

# Will Our Future Be Workable?

**William Raspberry**

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There is something about us human beings that doesn't like work. We look forward to weekends and vacations and retirement. We speak disparagingly of those who love work -- workaholics, we call them. Sometimes we think it almost blasphemous to like work; after all, wasn't work God's punishment for the sins of Adam and Eve? Our futuristic musings are virtual hymns to anti-work; machines run everything, make everything, do everything.

And yet we value work -- very nearly worship it. We assign it great dignity and moral power. We look down on those who don't (or won't) work, counting them as less than full contributing members of society. In our ideal world, everybody would have a job.

Is there any way to reconcile these two contradictory ideas?



The question is not merely philosophical. It has deep implications for our society, particularly as machines (robots, computers and the entire range of Information Age technology) take over more of the work that humans used to do. It's something Jeremy Rifkin has been thinking a great deal about.

"On the micro level," he said the other day, "every business leader and CEO is determined to replace bodies with thinking machines. The machines are more reliable and more productive; they make fewer demands and work longer hours. Using them gives a company a major advantage.

"But on the macro level, if everybody uses machines to replace human beings, the obvious question is: Who will buy their products?"

It's a point he made in his new book, *The End of Work*, and in a fascinating interview. "I recently talked to the Young Presidents' Organization, and I asked these young executives how many of them are re-engineering and downsizing and letting people go, and most of them raised their hands. How many of them saw fewer employees in their corporate futures? All of them. But when I asked them what they were going to do with these people -- their customer base as well as their worker pool -- they had no idea.

"They are smart enough to see that they are building tremendous inventories in the face of falling purchasing power, but they haven't seen the connection -- that both have the same source."

There are other similar dilemmas on the man vs. machine landscape. For example, says Rifkin: "We already have near-workless factories in such industries as insurance and banking -- and not just because the machines are more efficient. There are advantages to having a small, highly trained work force that go beyond efficiency or even health insurance costs. Pensions, for instance, are a big chunk of employer costs, and the fewer workers you have, the smaller the outlays for pension plans.

"But as corporations let people go, the pension funds dwindle, and then you discover that it is the pension funds that have

kept the economy going; they are the main form of savings for the capitalist system, a third of the bond and stock markets, worth more than the commercial assets of all the banks in America. They are, in fact, the main source of funds for the shift to the Information Age."

There's a third dilemma. As much as companies love low-cost production and high profits, they fear instability. But the same forces that produce the one threaten to produce the other. The incipient instability is not immediately obvious, as it might be in periods of high unemployment. But look at the nature of much of today's employment: part-time work, contingent work, sporadic work -- erstwhile employees are transmogrified into "independent contractors," which is to say workers without security and the fringe benefits we had come to expect.

Not only do insecure workers buy fewer of the goods businesses want to sell, which tends to destabilize markets, but they also tend to earn less, thereby accelerating the polarization of rich and poor. The very economic changes that make entrepreneurs rich also create the instability and uncertainty that threaten their economic survival.

The issues Rifkin raises seem so obvious that you wonder why we haven't spent more time talking about them. Most of our future-of-work conversations explore only the edges of his concerns. We recognize that work is becoming more technical, but take little notice of the fact that there will be less of it. We talk about the growing gap in real earnings between the elite workers and the blue-collar class, but we delude ourselves into believing that the answer lies in periodic retraining. We accept the idea that work is the solution to welfare dependency -- indeed we are ready to accept two-years-and-out as a reasonable way of nudging people back into the world of work.

But to do *what*? It's a question worth exploring.

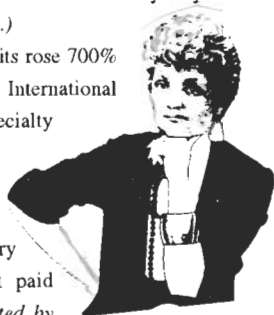
**Editor: And in 15 related ponderables from our clippings pile . . .**

(1) Technology doesn't *have* to displace low-skilled workers; it *can* be designed to open up *more* jobs for them -- if that's what we want technology to do, writes a Washington Post reader. Take electronic price scanners and new-style cash registers, for example: by lowering the difficulty of accurate cashing, they open up new job possibilities for millions of people who might not pass fourth-grade arithmetic. (*Letter to the editor, April 18*)

(2) More than 1.1 million U.S. workers were affected by layoffs in 1993-1994, the highest two-year total on record. (*Report, March 22, 1995*)

(3) The Clinton administration and Congress have agreed to cut 272,900 federal workers by the year 1999. (*News, April 3, 1995.*)

