

THE IMPORTANCE OF SATISFYING WORK TO THE VALUE OF HUMAN LIFE

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Summary

Since the Industrial Revolution, the problem of satisfying work has become an increasingly important topic in modern societies. Work is not only the basis for earning one's living, but it also stands for the human-made transformation of nature on the one hand, and, on the other hand, for the attempt of individuals to prove their creative capabilities in a socially and technically determined environment.

The Industrial Revolution destroyed the traditional dominance of the agricultural sector and replaced the formerly significant role of craftsmen with an increasing importance of engineers in the rapidly growing industry which provided jobs for the new group of workers. While MARX emphasized the problem of alienation and self-alienation in a more and more unstable capitalist economy that was bound to collapse, leaders of the Catholic Church and the Protestant Church as well as union leaders sought ways to reform society: A decent life for the majority of the population and meaningful work in the factory could be achieved by changing labor-management relations and legal protection of workers' basic rights.

However, technological dynamics and new management techniques transformed work in industry further: the introduction of the assembly line, the rise of Taylorism and, more recently, the introduction of robots have partly deepened the asymmetric relationship between capital equipment and the human being. As leisure time increased and technological progress contributed to a rising unemployment rate; the problem of providing satisfying work for all has sharpened. Also the work ethic has gradually changed in modern society.

While part of the labor force benefits from technological progress, certain groups suffer from dequalification and unemployment, so that personal fulfillment is sought in non-traditional work forms within the "evasive economy": Within the official economy alternative enterprises have been created, in which emphasis is placed on new cooperative modes of organizing the production process, personal seller-buyer relationships and a product line that allows workers to identify themselves with the goods produced. The alternative economy often gives impulses for reforms and changes in traditional firms of the official economy.

Within the unofficial economy, both the underground economy and the self-service economy provide opportunities for more or less satisfying work. Both unemployed citizens and illegal immigrants find employment in the underground economy. In the self-service economy, self-help projects offer opportunities for meaningful and socially rewarding work. Productive household activities have become increasingly important in recent years as a household's endowment with capital goods raises labor productivity not only for traditional do-it-yourself activities, but allows a broader range of creative activities to be performed within the household.

In the post-industrial society the scope of self-service activities will increase, while a ongoing technological change requires further and anticipative adjustments both in the organization of work and in labor-management relations. Creative work as a basis for self-fulfillment and personal satisfaction will remain an important topic for politics and economics.

1. Work and the Value of Human Life

"Working in order to live" or "living in order to work" are two contrasting views of the relationship between work and life: Is work the basis of human self-fulfillment beyond the workplace or, on the contrary, is the workplace itself an essential part of self-fulfillment? As work absorbs the greatest share in the family's time budget, the conditions of work and the kind of work are important for the value of human life. Paid work constitutes the material basis of the human life; at the same time the modern working process is a social process which links people of different talents, attitudes and professional backgrounds. Work also takes place within the family, where it is also both a necessity and a manifestation of intrinsically motivated human creativity.

As productive work constitutes the basis of the welfare of citizens and the power of states, the modern state has increasingly interfered in the work- and production process: Different politico-economic models have resulted from the shift from the agrarian society to the industrialized society and the associated public and private set of rules and regulation in the official economy. To assure a decent life, where satisfying work is an essential element, governments aims at realizing full

employment; governments, labor unions and employers' organizations try to influence and to shape working conditions, where the necessity to maintain international competitiveness on the one hand and technological developments on the other are important side-constraints. In this context satisfying work is both important for the individual and society: Individual motivation and hence productivity depends on the degree of satisfaction at work; satisfaction results both from the "technical" working conditions, the kind of goods produced, the income earned and the social working conditions.

Satisfying work has thus material and immaterial aspects. The degree of satisfaction naturally depends on the set of alternatives perceived, too. The aspiration level is thus decisively shaped by the existence of alternative forms of work, so that comparisons across firms, sectors and nations are important. Finally, satisfying work has "internal" and "external" aspects: The more consistent the working process is with subjective (internal) individual preferences, the greater the satisfaction at work; on the other hand, the social prestige of the job and the work itself is important.

