jerk' reaction might be to try and recruit graduates and qualified staff from Asia. The fact is that developing countries pose a much bigger threat than many western politicians will care to admit and unless they wake up they will find, in the next decade, power and influence really has shifted from west to east.

I feel bold enough to suggest that what people, ordinary people, really want is first and foremost a job with a good wage packet to enable them to be able to meet the needs and demands of their family and maintain a decent standard of living. When people are meaningfully and gainfully employed, when they are earning and learning to support their needs and those of their families and they have the opportunity to progress and grow with their community, region and country then there is more likely to be political, economic, social and technological stability. Conversely, when unemployment is rising, when jobs are being lost, when opportunity is moving to other countries and when economic conditions and taxation is high it leads to increasing instability, perhaps even crime. For, as the Roman Orator and Politician, Cicero, suggested, circa 55BC,

"The national budget must be balanced. The public debt must be reduced; the arrogance of the authorities must be moderated and controlled. Payments to foreign governments must be reduced, if the nation doesn't want to go bankrupt. People must again learn to work, instead of living on public assistance."

(Marcus Tullius Cicero (106 – 43BC) – Roman orator, author and politician)

Politicians are fond of telling us, as if we did not already know, and using the hackneyed phrase that, "there is no such thing as a job for life", that people must train and re-train and be prepared to change career or profession and position and status in order to remain in employment for as long as possible to save for retirement and to reduce the strain on public pension systems.

But, senior management in UK Plc has, over the last decade or so, adopted the attitude that they choose to employ people only in the 24 to 49 age bracket and find ways of removing workers aged over 50. And yet these very same people, politicians, directors and senior business managers, are the ones who strive to retain power in government and in business and commerce whilst not producing a national industrial policy so that young and old can be trained and re-trained, as they apparently do in Scandinavian countries, to meet the growing demands of the global market-place.

Is it not pathetic that politicians can make such trite comments whilst failing miserably to invest in colleges of further and higher education to provide training courses and to invest in our industrial and manufacturing base for the future rather than rely on creating jobs in the public sector? Some jobs in the public sector are essential, more noticeably doctors and nurses, the police, teachers in education and fire services, but there are a great number of people employed in 'non-job' positions in national and local government and in QUANGOs, they do not generate or create wealth and they all cost the tax-payer increasing amounts of money for pay and pensions whilst not actually contributing to the overall economic success of a nation.

Poverty, as we all know, is relative in individual countries and it is based on such economic factors as the cost of living, which includes the cost of housing, the provision of utility services such as water, gas and electricity for heating, lighting and ventilation, sufficient income to buy foodstuffs and other necessities of life and having essential items such as telephones, fridges and washing machines. In the UK relative poverty is defined as having an income that is less than 60 per cent of the average national wage, which in this instance and according to statistics means an income of less than £16,500 per annum before income taxation and national insurance contributions.

However, statistics also show that, for example, approximately 25 per cent of the population in UK, the 4th wealthiest nation in the world, live in relative poverty; many pensioners fall into this category, primarily because of a very low basic state pension, because government administrations allowed pension holidays or removed profits from private pension schemes and because of increases in various forms of indirect or stealth taxation and more noticeably the Council Tax; but there are increasing numbers of single-parent families, for a variety of reasons, and approximately one-third of the number of people living at or below the poverty income level are two-parent families with children. That is an indictment of the policies of successive governments because this figure of 20 per cent living in poverty and another 20 per cent just above it has remained the same for many decades since the Second World War and it is not improving.

Meanwhile, there are others working in the financial institutions in the City of London who become instant millionaires not from their wages but from the bonuses they are paid for pushing through programmes of mergers and acquisitions among companies, programmes that often lead to the loss of thousands of jobs for other people, whilst increasing the 'bottom-line', the value of shares and the dividends to shareholders. Somehow I think that our political, social and economic policies are confused, because instead of creating jobs we appear to be encouraging and paying others to destroy them!

