

# Transformations [banner]

## 1 => Post growth economics

### 1.3 Work and employment beyond growth

#### *'The centrality of decent work in a healthy, post-growth society'*

#### **Summary**

Work that is of high quality and fairly distributed can play a significant part in concretising the shifts required to take the economy beyond GDP growth. The way we manage, value, structure, and reward work impacts individuals and wider society and economy. This paper seeks to apply evidence of the social determinants of health to labour market outcomes. It outlines how the labour market in the UK is failing to deliver positive outcomes for enough people and then sets out evidence of the link between the nature of work and health. It shows how good work, shared and supported, might become a mechanism to create healthy citizens and communities. Discussion considers aspects of what any definition of decent work might encompass before briefly reflecting on some policy changes required to create more decent work and share it more widely in a post-growth era.

#### **Abstract**

#### ***Background***

The UK labour market does not operate in a way that sufficiently supports key factors of health for enough people. It is polarising between the highly-paid and those relegated to the lower-paid, insecure end of the labour market.<sup>1</sup> Projections suggest this 'Hourglass Economy' is likely to intensify.<sup>2</sup> People relegated to the lower end of the labour market move in and out of insecure, temporary work: work that does not lift them out of poverty.<sup>3</sup> It is poor quality in terms of:

- Insufficient hours<sup>4</sup>
- Low pay<sup>5</sup>
- Insecurity<sup>6</sup>
- Atomisation<sup>7</sup>

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<sup>1</sup> Between 1995 and 2010 personal service occupations (hairdressers, nannies, care assistants and hospital administrators – jobs earning less than £13,000 a year) have increased by 48%; the number of managers and senior officials have increased by 24%; professional occupations have increased by 36%; while plant and machine operatives have fallen in number by 25% (Truss, Elizabeth, 2011). The current labour market has been described as an 'hour glass', in light of the growing numbers of high and low skilled jobs, but few intermediate jobs – middle income jobs fell by 13% from 1995 to 2010, while high and low income jobs both increased by a third and tenth respectively (Truss, Elizabeth, 2011).

<sup>2</sup> (Plunkett, James, 2013)

<sup>3</sup> (Shildrick, Tracy and MacDonald, Robert, 2013)

<sup>4</sup> (Aldridge, Hannah *et al.*, 2012)

<sup>5</sup> (Resolution Foundation, 2012: 4,8,49) and (Aldridge, Hannah *et al.*, 2012)

<sup>6</sup> (Poinasamy, Krisnah, 2011: 21) and (Gowans, Rob, 2014). In zero-hour contracts there is no guarantee or defined number of hours an employee must or can work a week – they are employed and paid only when required. When not required, they receive no income.

- Powerlessness<sup>8</sup>
- Disproportionately harmful to women<sup>9</sup>

There is nothing inevitable about such work.<sup>10</sup> The UK has created worse paying, lower status versions of jobs (especially in the personal and caring services) than in other advanced economies.<sup>11</sup>

These feed economic inequalities – the way the economy is configured generates injustice not just in terms of income, but also for health and life chances: the way workers *experience* work can be bad for their health. For example, there has been a decline in the number of UK employees who feel they have a great deal of influence over their work.<sup>12</sup> Standing has coined the term ‘precariat’ to describe those who feel their ‘lives and identities are made up of disjointed bits, in which they cannot construct a desirable narrative or build a career in a sustainable way’.<sup>13</sup> Marmot and Wilkinson warn ‘a lack of control over work and home life have powerful effects on health’.<sup>14</sup>

Beyond the individual, social capital is undermined when people have problems at work.<sup>15</sup> Supportive assets are damaged when people can access only short-term, poor quality work. Social interaction is curtailed when people work anti-social hours or multiple jobs to make ends meet<sup>16</sup>: leaving workers physically and emotionally drained, with little energy to interact with children – let alone spouses and partners, and the wider community. Of course this is the experience both for those working long hours on high pay and for those who need multiple jobs to make enough to make ends meet.<sup>17</sup>

### ***The link between work and health***

This paper will explore how a lack of decent work leads to a deterioration of mental and physical health – a post-growth economy needs to be cognisant of the centrality of decent work for healthy people and well-functioning communities.

Of course, employment in and of itself matters: unemployment causes as much happiness loss as bereavement or separation.<sup>18</sup> But, when looking at health *quality* of work emerges as a key factor. The 2010 Marmot Review reported that ‘insecure and poor-quality employment is... associated with increased risks of poor physical and mental health’.<sup>19</sup> Butterworth *et al* found that moving from unemployment to a low quality job results in a decline in an individual’s mental health.<sup>20</sup> For

<sup>7</sup> Especially in administrative and secretarial work where there’s been a 52% rise; sales and customer service roles have seen a 32% rise; and personal services 31% rise (Trades Union Congress, 2013). See also (Murphy, Richard, 2013)

<sup>8</sup> (Trebeck, Katherine, 2011) and (Dorling, Danny, 2010: 150)

<sup>9</sup> See, for example, (Fawcett Society, 2014)

<sup>10</sup> (Pennycook, Matthew and Whittaker, Matthew, 2012: 4,7); (Resolution Foundation, 2012: 50); (Dorling, Danny, 2010: 160)

<sup>11</sup> (Resolution Foundation, 2012: 9,14) and (Schmuecker, Katie, 2014)

<sup>12</sup> Felstead 2007 cited in (Davies, William, 2009: 54)

<sup>13</sup> (Standing, Guy, 2011)

