

Before the gig economy: why the problems found in British commercial centres in the late nineteenth century are re-emerging



Noel Whiteside discusses how employment has been understood and identifies the policies pursued to promote specific models of working life over the course of the twentieth century.

In his final days as Prime Minister, Boris Johnson liked to boast his government had achieved the UK's lowest unemployment for 50 years. Yet social security budgets remain high, mental health problems are rising, and unprecedented numbers queue at food banks. The old association between full employment and prosperity has broken down.

To understand this, we need to know what 'unemployment' means. The Labour Force Survey classifies anyone engaged in waged work for one hour a week as 'employed'. Multiple types of 'irregular' jobs currently characterise the UK labour market: part-time workers; five million self-employed (including gig workers), those on flexible hours. All have very varied working lives, some classified as 'working poor'.

Current categories of labour market status date from the early twentieth century. Then, a five/six-day working week was promoted as the means to alleviate poverty and secure economic efficiency. Enquiries into social dependency revealed how intermittent work in casual labour markets caused pauperism. Poverty exacerbated poor health and poor health undermined the capacity for regular work. This cycle, reformers argued, must be broken. These reformers included some pretty famous names. William Beveridge, Winston Churchill, Eleanor Rathbone and David Lloyd George were (among others) all involved in the 'decasualisation' project before 1914. As the roll call suggests, new policies were not the product of the nascent Labour Party, but of a Liberal government interested in promoting British industry and commerce.

Such state interventions are today discredited. The labour market has been 'deregulated' and 'flexibilised' for nearly half a century. In consequence, the problems found in British commercial centres in the late nineteenth century are re-emerging. However, to date, there is little sign of political interest in addressing them, less still of how this might be done.

Then

In the late nineteenth century, perspectives on poverty changed. In the 1850s, Henry Mayhew had chronicled the individual lives of London's poor, using their own words. In the 1880s, Charles Booth's social surveys analysed poverty's causes by identifying those features – poor health, lack of work, alcoholism and so on – found among its victims. Social scientists measured the dimensions of such problems, thereby creating objects for public action that invited social reform.

Social surveys exposed the problem of irregular employment. Labourers in seasonal trades (construction, docks and warehouses, gas production, clothing) might only work for an hour or a half-day. Job insecurity and irregular earnings undermined the capacity for regular work or to save for the future. Casual workers led a hand-to-mouth existence, perpetually reliant on public funds. Physical incapacity aligned with 'demoralisation': the inability to attain independence or the desire to try. This 'flexible' labour market was unreliable, expensive and inefficient.

Poverty found in disorganised urban labour markets threatened Britain's commercial pre-eminence and, thereby, the Empire. This attracted political attention. After 1906, Liberal social reformers introduced legislation to rationalise employment (labour exchanges), offering support to those too old and ill to work regularly (national insurance). A national category of 'unemployed' emerged to cover job loss suffered by those in regular work (excluding casuals). 'Every place in "free" industry', Beveridge wrote in 1907, 'should be a "whole" place involving full employment and earnings up to a definite minimum'. Those who could not (or would not) work regularly should be offered appropriate treatment.

The better-known Beveridge Report (1942) built on these foundations. Post-war full employment policy promoted permanent contracts on full-time hours. Conformity conferred privileges: job protection, health and safety, social security, and a retirement pension at the end of a working life. The welfare state was founded on full-time employment based on open-ended work contracts, supported by guaranteed state benefits.

Now

Beveridge is long dead and his Report is now an historical curiosity. Yet time-honoured classifications of social dependency – unemployment, sickness, disability, retirement – are still widely used, although the work contracts that sustained them are disappearing. As traditional employment corrodes, ‘benefit as of right’ has vanished, replaced by Universal Credit – a nationalised form of the Victorian poor law, with associated means tests and conditionality. For several decades, governments have addressed poverty by enforcing a return to the job market, to ‘make work pay’. Those reliant on state benefits must take work, any work at any price, or have claims disallowed. The ‘working poor’ have emerged, reflecting precarious lives threatened by a rising cost of living and uncertain employment.

As indicated above, being ‘in work’ covers a myriad of identities – part-time, temporary, self-employed, zero-hours – whose borders overlap. Coverage is the product of self-classification. Labour market research uses surveys (and administrative records) that offer a snapshot of employment at a specific point in time. No attempt is made to analyse the trajectories of working lives and their consequences. The overwhelming majority of the UK’s five million ‘self-employed’ work on their own. How many were ‘self-employed’ two years’ ago, or whether the self-employed then remain self-employed today, are open questions. Their numbers are increasing, but nothing is known about wider movements between categories. Despite change both in the nature of the economy and the gender of working populations, the labour market today bears marked similarity to the one addressed before 1914.

And the future?

The classification of working lives derived from a prescriptive view of the form employment should take and how labour markets should operate. The promotion of permanent full-time jobs characterised British policy for most of the twentieth century. Fifty years of labour market deregulation, flexible hours, and a politics of ‘making work pay’ have thrown this into reverse.

Returning to Beveridge’s ‘one-size-fits-all’ classifications of labour market status offers no solution. His vision of universal regular employment never materialised because it rode roughshod over established working arrangements that coped with fluctuations in demand, some based on agreements between employers and employed.

Today, rising self-employment among professionals (in particular) illustrates the continued appeal of working autonomy. Not everyone wants or needs a full-time job. Poverty links more to income insecurity than to irregular work as such. There is an argument for rethinking employment in accordance with agreements concerning the distribution of waged work. This requires addressing the situation from the bottom up, rather than top-down. It involves the revival of collective bargaining (or something like it) to restore trade union authority and create decentralised structures that admit variation in occupation and personal circumstance. Trade unions have been marginalised since the 1980s. Major employers (not least IT platforms) [have exploited the vulnerable](#). An extension in trade union organisation and a recognition of the benefits collective bargaining can offer (at local, regional, and national level) could promote fairer shares between employer and taxpayer to support more diversified working lives. This is a tall order, but arguably better founded than much currently on offer.

Note: the above draws on the author’s [published work](#) in the *Industrial Law Journal*.

About the Author



[Noel Whiteside](#) is Emeritus Professor at the University of Warwick.

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