I find it incredible, perhaps even stupid, that such august organizations as, for example, the United Nations and its plethora of Commissions and committees, the World Bank, the International Labour Organization, the World Economic Forum, the Group of G8, the European Central Bank (ECB) and individual governments around the world have not grasped the fundamental fact that it is growing economic and social inequality, driven by the abject failure to appreciate and understand that it is unemployment and insecurity that causes the most distress, and more especially when people are fit, healthy and willing to undertake paid employment!

Further, it is the growth of globalization that is slowly but inexorably increasing levels of poverty in western developed nations as companies export, off-shore or outsource work, to developing countries with cheaper labour, to reduce overheads and increase profit margins; and, unfettered immigration from poorer countries to developed countries is also driving down the cost of labour within developed countries. That, according to politicians, appears to be good for commerce and for those who own and direct political and economic systems but it is not and is not seen to be economic, social or political progress for a nation. As Franklin Delano Roosevelt stated,

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

(Franklin D Roosevelt (1882 – 1945), 32nd President of the United States)

Eventually the loss of jobs in developed nations, led by the charge from companies to move their manufacturing processes to countries with lower overheads and labour costs and other organizations moving their information technology services, financial services and administrative support, including call-centres, to countries with the same lower labour costs, will lead to increased trade deficits as consumers, living in a totally service-sector economy, demand manufactured products.

It will lead to increased frustration among the peoples in advanced, industrial nations who are unable to gain appropriate and meaningful employment and able to look after themselves financially. And, eventually it will lead to gradual degeneration, a possible loss of political, economic, social and moral direction and to the gradual breakdown of society with a subsequent increase in crime and associated activity.

What politicians and businessmen should understand and grasp is that they must not only encourage education and training, by providing any and all means and methods of academic and vocational training to improve the competitiveness and productivity of their employees, but also promote employment through job creation.

What all politicians, what all government ministers and administrations, what all chairmen and chief executives, directors and senior managers have to understand and appreciate is the fundamental fact that what all people, in all professions and jobs, want and need is more than a degree of stability. They crave stability in their workplace, stability in their chosen career or profession, stability in companies and organizations, and, stability in government political, economic and social conditions including the provision of hospitals, other medical healthcare services, pensions and social services for old age, otherwise, what is the point in working. And, it is the provision of that stability and services is what helps to improve stability in private lives leading to greater personal satisfaction and a better life/work balance.

If national governments and national organizations and companies do not understand the need for stability and security and if they cannot or will not meet those fundamental demands then the level of dissatisfaction will increase, young professional people will emigrate to find those needs in other countries and the spiral of degeneration will continue. As Franklin Delano Roosevelt suggested,

“True individual freedom cannot exist without economic security and independence. People who are hungry and out of a job are the stuff of which dictatorships are made.”

(Franklin D Roosevelt (1882 – 1945), 32nd President of the United States)

I suspect that is why there is an underlying discontent in some advanced industrial nations with the way that some variations of western capitalism, in its present form, is working and impinging on the daily lives of ordinary human beings, especially if those on low or fixed incomes are being taxed too heavily and when they see that those owning and managing corporations and organizations pay little or no taxation as a result of their activities because of off-shore bank accounts and loop-holes in the methods and means of taxation. As the Austrian-American economist Joseph Schumpeter suggested,

“Capitalism inevitably and by virtue of the very logic of its civilization creates, educates and subsidizes a vested interest in social unrest.”

(Joseph A. Schumpeter (1883–1950), Capitalism, Socialism and Democracy (1942)

If people are not earning and learning, if people are shirking and not working, if people feel undervalued or ignored, and if people are wasting time and not using time to better themselves and if they are at a loss to see any future for themselves and their children then how can you expect them to remain enthused, committed and determined to increase productivity and competitiveness in their companies and country as a whole?