(4) Corporate profits rose 700% in 1994 for Morton International Inc., a producer of specialty chemicals, table salt and airbags. The CEO received \$26 million in salary and bonus, highest paid U.S. executive. (*Cited by*



*columnist James Glassman, April 25, 1995*)

(5) Median weekly earnings of U.S. wage and salary workers rose only 1.9% in 1994, compared with a 2.8% rise in consumer prices. (*Glassman, April 25*)

(6) Factored for inflation, the yearly wages of U.S. high school dropouts have declined 23.3% since 1973, those of high school graduates by 17%, and those of workers with some college (but no degree) by 7.3%. Annual wages in this period have risen only for college graduates, by 5.2 percent. (*Cited by columnist Richard Cohen, April 20, 1995*)

(7) If the minimum wage set in 1979 had been adjusted annually for inflation, it would now be about \$6 instead of \$4.25. U.S. Labor Secretary Robert Reich has convinced President Clinton to propose raising the minimum to \$5.15 an hour. Although only 3% of fulltime workers earned \$4.25 or less in 1994, about 20% (those with wages below, at, and slightly above \$5.15) would be affected by the new minimum, according to the Economic Policy Institute. (*Cited by James Glassman, April 4, 1995*)

(8) A U.S. college graduate makes 74% more than a high school graduate, who now finds it very difficult to make ends meet; while socioeconomic stagnation is

most profound among the least educated. "The answer is no more mysterious than better training...In an economy gone global, the best-trained Americans have more consumers bidding for what they produce, but the least-trained simply have more competition for their jobs." (*Columnist James Glassman, April 15, 1995*)

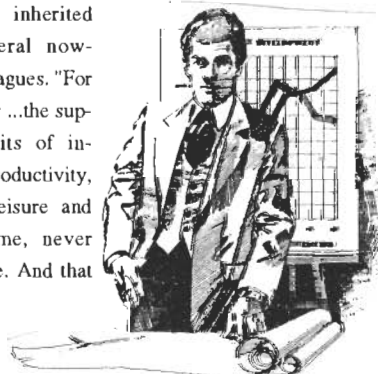
(9) If the federal government's definition of poverty were based on disposable income instead of on income before Social Security withholding and income taxes, people in working families would account for 59% of Americans below the poverty line, while those receiving cash welfare would make up only 30 percent, according to the National Academy of Sciences. (*Associated Press, May 1*)

(10) In 1993, the richest 20% of U.S. taxpayers got 48% of total income based on IRS returns. (*Cited by columnist Robert J. Samuelson, April 26, 1995*)

(11) The richest 1% of Americans controlled 39% of the nation's wealth in 1989 [i.e., cash savings and property that can be converted into cash such as real estate, stocks and bonds, art objects, etc.]. This is the highest concentration in the U.S. in 60 years and the biggest rich-poor gap of any industrialized nation, according to a study released by The Twentieth Century Fund. (*Cited by James Glassman, April 25*)

(12) "Great Britain, where the richest 1% own 18% of the wealth, is now more egalitarian than the U.S....The way things are going, "Upstairs, Downstairs" could someday be set in America. More and more Americans are living in the basement." (*Columnist Richard Cohen, April 20*)

(13) Are companies growing meaner as they grow leaner? A Wall Street economist suspects that "the ugly little secret" of America's productivity-led recovery from the most recent recession is that employees who survive are worked a lot harder than before downsizing-- with mandatory overtime on top of increased workloads inherited from several now-gone colleagues. "For the worker ...the supposed fruits of increased productivity, such as leisure and family time, never materialize. And that



could well be the greatest irony of all: the failure of measured gains in business productivity to translate into the long-awaited improvement in the quality of life for the American worker." (*Stephen S.*

*Roach of Morgan Stanley & Company, in the Washington Post, March 22, 1995*)

(14) Approximately 90% of what Americans consume is produced in the U.S. and U.S. trade with other countries equals about one-fifth of total U.S. production, according to Federal Reserve Vice Chairman Alan Binder. (*Cited by Robert Samuelson, May 3, 1995*)

(15) "Domestic competition is more pervasive than foreign. Yet it somehow seems worse to us that Sony might hurt Zenith than that Wal-Mart might hurt Kmart. Trade's largest adverse impact falls on unskilled workers, because imports from low-wage countries substitute for domestic assembly of low-value products...Imports from low-wage countries account for perhaps a third of all U.S. imports. U.S. multinational companies do "out-source" some production abroad, but these imports represent only about 7% of their U.S. sales." (*Columnist Robert J. Samuelson, May 3, 1995*)