

## WORK AND THE CONTINUING SOCIAL DIVIDE

“You see, I divide men into three categories: those who have a lot of money, those who have none at all and those who have a little. The first want to keep what they have: their interest is to maintain order; the second want to take what they do not have: their interest is to destroy the existing order and to establish one which is profitable to them. They each are realist, people with whom one can agree. The third group wants to overthrow the social order to take what they do not have, while still preserving it so that no one takes away what they have. Thus, they preserve in fact what they destroy in theory, or they destroy in fact what they seem to preserve. Those are the idealists.”

**(Jean-Paul Sartre (1905–1980), French novelist, political activist. *The Devil and the Good Lord* (1951))**

Let me start with a premise; entrepreneurs and senior people in industry and commerce are in business primarily to make a profit and become wealthy; and, second, to invest, possibly, some of that profit on research and development in order to design bigger, smaller, better, faster, slower or cheaper equipment to do the same or similar tasks, to create a market and to make goods or services more accessible by a greater number of people be they companies, customers, students or academic and training institutions, to expand operations and to have an educated and capable workforce.

In the case of the Internet it is now possible to not only use your Personal Computer (PC) to send e-mails around the globe or for surfing the web but you can access and download all types of music and, in some cases, access all types of educational films and download whatever information is made freely available. But, it is not the Internet itself but the use to which we put such equipment and networks, some might suggest the possibilities are almost limitless, in order to better understand, educate, enlighten and train successive generations in order to maintain momentum in the still expanding global village, and in the process improve living standards.

I don't just mean in business-to-business (B2B) or business-to-customers (B2C) but in meeting the social demands of society and as a means of breaking-down the social divide. Computers and the Internet are also powerful tools in every individual's need for and right of access to knowledge and information for Continuous Professional Development (CPD). However, it is, in some respects, part of the social divide.

Until the middle of the 18<sup>th</sup> century progress and advancement in Britain was slow and the size of the population was holding steady at about six and a half million. From outward appearances Georgian Britain was extremely wealthy with palatial palaces, gardens by Capability Brown and artwork and marble statues imported from Europe or indeed from anywhere on the globe where naval sea power and influence led to colonization or to increasing global trade. The whole mechanism of life had progressed very little because access to schools and academic facilities was not widespread; the majority of ordinary people still worked in and on the land; the internal infrastructure, road networks, was very poor; and, there was little social change based on meritocracy and a wholly corrupt system of local justice existed.

The British economy, like many other nations at that time, relied on agriculture; the nobility, the landed gentry and capitalists controlled what industries there were; and, a few worked in what was termed 'cottage industries' producing cotton and woolen cloth and exports that consisted mainly of cloth and grain. The whole system of politics, economics, organization, administration and the distribution of wealth was totally controlled by the nobility and the wealthiest levels in British society.

It was at this same period of time that the likes of Kay, Arkwright, Hargreaves and Compton each patented inventions that improved the speed and efficiency of spinning and weaving cotton and wool. In a similar time frame a Devon blacksmith invented a machine to pump water from the mines and by using waterpower was able to create greater blasts in his furnace and greater heat meant greater quality. A Yorkshire clockmaker discovered the method of blending iron and carbon to produce the quality and hardness of steel; an Admiralty servant, Henry Cort, invented the rolling-mill system for increasing the speed of hammering steel into shape; and, Watt patented his steam engine to drive the wheels of industry.

This rapid introduction of what was then new technology led to the first migration of workers from the land to the towns and cities and into the 'dark satanic mills' that sprung up, mainly along the western slopes of the Pennines, and wherever there was a ready supply of local or more easily imported raw materials, plentiful water and labour. And, the building of internal canal networks increased and improved the system of communication and transportation of raw material and finished products to the seaports. One might suggest the canals were an earlier form of information highway.

However, wages were still left to the mercy of the owners in what was a limited competitive market; domestic employment, especially in London and other major towns and cities, was little more than sweated labour. In the spinning and weaving mills in Lancashire the owners kept overheads down by paying women and children to do some of the work. In the mines in Northumberland and Durham boys began work at the age of seven; and, in London boys began work for chimney sweeps at the age of six.

It was to take until the last quarter of the 19th century before education was made a national requirement in Britain and the country remained well behind most other developed European nations in establishing schools and an academic system. In 1868, the Royal Commission Inquiry into the general state of education and training in Britain, when compared to that in other European nations, reported that,

"We are bound to add that our evidence appears to show that our industrial classes have not even the basis of a sound general education on which alone technical education can rest. In fact our deficiency is not merely a deficiency in technical education but in general intelligence."