The UK economy is, in 2005, stagnating for a variety of reasons; first, the growth of the economies in China and India are driven by increases in their manufacturing base, because of the export of jobs from UK and the USA and some other European countries, leading to an increased demand for fuel oils to drive the wheels of industry and commerce and driving up the price of oil; many millions of jobs from UK have been exported to India and China increasing the number of people who are classed as 'economically inactive' and leading the situation where there is approximately 8 million people of working age who are not in any form of employment; the UK is still embroiled in the wars in Iraq and Afghanistan and those conflicts are costing increasing amounts, in terms of the lives of young, capable and professional people, and a defence budget that was slashed about 6 years ago; the cost of housing in UK has been driven onwards and upwards primarily because of interest rates that have been kept artificially low to meet the government's demands and because of the greed and stupidity of developers and builders; the national debt has doubled, to more than £550 billion, in a decade because of government over-borrowing and over-spending on public services and increasing the number of public servants; and, personal debt is approximately £1.3 trillion. It means that the UK is verging on bankruptcy and without an increase in employment and a boost to the economy we will find ourselves in an increasing economic mess.

Let me approach this from a social perspective; why has the level of alcohol and drug abuse increased in many western countries and more noticeably, for example, the UK and the US? When people are under pressure at work or perhaps through a combination of work and personal life they turn to something to reduce that pressure; when people are not working and earning and able to manage their own lives then they tend to turn to substances to ease that frustration and level of despair; when the amount that people are paid for the work they do does not meet their weekly or monthly demands then, again, they turn to some form of substance to ease that pressure and frustration; and, when people are made redundant and are unable to gain appropriate and meaningful employment that gives their life some stability and direction then, again, they turn to substances to ease the anger and frustration.

During the industrial revolution in Britain in the 18th and 19th centuries, a period of considerable social, cultural and technological upheaval and change, the economy grew rapidly based on the import of raw materials, full employment for the population in the spinning and weaving factories that sprung up in Lancashire and Yorkshire and light engineering in the Midlands, and the export of manufactured products to meet the growing demand of the British Empire and the gradually growing global economy.

Sadly that progress has declined and disappeared during the latter part of the 20th century such that Britain is, now, little more than a service-sector economy that relies far too heavily on the cost of private housing, the retail sector and the City and financial institutions shuffling money in the market-place; and, where the 8 million people classed as 'economically inactive' who are not earning, learning and contributing to society and maintaining themselves and their family.

What will happen if, in this ever-closer global economy where one part of the globe is increasingly affected by financial dealings in another, those financial markets stutter and fall? What will happen to the UK economy if and when regular financial hiccups in other parts of the globe affect the earning potential of the City to shuffle money and make paper-profit when we no longer manufacture anything to barter in the global market-place and do not have any mineral resources?

It is long since time that Europe, and I especially mean the UK, got a grip on innovation and research and development and encouraged much greater investment in ideas and in technology in order to establish new industries and to create jobs and employment opportunities to enable future growth and economic stability. Too much time, effort and money in the UK is wasted on bureaucracy, administration, regulation and political interference and on creating public sector jobs in national and local government rather than on creating real sustainable jobs and employment opportunities in the commercial private sectors to keep the population employed and maintaining progress in society. As the US author Henry David Thoreau wrote,

“Most are engaged in business the greater part of their lives, because the soul abhors a vacuum and they have not discovered any continuous employment for man’s nobler faculties.”

(Henry David Thoreau (1817 – 1862), US Author of transcendentalist movement)

Why can politicians and other influential business people not see that where there is the greatest inequality and the greatest disparity in pay, perks and conditions that that is where there is the greatest possibility of increasing levels of violence? If companies and organizations cannot provide the employment opportunities to allow people to grow and progress then they are more likely to turn to other methods of gaining income and wealth, and that is through criminal activity.

Perhaps future political cries should not rely on spin and rhetoric to bamboozle the naïve electorate, such as “education, education, education” or “it’s the economy”, or even “we must invest in education and training”, but ought to concentrate more on, “stability within the nation” and, “Its employment, stupid”. If future government administrations fail to address the issue of growth, employment, job opportunities and stability for this and successive generations then, regrettably, the UK will continue to subside, end up in an economic mess and will continue to lose all international political, social and economic influence and may even be treated with contempt by other nations.

(6525 words including quotations)

KENNETH ARMITAGE

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