Satisfying work is both important for the individual human life and the social human life; individuals' loyalty to the firm, society and the state are thus decisively affected by the degree of satisfaction obtained from working. The rise of the modern welfare state has transformed the working conditions in interaction with technological change, where both cyclical and structural factors have contributed to an increasing importance of work in the unofficial economy with its specific opportunities for self-fulfillment and income earning; the official industrial sector -and the increasing service sector- that has emerged in a long historical process is affected by these tendencies in many ways.

1.1 Work as a Basic Value in Society: A Historical Perspective

MAX WEBER has characterized the process of rationalization and industrialization in Europe by emphasizing that the value of work has become increasingly important as the Protestant ethic has gained influence: Work was viewed as the basis of creative self-realization. The purpose of working was to prove to oneself, society and God the ability to use the natural endowment of talents and acquired capabilities in a creative manner. The early Catholic ethic of work had been shaped by the Benedictine

principle of "ora et labora" which stressed an active and productive role of Christian life- but with a more transcendent perspective than the Protestant work ethic. The Industrial Revolution was the first modern challenge to both the Protestant and the Catholic work ethic.

The Industrial Revolution

The shift from the agricultural and craftsmen society to modern industry changed working conditions decisively. While production in the pre-industrial society was mainly organized within the family, which was both the basic unit in the overlapping process of production and consumption, this direct interdependency does not hold any longer in the industrialized society (1). In MARX's view, work became a "commodity" which is offered and sold in an anonymous market process rewarding efforts at work by the money wage; money income became the dominant basis of social recognition and self-respect, while the goods themselves became less important. Work and skills could be bought by those who could afford to pay for them- irrespective of the question whether the worker identified himself with the working conditions and the goods he was contributing to produce. Labor

and work became instrumental parts of a more complex and socially divided industrial society.

This new mode of industrial production gave rise to MARX's questions about alienation in a double sense: The alienation between the worker and the goods in whose production process he is involved as a replaceable part of a complex industrial organization, and self-alienation, namely that the working conditions are -due to poor housing, long working hours for parents and children alike- such that factory work is contradictory to the "human nature". The industrial revolution brought a loss of individual autonomy for the majority of the new group of workers. Additionally the value of traditional craftsmanship was transitorily eroding as the machinery of the factory was constructed by engineers and controlled by entrepreneurs.

Alternative Answers to the Challenge of the Industrial Revolution

In the industrializing society the traits of work changed. Wage earners faced an increasing division of labor and the factory machinery determined a new routine of work. In Europe, the Catholic and the Protestant Churches as well as academics (in

Germany the "Kathedersozialisten") sought new answers with respect to the sense of work on the one hand; on the other hand the newly founded socialist parties and the trade unions proposed a new approach to the problem of satisfying work: The latter favored either revolutionary action that would replace the capitalist system by a socialist state or -taking an attitude similar to the Churches- proposed reforms that would gradually improve the working conditions. First reforms were undertaken in Great Britain and Germany in the late 19th century, where the clergymen played an important role in the philosophical attempt to reconcile the new reality of work with the notion of the Bible that man is God's image.

The exegesis of the Bible had argued that man should work actively and consciously to shape the earth for his living. In the encyclical "Laborem exercens" (4), the Catholic Church emphasized that work is an asset for human beings- for his existence as a human being. Because work means not only the transformation of nature according to the needs of human beings, but work is an integral part of human self-fulfillment and it can be a contribution toward increasing the quality of human life. This interpretation argues that the human value of work in capitalism goes beyond the transaction value of labor as

expressed in the materialistic money wage (3). Work is an integral element of a decent life. However, technological and organizational changes in the New World, to which millions of workers immigrated in view of the often desperate living and working conditions in Europe, took the Industrial Revolution one step further.