**(Royal Commission Inquiry report 1868)**

Despite some progress toward the creation of a more egalitarian society, through a period of liberalism and the breaking down of the privileges of the aristocracy, there was still enormous inequality and an unequal distribution of wealth. The strata of Victorian society were self-perpetuating and maintained through education basically through the principle that those who could afford private tutors for their children ensured the line of succession in business, politics and all the professions.

Indeed, it can reasonably be suggested that society in the UK has changed little during the last century, even two, in that the Monarchy and titled landowners, Dukes, Earls and the like, are part of a privileged elite that perpetuates inequality and inequity based on privilege, and in some cases on untaxed wealth. During the 21st century that system must, of necessity, change and the system or systems of taxation must change to improve the lot of the poorest levels in society otherwise the social divide will continue to increase and so will the possibility of social unrest.

Regardless, the invention of the microchip and the rapid technological revolution that followed, that is the main-frame computer followed by the personal computer and higher speed data networks in the 1970's and 1980's, are what caught Britain and its workforce unprepared for the leap forward in working practices. Computers and robotics brought economic and social change, again, and led to increasing levels of unemployment, particularly among unskilled and semi-skilled people working on labour intensive production lines, because many of the employment opportunities being created were in the 1980's were in the service industry sector and more especially in banking, insurance and general finance, oh and fast food outlets.

Much of the fault for the failure to provide appropriate levels of education and training, and advancement courses, for all people in Britain stems from that same Victorian attitude, still advocated in some quarters in politics and business, that individuals are responsible for their own lives and education. It appears to have taken most of the 20th century for government in Britain to begin to acknowledge the impact that education and training has on the economy and more particularly when related to the introduction of increasingly highly automated machinery, equipment and systems both in manufacturing industries and in the service sectors.

It is the relationship between education and employment that creates the greatest social divide and the most confusion as to whether education is an end in itself, or, whether education is designed to prepare people for employment, or, whether the content of academic programmes are what determine the future paths of employment? And, the supplementary questions are whether an apparent shortage or shortfall of workers in a particular profession should effect change in the school curriculum and if it does then who decided to change the curriculum and how quick is the response?

The only way to reduce the social divide is to gradually break down the barriers of access to knowledge and information; and, there is a real need to provide vocational courses and training programmes so that people who are not academically minded or gifted can be trained and progress in vocational careers such as car mechanics, plumbers, electricians, painters and decorators, builders and woodworkers. No country can effectively exist on mass-produced academic qualifications but, rather, it needs to balance the provision of services with an industrial and manufacturing base. Therefore, it is also paramount that business knows what it wants from our education system and provides guidance and advice to schools and to colleges of further and higher education. It also requires government to have a clear industrial policy indicating which areas of industry and commerce will be encouraged and supported in coming years.

Indeed, research by Professor Robert Sternberg, an eminent psychologist at Yale University, suggests that much greater success is achieved through practical intelligence and the ability to respond to and deal with practical problems of everyday life. Further, we should look at companies as places where problems continually arise and are being handled and dealt with all the time. Perhaps it is the ability to deal with practical problems and provide solutions that indicate a greater measure of success?

However, those who have access to equipment, machinery and practical training on new technology and software programmes are more likely to succeed than those who, for whatever reason, cannot afford or are unable to use such equipment. I say that because real-life success cannot be measured simply in terms of academic ability but gained, more effectively, from everyday activities and practical experience.

But the lack of skills and the failure to provide training and re-training centres, possibly as an indirect result of the loss of the apprenticeship programmes, meant that Britain was slow, again, to respond to the demands of the market place at the end of the 20<sup>th</sup> century and in many respects that situation persists today at the beginning of the 21<sup>st</sup> century. The result is an under-educated workforce in terms of vocational as well as academic qualifications. As Benjamin Disraeli suggested in the 19<sup>th</sup> century,

“Upon the education of the people of this country the fate of this country depends.”

**(Benjamin Disraeli (1804 – 1881) House of Commons 1874)**

Until employers and educationalists can get to grips with and define the fundamental reason for education and for all forms of academic courses to meet the demands of UK Plc, it seems to me that there will continue to be confusion and a lack of momentum to move the nation forward. It is, possibly, one explanation for the, generally, lower levels of productivity in Britain when compared with, for example, Germany, France and the United States.

