

We must rethink our attitudes towards consumption, work, leisure, and the distribution of income

Robert Skidelsky argues that since the 1980s we have witnessed a return to capitalism “red in tooth and claw”, where the rich and very rich have become very much richer, while everyone else’s incomes have stagnated. We must rethink our collective attitude towards consumption lest we succumb to more shattering financial calamities in the future.



As people in the developed world wonder how their countries will return to full employment after the global recession, it might benefit us to take a look at a visionary essay that **John Maynard Keynes** wrote in 1930, called [Economic Possibilities for our Grandchildren \(pdf\)](#).

Keynes’s [General Theory of Employment, Interest, and Money](#), published in 1936, equipped governments with the intellectual tools to counter the unemployment caused by slumps. In this earlier essay, however, Keynes distinguished between unemployment caused by temporary economic breakdowns and what he called “technological unemployment” – that is, “unemployment due to the discovery of means of economising the use of labour outrunning the pace at which we can find new uses for labour”.

Keynes reckoned that we would hear much more about this kind of unemployment in the future. But its emergence, he thought, was a cause for hope, rather than despair. For it showed that the developed world, at least, was on track to solving the “economic problem” – the problem of scarcity that kept mankind tethered to a burdensome life of toil.

Machines were rapidly replacing human labour, holding out the prospect of vastly increased production at a fraction of the existing human effort. In fact, Keynes thought that by about now (the early 21st century) most people would have to work only 15 hours a week to produce all that they needed for subsistence and comfort.

Developed countries are now about as rich as Keynes thought they would be, but most of us work much longer than 15 hours a week, although we do take longer holidays, and work has become less physically demanding, so we also live longer. But, in broad terms, the prophecy of vastly increased leisure for all has not been fulfilled. Automation has been proceeding apace, but most of us who work still put in an average of 40 hours a week. In fact, working hours have not fallen since the early 1980s.

At the same time, “technological unemployment” has risen. Since the 1980s, we have never regained the full employment levels of the 1950s and 1960s. If most people still work a 40-hour week, a substantial and growing minority have had unwanted leisure thrust upon them in the form of unemployment, under-employment and forced withdrawal from the labour market. And, as we recover from the current recession, most experts expect this group to grow even larger.

What this means is that we have largely failed to convert growing technological unemployment into increased voluntary leisure. The main reason for this is that the lion’s share of the productivity gains achieved over the last 30 years has been seized by the well-off.

Particularly in the United States and Britain since the 1980s, we have witnessed a return to the capitalism “red in tooth and claw” depicted by Karl Marx. The rich and very rich have become very much richer, while everyone else’s incomes have stagnated. So most people are not, in fact, four or five times better off than they were in 1930. It is not surprising that they are working longer than Keynes thought they would.

But there is something else. Modern capitalism inflames, through every sense and pore, the hunger for consumption. Satisfying that hunger has become the great palliative of modern society, our counterfeit reward for working irrational hours. Advertisers proclaim a single message: your soul is to be discovered

in your shopping.

Aristotle knew of insatiability only as a personal vice; he had no inkling of the collective, politically orchestrated insatiability that we call economic growth. The civilization of “always more” would have struck him as moral and political madness.

And, beyond a certain point, it is also economic madness. This is not just or mainly because we will soon enough run up against the natural limits to growth. It is because we cannot go on for much longer economising on labour faster than we can find new uses for it. That road leads to a division of society into a minority of producers, professionals, supervisors, and financial speculators on one side, and a majority of drones and unemployables on the other.

Apart from its moral implications, such a society would face a classic dilemma: how to reconcile the relentless pressure to consume with stagnant earnings. So far, the answer has been to borrow, leading to today’s massive debt overhangs in advanced economies. Obviously, this is unsustainable, and thus is no answer at all, for it implies periodic collapse of the wealth-producing machine.

The truth is that we cannot go on successfully automating our production without rethinking our attitudes towards consumption, work, leisure, and the distribution of income. Without such efforts of social imagination, recovery from the current crisis will simply be a prelude to more shattering calamities in the future.

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