Taylorism and Fordism as New Challenges

In the United States the organization of the working process was rationalized by engineers in the 20th century: Taylorism and Fordism were the new answers of engineers to the problem of organizing the division of labor even more effectively; Taylorism analytically decomposed the stages of the working process in order to develop optimal standardized production routines. HENRY FORD's introduction of the assembly line brought a new organization of the interplay between machinery and human work into play that improved not only productivity and profitability, but that also made workers a quasi-part of the complex machinery in which no real autonomy existed at work.

It took some 50 years, until much more flexible organizations were pioneered: It was again the car industry, namely the Swedish

company Volvo, that substituted the strict routine of the assembly line by fractioned team work schemes. This comprehensive type of job enrichment and job enlargement increased overall productivity as workers' motivation increased, absenteeism declined and product quality improved. Recently, both the US and Europe embraced an innovative part of the Japanese way to organize production: quality circles, in which workers and managers cooperate actively in an attempt to improve the quality of products by reorganizing the production process and by introducing new technologies in an efficient manner. The specific cooperative Japanese labor-management relations have brought forth quality circles which can be understood as an attempt to reconcile the often conflicting goals of high productivity, efficient technological change and acceptable working conditions.

The Problem of Unemployment

In Germany and other European countries, the codetermination of workers on the shopfloor level and on the board stands for a specific attempt to reconcile these conflict-prone goals. However, while firm-organized labor unions in Japan have successfully contributed to the maintenance of full employment, labor unions and governments in Europe have been less effective

in this respect: Mass unemployment has raised the issue whether satisfying work can be organized under specific politico-economic side-constraints only for part of the labor force. In view of the high structural unemployment in European industrialized market economies, there is a shortage of work: "Der Arbeitsgesellschaft geht die Arbeit aus" ("Shortage of Work in the Achieving Society") is the title of a provocative book by ARENDT (4). The right to work can often not be realized in the official economy and long unemployment can have equally negative effects on peoples' personality as has monotone and exhausting work.

1.2 Work as a Determinant of the Quality of Life

Work constitutes not only the basis of income, but is in a more comprehensive sense the source of individual welfare. Paid work in the official economy provides both intrinsic satisfaction, if working conditions correspond to the abilities and the preferences of the individual, and it is the material basis for enjoying family life and leisure. The self-esteem and the self-respect that results from an interesting job add to the immaterial quality of life and enrich the personality of an individual.

Self-fulfillment is not a directly operational category, as it has many material and immaterial facets. The greater the degree of autonomy with respect to decision making, the greater the set of opportunities of desired activities and the more flexible the individual can actively adjust his work schedule to changing leisure needs, the higher is the degree of self-fulfillment. In terms of the individual utility function, paid work is both a complement and a substitute for leisure (5). The less satisfying working conditions are, the more leisure will play an instrumental role in the sense of providing regeneration time; the more satisfying work is, the more leisure will have a quality of its own and contribute to the value of life. For many decades leisure was widely instrumental and a residual time that offered opportunities for self-rewarding activities, while these were rarely offered on the job (6). If the degree of satisfaction at work is rising, the marginal utility of leisure will concurrently increase.

Working conditions are not only important for the allocation of the individual's time budget towards work and leisure. The importance of working conditions is also relevant in the context of the dynamic hierarchy of individual needs. With an increasing level of education, the desire for self-fulfillment and

satisfying work rises: the quality of work becomes more important and individuals are even willing to forego leisure, if this can improve the quality of working conditions (7). This corresponds to MASLOW's hierarchy of needs. Only after basic quantitative needs have been fulfilled (sufficient nutrition, housing), more qualitatively shaped needs gain importance, where self-fulfillment is the ultimate goal (8).

2. "Crisis of Work" in Modern Industrialized Societies?