I suggest that it is the role of industry, aided and assisted by appropriate research institutions and centres, to improve existing products or services and to conduct research and development to design efficient, more effective and more environmentally friendly new ones. That it is the role of government, aided and assisted by educationalists and academics to ensure that sufficient funds are available not just for primary and secondary levels of education but for tertiary education and the provision of centres of further and higher learning to enable people to train and re-train to meet the changing demands of business. And, that it is the role of business, aided and assisted by academics and educationalists to ensure that the school curriculum includes such courses of instruction that are relevant to the demands of the workplace. This is particularly relevant with the provision of education and training in information communications and technology (ICT) because the use of computers, software programmes and associated items of equipment drive the wheels of industry and commerce.

And, the inexorable growth in globalization and the off-shoring or exporting of jobs, in banking, insurance and other financial sectors, in information technology (IT) and in places like call centres, to India and China which is slowly exacerbating the situation.

It is suggested that when you embark on a programme of people-centred management, by concentrating on your most valuable asset and resource, then higher levels of product quality, productivity, competitive advantage and profit are achieved. At the same time customer satisfaction increases and employee involvement and commitment is increased. Some companies have taken up the cudgel and are making efforts to bring their workers up-to-speed, so to speak, with making PC's more easily available and all that the Internet can offer.

The Ford Motor Company, for example, has embarked on a programme of providing free computers to all its workers. The reason being, allegedly, to encourage workers to understand and learn from the latest technology by taking a computer home and surfing the web in their own time. Simultaneously the company has set up a company cyber store and an employee-wide intranet to keep their employees informed, presumably, of company strategy and decision-making.

Employees at Ford are also encouraged to contribute their thoughts, views and opinions through the same computer and telecommunications network, referred to as an Intranet. Conversely it could be suggested that Ford is not only maintaining good lines of communication with its employees, whilst reducing the cost of printing and distributing internal memoranda, but is also keeping their workers involved and not only thinking about improving work processes and procedures but also spending through the company shop.

Another social dimension is that employed by the UK Government. It has set up websites for each government department to enable anyone with access to a PC and a connection to the Internet to access government draft papers and documentation. At various department sites people can complete, electronically, forms and questionnaires covering many areas of government business. Apparently if you complete and submit your annual tax form electronically you can achieve a small saving on costs? But, again, how does that help the poorer levels in society who do not have access to computers?

Twenty-five years ago Asian doctors were encouraged to come to the UK and join the National Health Services (NHS), but many are now reaching the age of retirement and some have opted to leave early. And, twenty-five years later the same process, of encouraging doctors and other medically trained personnel from developing countries to come to Britain to meet increasing demands, has begun again simply because we have failed to educate and train people to meet the demands of our society. That means that politicians and educationalists, during the 1980's, failed miserably to invest in providing and encouraging training and courses for the medical and dental professions. So, the NHS is, allegedly, suffering from an apparent shortage of doctors, including surgeons and General Practitioners (GPs) and trained nurses and real shortage of hospital beds; but, how can that be when there are hundreds of UK-trained junior doctors fighting to find practical appointments within the NHS?

An on-line website, providing a cheaper form of medical advice, offers individual assessments by a medical professional based on the symptoms they submit, but the site does not say what level of qualifications the professional has. Perhaps in the future an even cheaper way is to use computers programmed to recognize symptoms and signs and offer a diagnosis. But, yet again, it is something that can only be accessed by those with the appropriate terminal equipment and some knowledge and understanding of the Internet system and does it mean even less social interaction?

In the case of Internet sites for the purchase of, for example, electronic and white goods the Which magazine organization has established a Code of Practice, through a Red Kite Mark type symbol, that indicates the web is checked and verified by Which staff. If the company breaks the Code of Practice it is removed from the list of approved sites. It is a way of indicating to prospective customers that the operation is genuine and it is something that, perhaps, all on-line trading companies should seriously consider belonging to.

And, because of such competition some high-street retailers are occasionally prepared to match the price quoted on on-line Internet sites provided you can prove the difference in price. But, again, only those with PC's can take advantage of what are, supposedly, cheaper prices for such goods. But that does not help those who do not have access to the Internet and the services it provides.

And, last but not least, home-based PC's and the Internet allow for the greater use of teleworking for many professions and demands, in turn, much greater flexibility from employers. Being able to work from home on a permanent, semi-permanent or even on an occasional basis reduces stress for individuals from commuting to and from work and it also helps to reduce congestion on already overcrowded and inefficient forms of public transport and on the road networks. It is unfortunate that the government and major telecommunication network providers have not seen fit to pursue a vigorous policy of connecting schools, colleges and individual homes to the Internet through wireless and Digital Subscriber Line (DSL) technology and encourage much greater take-up of home systems.