<sup>14</sup> (Marmot, Michael and Wilkinson, Richard, 2003)

<sup>15</sup> (Marmot, Michael, 2004: 210)

<sup>16</sup> (Warhurst, Chris and Trebeck, Katherine, 2013) and (Coote, Anna *et al.*, 2010: 3)

<sup>17</sup> (Crisp, Richard *et al.*, 2009: 5)

<sup>18</sup> (Helliwell, John *et al.*, 2012)

<sup>19</sup> (Marmot, Michael *et al.*, 2010)

<sup>20</sup> (Butterworth, P *et al.*, 2011)

example, poorer mental health outcomes are linked to precarious employment.<sup>21</sup> The WHO identifies stress at work as associated with 50% excess risk of heart disease and a range of physical health risks.<sup>22</sup> This concurs with Antonovsky's notion of salutogenesis<sup>23</sup>: highlighting the relationship between health and stress.<sup>24</sup>

Post-growth thinkers need to understand the challenge: this stress does not stem from having a lot to do, but an imbalance between demands and control and between effort and rewards.<sup>25</sup> Becker and Paulusma (2011) highlight that autonomy and a sense of identity and self-esteem and 'having control at work' are key factors in death rates amongst workers.<sup>26</sup> As you go down the organisational hierarchy there is a decline in such factors that impact health: control, predictability, degree of support, threat to status, and the presence of outlets.<sup>27</sup> A post-growth economy needs to deliver not just enough jobs, but decent work if health outcomes are to be achieved.

### ***Towards a definition of decent work***

Control emerges as an important factor in healthy outcomes. For example, Sen observes that we not only value living well and satisfactorily, but also having control over our own lives.<sup>28</sup> Similarly, Durkheim believes that higher wellbeing results when needs are proportional to wants; when we have the means to satisfy wants.<sup>29</sup> Marmot's work can be used to broaden this out to identify other factors that impact health: predictability, degree of support, threat to status, and presence of outlets.<sup>30</sup> Antonovsky identifies components in being able to deal with stress: comprehensibility (extent to which events in one's life can be understood and predicted); manageability (having necessary skills and resources to manage and control one's life); meaningfulness, the most important according to Antonovsky (a clear meaning and purpose to life).<sup>31</sup> For Steger, meaningful work encompasses, *inter alia*, skill variety, opportunity to complete an entire task, task significance in the eyes of others, pride, engagement, sense of calling, challenge, and intrinsic work orientation.<sup>32</sup>

More tangibly, there is evidence that job security and good relationships more for job satisfaction than high pay and convenient hours.<sup>33</sup> Similarly, the Oxfam Humankind Index for Scotland shows that people place significant priority on security and suitability of work; work that pays enough to live on (but, above all, is meaningful).<sup>34</sup>

Distilling this evidence enables the beginning of a richer understanding of decent work, beyond the obvious pay, progression, and suitability and sufficiency of hours. Additional characteristics emerge which have implications for what a post-growth economy needs to deliver for not only health outcomes, but also for economic and social justice:

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<sup>21</sup> (Becker, Frans and Paulusma, Pim, 2011)

<sup>22</sup> Cited in (Davies, William, 2009: 53)

<sup>23</sup> Antonovsky focuses on mechanisms that promote and support good health

<sup>24</sup> (Walsh, David *et al.*, 2013: 42)

<sup>25</sup> (Marmot, Michael, 2004: 122) and Bauman in (Hanlon, Phil and Carlisle, Sandra, no date)

<sup>26</sup> (Becker, Frans and Paulusma, Pim, 2011)

<sup>27</sup> (Marmot, Michael, 2004: 112)

<sup>28</sup> (Sen, Amartya, 1999)

<sup>29</sup> (Morrison, Ken, 2003: 184)

<sup>30</sup> (Marmot, Michael, 2004: 112). See also (Deci, Edward and Ryan, Richard, 2008)

<sup>31</sup> (Walsh, David *et al.*, 2013: 42)

<sup>32</sup> (Steger, Marti *et al.*, 2012)

<sup>33</sup> (Helliwell, John *et al.*, 2012) and (Abdullah, Saamah and Shah, Sagar, 2012 3)

<sup>34</sup> (Dunlop, Stewart and Trebeck, Katherine, 2012)

- Work needs to provide for worker control and autonomy
- Impart a sense that one's work is worthwhile and satisfying<sup>35</sup>
- Deliver a sense of meaning
- Enable employees to undertake other activities in their communities
- Enhance equality (for example, with minimum wages linked to average or top earnings)

### ***Decent work in a post-growth world***

Taking decent work seriously requires a transformation of the labour market and the economic model that generates labour market outcomes. Denmark is proof that this is possible, with its considerable levels of (70%) of high quality employment with Danish workers enjoying opportunity for individual participation and collective voice; high level of task discretion; and work autonomy.<sup>36</sup>

There are clear implications if work in a post-growth economy is to support not only healthier workers, but also better functioning communities and society. Policies might include:

- Measuring decent work measure and target government policies to this rather than headline employment figures
- Distribute work more evenly (disincentives to use over time, sufficient income for those working shorter weeks, sabbaticals, and incentives for part-time working)
- Payment of living wages
- Adoption of an acceptable ratio of earnings between the highest paid and lowest paid
- Address mispricing of capital which distorts labour to capital ratios
- Increased work security via bolster the rights of workers
- More business models which offer decent work (such as cooperatives)

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<sup>35</sup> (Dunlop, Stewart and Trebeck, Katherine, 2012)

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