The late 20th century is characterized by an increasing role of embodied and disembodied technology in the production process. Working conditions are decisively affected by this process which leads to dequalification of some groups in the work force, while other groups benefit from improved job opportunities. The revolution in microelectronics (chip technology) has raised productivity and transformed many industries and job profiles. Many dangerous jobs have vanished as machines and robots -being themselves designed and constructed by highly skilled labor (scientists and engineers)- can do now what workers had previously done. Hence, the scope for providing satisfying work has increased; on the other hand, the new technologies often require retraining on the part of workers, where especially

older age groups in the work force often anticipate that they will have problems in learning the new technologies. The ability and willingness to learn often declines with the individuals' age, so that in periods of rapid technological change the older age groups in the work force benefitless. As technological progress is to a great extent labor saving, there is also the problem that unemployment increases. This in turn has created a techno-skepticism in many countries as technical progress is not simply perceived as improving the quality of working conditions and raising labor income, but as containing the risk of dequalification and unemployment.

2.1 Changing Working Conditions

Nowadays there are two basic tendencies with respect to changing working conditions in industrialized countries:

- Technological change has contributed -partly due to politico-economic rigidities- to higher unemployment in industry in many countries; at the same time, new jobs are being created in the expanding service industry.
- Working conditions are very much determined by technological progress, where government interferes directly and indirectly in the production process.

Unemployment

European market economies have suffered since 1980 from high sustaining unemployment. Unemployment is not only due to the (transitorily) declining number of jobs, but also to the demographic pressures in the labor market; youth unemployment in particular has risen in Germany and other market economies (9). The risk of losing a job is unevenly distributed among workers and employees. The younger generation and the old age cohorts in the work force are particularly exposed to unemployment risks as are women and handicapped persons.

Youth unemployment creates long-term social problems: Although they might have a good school or university record or have successfully completed vocational training programs, the young generation often has to recognize that their qualifications, skills and gifts are heavily discounted in the labor market, so that the aspiration levels with respect to finding satisfying work has to be strongly reduced. Older age groups in the workforce are often urged to accept early retirement. Having accumulated considerable experience and knowledge over time, they have to recognize that subjective and objective factors rapidly render their human capital obsolete: Age-related health

problems, technological progress that favors retraining of younger colleagues and a wage structure that reinforces the risk for the elderly to become laid off first make the elderly high unemployment risks. Although they may have satisfying work, firm-intern and firm-extern adjustment pressures gradually reduce the probability of keeping the job.

Similarly, women face high risks in the labor market, especially those who have, want to have or have raised children. Raising children is not only individually satisfying work for parents, but it is also indispensable to the reproduction of society- let alone for financing pension and retirement schemes for the old generation. However, women often encounter great difficulties in reconciling their desire to have children and to find satisfying work in industry at the same time. Firms discount their human capital and are reluctant to train young women because the "pregnancy risk" implies the risk that investment costs for training can only be partly appropriated over time.

Secondly, women who have children face a narrowed range of jobs available, as many jobs are not offered on a part-time basis. Finally, those who have grown children and would like to reenter the labor market cannot be on par with their male peer groups, as

transitorily leaving the workforce implies lack of continuous (re)training of skills. Whether women who want to have children can find satisfying work is quite essential for the capability of society to maintain a rich social life, to which the blend of children, adults and the elderly contribute so much. If women face a strict trade-off "children versus career" and if the prestige and the social reward of motherhood decline in society, the quest for finding satisfying work as a core element for a satisfying life could drastically reduce the net reproduction rate of society. Improved opportunities for family planning and technologically induced changes in working conditions could both reinforce this problem; however, the shift to the post-industrial society in which the service industry dominates might help solve this and other labor market problems provided that society brings forth the proper mix of institutional, political and technological changes.

Technology Shapes Working Conditions

Technological progress has changed job profiles in industry in two ways: (i) Manpower is employed to monitor and control complex machinery which requires intense concentration, whereas work has become easier in terms of physical endeavor; as Tab. 1 shows,

Germany and the US are leading in this field according to the comparative opinion poll taken in these two countries and Japan.