The real danger, to UK, is one of complacency in that Far Eastern nations are already well ahead in the introduction and greater use of PC's and the Internet for many forms of education and training programmes. The pace of technological change and the introduction of new technology, in Japan, Singapore, India, South Korea and Taiwan are considerable and well ahead of many western advanced industrial nations, and China, with enormous investment, is fast becoming the industrial powerhouse of the future.

The pace of socio-economic change is such that it is possible the former 'Tiger economies' will, once again, go for growth through greater liberalism and in the process will outstrip socio-economic change in Britain and other European countries. And, as an additional note, China already has the biggest manufacturer of PC's, and photocopiers, in the world and is very likely to look to acquire western manufacturers.

Most developed countries now employ more people in the public and service sectors; jobs in manufacturing, light or heavy electrical or mechanical engineering have moved to developing nations where labour, service and material costs are lower. That is why it is imperative that government pursues an education policy that allows for the much greater use of PC's, software programmes and the Internet and provides courses at colleges of further and higher education to enable anyone and everyone to learn about the Internet and how it can be used to advance people at every level.

It is only by making such equipment and systems more widely available that the level of ability and competency increases. When a proportion of the population is not educated then that is likely to increase the need for social services. When too many people are not earning or learning, whether in agriculture, business and commerce and in manufacturing, then there will continue to be poverty and a social divide.

Capitalism and free-markets are part of the process of globalization and the pace of change and transfer of global influence is not slackening. However, it now seems that some advanced, industrial nations are beginning to realize that globalization is beginning to bite back. The continual haemorrhaging of jobs, and employment opportunities, from west to east is increasing the social divide as highly-educated professionals see their share of national wealth increase whilst the less educated become even poorer because of poor-paying jobs and low incomes; and, system of income taxation has not changed to keep pace with the increasing social divide through work-related pay.

Protectionism, for some areas of work or business, might not be the answer but then how does one ensure that future generations have employment to enable them to take care of themselves and their family and contribute to society. And, 'selling-off' the family silver, and gold reserves, leaves little in the coffers for 'rainy days'.

The majority of people, well at least those with a modicum of intelligence and common sense, will probably see no benefit in living on social security benefits but somehow a 'Catch 22' scenario has been created where successive generations, in some families, have lost all ambition to improve their lot primarily because the system now gives them too much in terms of social security payments. But, the majority want to improve their lives, own their own homes and be able to keep as much of their earned cash as possible and maybe send their children to private schools; but in order to do that it is essential to be paid an income that allows for private school fees £3000 - £5000 per term per child. As Somerset Maugham wrote,

"It is not wealth that one asks for, but just enough to preserve one's dignity, to work unhampered, to be generous, rank and independent."

**(W Somerset Maugham (1874 – 1965), English dramatist and novelist. 'Of human bondage'.)**

The average wage in UK is now approximately £27,000 per annum; the median wage in UK is approximately £17,200 per annum, (which incidentally is less than a newly qualified nurse without any practical experience is paid on completion of her degree course, much less that policemen and firemen); and according to the ONS 60% of the working population earn less than the median wage. That being the case there is no way the bulk of the population could ever afford to pay to send their children to public school.

Worse, for those on even 60% of the average income the inexorable increase in many forms of indirect taxation, for example fuel and the iniquitous Council, Tax which has increased by 89% to 98% over the last 9 years such that people living in what was glibly once referred to as the 'average' Band 'D' box property are now paying in the order of £1200 - £1400 a year, or 7% to 9%, and more, of their income before tax, for local Council services. That is not a fair system of taxation and penalizes the poor the most.

Allowing unfettered free markets to dominate economic policy does little or nothing for the poorer levels in society; rather the process leads to increased poverty for the simple reason that the poorer levels spend the greater proportion of their income on the basic necessities of life, water, food and shelter. Unfortunately this divide appears most prevalent in countries like the US and the UK where social systems, primarily for young and old, are not as robust as in many western European nations.

Perhaps that too was part of the overall 'trickle-down' economic policies of the 1980's and 1990's that allowed for a much larger share of the nation's wealth to be sucked upwards, rather than filter downwards as both Reagan and Thatcher indicated would happen, by following the monetarist policy advocated by the likes of the US economist Milton Friedman? As Franklin D 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), 32<sup>nd</sup> President of the US)**

The result, increasing levels of poverty to the extent that those in the bottom quartile, or even bottom two quintiles, in terms of income have at best remained static but in many cases have increased primarily because of low or poor-paying jobs; and, because of the rapid increase in the costs of owning property or property rental and the associated local systems of taxation to pay for local services and other forms of indirect taxation that are not based clearly on income and the ability to pay.