(ii) Semi-automatic machines are used by workers, where the problem both of matching technology with the human being and that of integrating managers and workers into the decision process over automation and technological progress arises. As human beings are generally more flexible and more adjustable than machinery, it is they who must adjust to technology: in terms of location, movements and time they have to adjust in order to guarantee the proper interaction of the technological and the human element. The elasticity and flexibility of the workforce compensates for the inelasticity of technology (10). Here, the problem of acceptability on the part of the workforce arises; if workers are integrated in an early stage of the decision-making process concerning the introduction of new technology, the workforce will be more prepared to accept new technologies and technology-related changes in responsibility.

As Tab. 1 shows workers and employees in Japan felt that as the result of technological changes responsibility increased more in Japan than in Germany. This is consistent with the fact that, comparing Germany and Japan, mental and psychological stress

increased in the latter and the job was perceived as having become more difficult (see Tab. 1).

Tab. 1: Effects of technological changes in the workplace within the past 10 years in selected countries

	Germany	Japan	US
Has your work become easier in terms of physical endeavor			
yes	59	42	35
no	35	46	63
no answer	6	12	2
	<u>100</u>	<u>100</u>	<u>100</u>
Has your responsibility increased thereby?*			
yes	57	74	
no	36	17	
no answer	7	9	
	<u>100</u>	<u>100</u>	
Question to workers who experienced technological change at work			
Has stress increased?*			
yes	35	62	
no	38	28	
no answer	7	10	
	<u>100</u>	<u>100</u>	
Is work more difficult now?*			
yes	47	69	
no	48	22	
no answer	5	9	
	<u>100</u>	<u>100</u>	

*Question not posed in this form in the US;
Source: NOELLE-NEUMANN (1987), pp. 104, 105.

Tab. 2: Decisions related to working conditions and job quality

	Germany	Japan	USA
My tasks have deteriorated	12	5	10
I had to transfer to a different job against my will	13	8	14
My work was denounced	12	7	16
I was criticized when other persons were present	27	6	17
<u>Experiences at work:</u>			
Responsibility in my job was changed without prior notice	16	8	20
I could not take a day off when I wanted to do so for urgent reasons	16	2	8
Too high a working load	31	8	20

Source: NOELLE-NEUMANN (1987), pp. 112, 113

In the service industry, office computerization has been the dominating tendency in recent years. Hardware and software interact with the human being. User-friendliness of the new technologies is an important factor that increases the willingness and capability of employees to work with new modern equipment. However, resistance to new technology can increase, if employees perceive that management control becomes more strict with the introduction of novel office equipment. In summary, the introduction of new technology poses the problem of integrating the perceptions and interests of workers in an early stage of decision making. The study "Jobs in the 80s" indicates that this is widely achieved in Japan- at least more widely than in the US

and Germany; also, in Japan, individuals feel less often that they are overruled by management decisions (Tab. 2).

Interestingly, in Japan nearly half of the workforce -regardless whether employees or workers- are not satisfied with their work, which points to latent conflicts in labour relations. In Sweden the percentage share of employees as well of that of workers which are fully satisfied with their work is higher than 50 percent, whereas in Germany employees express to a much higher degree their satisfaction with work than workers (see Tab. 3).

Tab. 3: Degree of Satisfaction at Work in Germany, Japan and Sweden

Question: Are you satisfied with your present work fully, partly or not at all (E:=employees; W:=workers):						
	Germany		Japan		Sweden	
	E	W	E	W	E	W
fully satisfied	47	27	24	26	55	50
partly satisfied	46	61	26	24	42	45
not at all satisfied	4	10	48	48	1	4
impossible to answer	3	2	2	2	2	1

2.2 Changing Work Ethics

Alienation, increasing stress at work as well as long-term unemployment (and the fear of it) lead to physical and

psychological disorders with negative consequences for the individual, the family and society. High unemployment is difficult to reduce in many market economies. However, alienation can be reduced by a "humanization of work", ie by increasing the flexibility of working time and by adjusting working conditions to the requirements of human beings.

For a long time it was thought that increasing leisure time could compensate for a more stress-laden job. However, first with more leisure time, people would need higher disposable income as leisure activities have become commercialized and are rarely a "free lunch". At the same time, in many achieving societies, the risk of being laid off affects the satisfaction and the attitude towards work. In Germany, the classical question in the spirit of MAX WEBER's working ethos, namely "im Leben etwas zu leisen, etwas zu bringen" (to achieve something in life), was affirmatively answered in 1974 by 50 percent of the German population as opposed to 39 percent in 1982. While 65 percent of the workforce expressed satisfaction with their jobs in 1967, the percentage share had dropped to 49 percent in the early 1980s. The share of those who were only willing to perform their job with standard efforts increased over the same period from 33 to 41 percent (11).

Since the early 1970s, attitudes with respect to work and working conditions have changed in Germany. Having rebuilt the industrial structures in the first two post-war decades, which also brought a considerable increase in the standard of living, the scope of aspirations changed both at the individual and at the societal level, especially as expressed in the public opinion (12); this corresponds to MASLOW's hierarchy of needs. The dominant economic strategy of growth-cum-consumption orientation was called into question. The student movement of the late 1960s and influential publications -eg the studies by the Club of Rome, beginning with "The Limits to Growth" (13) propagated attitudes which called for a more modest, less materialistic life as a means of self-fulfillment.

Moreover, the ecological movement of the 1970s brought new ideas about the role and scope of work: The critique was directed both against environment-damaging production and health-damaging or "senseless" work- often subject to the risk of unemployment. It was argued that capitalist market economies benefit only a small group of highly skilled technophile and achieving employees and workers, partly protected as members of the "core workforce" by labor unions. Labor market segmentation and a declining share of organized workers would expose an increased share of the

workforce to the risks of unemployment, dequalification and technology-dependent deteriorating working conditions (14). In this view modern working conditions lead to a double segmentation between employed and unemployed on the one hand and between those who have a meaningful job and those who do not. Consequently, changes in the politico-economic system are necessary in order to achieve an ecologic-economic paradigm, where both work and leisure are characterized by a higher quality and a greater sense of social responsibility. Finally, the unemployment problem should be solved by state intervention, promotion of soft, more labor-intensive technologies and new forms of the organization of the working process.

3. Evasion into Alternative Patterns of Work: The Growing "Evasive Economy"

The official economic system adjusts with considerable rigidity to the changing values in society. An important minority sets new forms of creative production schemes in the "evasive economy" ("Ausweichwirtschaft") against this rigidity.

3.1 Forms of Work in the "Evasive Economy"

The evasive economy comprises all those activities which are undertaken in the attempt to evade the officially approved standard forms of production (see Tab. 4) Certain individuals deliberately look for organization schemes that differ from those dominating in the official economy (15). With regard to the motivations behind these activities in the "evasive economy", one can distinguish between the "alternative economy" and the "shadow economy", where the latter comprises the underground economy and the rapidly expanding self-service economy (16).

Tab. 4: Forms of Activities in the "Evasive Economy"

COVERED BY THE SYSTEM OF NATIONAL ACCOUNTS (SNA)	Gainfully employed in the official economy		Self-service ec.
	TRADITIONAL ENTERPRISE "Classic" capitalist property rights and ma- nagement-labor relations in the official system	ALTERNATIVE ENTERPRISE "Neutralization of ca- pital" while acting within the official economic system	
NOT COVERED BY THE SNA	UNDERGROUND ENTERPRISES value-adding activity of enterprises in the underground economy, where actors are firms of the official economy and individuals		ALTERNATIVE HOUSE- "PROJECTS" HOLD ACTI- VITY Self-ser- tradi- vice acti- tional vities in self- alterna- service tively or- acti- ganized vity work forms

Source: Modified after CASSEL/CICHY, Die Bedeutung der Ausweichwirtschaft, p.7.