It has reached the stage where 38 million Americans live in poverty and more cannot afford any form of medical or dental insurance, and the same number of Americans now go hungry causing embarrassment to the extent that the US administration has indicated the word 'hunger' must be replaced by the phrase, "food insecurity". Only in America could someone dream up such a trite phrase in an effort to cover up what must be a national disgrace.

However, the situation, even after almost a decade of a Labour government, is no better in the UK. According to figures from the Department of Work and Pensions (DWP) it appears that, despite the promises and rhetoric of politicians, little has changed over the last decade in improving the lot of the poorest levels in society and that 60% of the population have an income that classes them as poor and the bottom 40% are classed as living in poverty, even during a period which politicians have trumpeted as a period of alleged global and national economic stability and growth.

It is a fact, widely available, that the top 1% of people in UK own 25% of the nation's wealth, the figure in the USA is in fact higher at 35%; the top 10% in UK own 55% of the nation's wealth, in the USA the figure is 72% of that nation's wealth; the top 40% in UK own 95% of this nation's wealth, and in the USA 96% of that nation's wealth; and that the bottom 60% in UK share between them 5% of the nation's wealth and in the USA it is 4%. It does not need a mathematician to show the level of inequality. In terms of the distribution of wealth in individual countries the US is among the most unequal nation on earth, whereas Japan, with its greater emphasis on society than individual, has one of the lowest levels of inequality. Britain, also a country with high levels of inequality, is on a par with countries like Russia, Indonesia and Pakistan in matters of wealth inequality.

By the end of the first decade of the 21<sup>st</sup> century the number of elderly people in UK will have increased placing additional strains on the provision of public services and more especially in health and housing. Because of the increase in many forms of stealth and not direct taxation increasing numbers will, probably, have to rely on 'means-tested' benefits to enable them to exist whilst those in work, because of decreases in direct taxation, will become wealthier.

This problem is, in part, a direct result of Mrs Thatcher's and her government's decision to increase the basic state pension only at the alleged increase in prices, a figure controlled by the government, rather than leave the increase in line with increases in pay. This is yet another area of policy that an incoming Labour government indicated they would restore but deliberately appear to have avoided thus, in fact, exacerbating the problem of poverty among elderly people.

The only way to deal with this increasing problem, without fiddling with such ideas as child tax credits, is, firstly, to raise the level at which people begin to pay direct income taxation, the personal allowance, to a very much higher level which is well above the generally accepted 'poverty income level' of approximately £7050 per annum or even higher at £10,300 per annum, which is 60% of the median income in UK; second, to ensure that those who earn or are paid less than 60% of the median income wage in UK and certainly those on the minimum wage, do not pay income tax or are taxed at a much lower level; and, third, to introduce a second higher rate tax band of 50% for those whose income is more than say 3 or 4 times the median income level, or twice the average wage, or at a fixed income level of say £80,000 a year.

The financial gulf between the haves and the have not in UK, and in the USA, is increasing at a pace driven by the introduction of more indirect and 'stealth' forms of taxation; it is also being driven wider by the increasing differences in salaries paid to professionals and those at the highest levels in companies and organizations compared to those at the lowest and poorest levels in work. That is because in business, commerce, sport and politics there will always be winners and losers; because for there to be a winner or even winners there must be losers; and, there are always more losers than winners in any situation, something which the younger generations appear not to have grasped

I sometimes wonder what the next generation want because so many appear to want everything without having to work for it and in that respect so-called 'reality programmes' and too much concentration on pop artists, actors, sports people and others in the media on television and their flash and expensive lifestyles have helped to create this situation by raising expectations too far and too fast.

How long will it take people, and more especially students, to realize the importance of a broad-based vocational as well as academic education will be essential in future to meet the demands of business in the global marketplace? How long will it be before politicians and senior businessmen, begin to understand that unfettered greed in business and in politics and their political, economic and social policies, their continuing interference with the provision of state education, unfettered immigration driving down wages, and their inability to create employment opportunities during the last decade, has done little or nothing to reduce the social divide; and that the increasing loss of jobs, even lower-paid manual work, will, necessarily, lead to an increasing number of people in UK living in real and relative poverty? I wonder if there is a hidden agenda.

(5120 words including quotations)

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