Alternative Economy

In the "alternative economy" we have that form of the "evasive economy" which most clearly shows the change of values in the field of working. It directly reflects the quest for self-fulfillment and self-determination in the work place; the desire to combine paid work, "good" products and a meaningful life. The majority of those who are active in the "alternative economy" consists of persons who have received a higher education: Academics -especially formerly unemployed teachers- and all those who emphasize the quality of work over the income aspects and which have a considerable intellectual flexibility and a high regional mobility.

The aim of working in the "alternative economy" is to work in an "enterprise without a boss" (17), where goods produced and services offered are sold in the official market system; tax laws and regulations and are complied with value-added is recorded in the systems of national accounts. In contrast to traditional firms, the elimination of hierarchical structures is considered to be "a neutralization of capital" (18). All employees of the firm share in the decision process over the question what is produced: Individual codetermination and creative communicative work as well as identification of employees with the goods and

services offered are key elements of a strategy which tries to assure satisfying work in a comprehensive way. The user-value of the product is emphasized against the market value guiding traditional firms in anonymous markets.

Shadow Economy

While the aim of the "alternative economy" is to offer an alternative way of production and working within the official system, the two forms of the "shadow economy" -the underground and the self-service economy- represent a form of income earning and self-fulfillment beyond the official market system.

Activities in the underground economy are not recorded in the system of national accounts, as a prime purpose of these activities is to evade the complex and costly net of tax laws, regulations and restrictions imposed by collective bargaining arrangements (19). While many activities in the underground economy -often of those who are officially recorded as unemployed- are motivated by income-maximization motives, individuals' utility is often increased by the success of "beating the system"; risk-loving individuals find a risky

venture more rewarding than ordinary work. However, the bulk of activities in the underground economy is motivated by the aim of circumventing taxation, regulation and restrictions in the official economy, namely both on the supply and the demand side of the clandestine labor market. The underground economy is often the only sector for illegal immigrants which offers opportunities for paid work; the demand for labor in the underground economy often reflects the fact that competitiveness cannot be attained otherwise. Moonlighting not only provides untaxed income, but also offers a greater degree of autonomy in the time schedule of working. Finally, some individuals who have started a business in the underground economy, where barriers to entry are low, might later switch into the official economy and become successful entrepreneurs.

By convention the self-service economy is not recorded in the system of national accounts, nor is the considerable value-added of private in-household activities subject to taxation. In the self-service economy individuals produce with their "(do-it-your)self-work" goods that are not offered by the market or the state in the desired quality or at acceptable prices. Personal autonomy and creativity contribute to the degree of satisfaction at work within the self-service economy.

There is some affinity to "alternative projects", where creativity and personal seller-customer relations play an important role, too: Public and private services normally offered within bureaucratic anonymous decision structures are substituted by conscious personal commitment to the respective task: Eg. in the cases of child care, the care of ill or handicapped persons, and drug addicts. Self-help groups and other forms of alternative projects take care of and contribute to solving social problems that are hardly addressed by the official state welfare system.

Neighborhood help and personal household service activities are (ways of) productive and creative activities which are alternatives to those offered by markets and bureaucracies (20): Homemade dishes, natural food and communicative activities are examples of this. The self-service economy offers rich opportunities for job rotation and job enlargement. The utopia of MARX which emphasized contiguity of working activities in Communism might be realized in a more modest sense in the self-service economy: To be a carpenter in the morning, a cook at noon and a philosopher (reflecting about the importance of a satisfying work in society) might be realized here.

The self-service economy is growing both because it often

compensates for frustration in official work and because labor-intensive work in the official service industry leads to a high tax component in prices of officially produced services.

3.2 The Evasive Economy as Challenge in Modern Society

Although the "evasive economy" represents a relatively small economic potential, it provides a certain -and probably growing- amount of jobs. In Germany, the alternative economy provided 24,000 jobs, which is less than 1/1000 of all jobs in the official economy (21); value-added in the underground economy has been estimated to amount to ca. 10 percent of official GDP (22). The size of the self-service economy probably exceeds that of the underground economy considerably. The main function of the "evasive economy" is that of a social mollifier: By providing alternative opportunities for satisfying creative work, it reduces the adjustment pressure in the official politico-economic system.

Beside causal factors that lie in subjective factors of human beings searching satisfying work, there are objective factors that have contributed to the expansion of the "evasive economy". The trend to a more capital-intensive high tech economy has been

promoted by public authorities in many countries; profitable mergers and a lax competition policy have often contributed to this. Hence, the "evasive economy" partly compensates for the gradually emerging imbalance between capital-intensive production in big firms and small scale labor-intensive production.

Perspectives of the "Evasive Economy"

The alternative economy seems to stabilize the capitalist economy. Not only is the net of small trading companies and firms growing, but we have also witnessed the emergence of alternative financial institutions in Germany (23). The "new self-employed" (24) find in the employee-managed enterprise forms opportunities to prove that competence and entrepreneurship can reconcile the aims of profitability, productivity and creativity. The intrinsic motivation is often strong enough to let these firms survive even in periods during which liquidity strains normally would inflict bankruptcy.

The shadow economy is stabilizing the official system to a certain extent as well. It offers many activities for those without a job in the official economy: the long-term unemployed,

housewives and housemen as well as those who retired early are absorbed by this sector.

While the "evasive economy" can be beneficial in the short run, it also provides a potential challenge in the long run. The alternative enterprises call traditional forms of organizing work into question; some innovative elements are gradually picked up by the bulk of ordinary firms. While this aspect is a positive contribution, the underground economy could have destabilizing effects in the long run, as it undermines social standards and the dominating values of the official system. Beating the system by illegal practices becomes an accepted part of ordinary business, too, and the credibility of norms, rules and regulations erodes. Finally, a society which emphasizes the work efforts in the official system as the basis of income, wealth and status (assignment) cannot accept that an ever increasing share of individuals is immigrating into the underground economy.

4. Prospects for Work in the Post-Industrial Society

In the post-industrial society an increasing share of the workforce will be employed in the labor intensive services industry (25). Its contribution to gross domestic product is

gradually increasing (see Tab. 5). In all major industrial countries it surpassed 50 percent of GDP in 1985, where the swing between 1965 and 1985 was in the range of roughly 10 percentage points: The US leads the process with a share of 67 percent.

Tab. 5: Share of value-added in industry and the service sector in selected industrial countries, 1965 and 1985

(shares expressed as a percentage of gross domestic product)

	Industry		Services	
	1965	1985	1965	1985
USA	38	31	59	67
U.K.	41	36	56	62
Germany	53	40	43	58
Japan	43	41	48	56
France	39	34	52	62
Italy	41	39	48	56

Source: World Bank (1987), Tab. 3.

While the post-industrial society will retain a high tech industrial sector with a growing capital intensity, this society will offer a great variety of more or less labor intensive activities. As more easy-to-use and cheap capital goods become available to private households, they can substitute many goods- which were previously supplied only in the official economy - by combining their own work and these capital goods in an attempt to produce goods and services themselves; the self-service economy will grow and generate at the same time a sustaining

demand for high quality goods from the official sector (26). The alternative economy and the shadow economy could provide important impulses for the reorganization of production in the traditional firms of the official economy. However, if the problem of insuring satisfying work for the great majority of the people is to be resolved in the future, indigenous adjustment in the traditional enterprises must be promoted, too.

To offer new forms of satisfying work in the industrial core of the official economy and to cope successfully with the unemployment problem will be eminent tasks in the future. With respect to fighting unemployment, more satisfying conditions for potential entrepreneurs will have to be offered and a greater flexibility of labor and capital markets will have to be achieved: By reducing barriers to entry and exit, by providing more venture capital at favorable terms, by encouraging flexible cooperation between the university system and the business community and by reducing the burden of taxation, deregulation and bureaucracy. Especially with respect to creative cooperation between the university system and the business community, this burden has often led to mutual frustration and to fending off otherwise feasible and productive projects. As technological progress and the catching-up process of the newly industrialized

countries in Asia requires a thorough structural adjustment of the production process (27), training and education programs should emphasize greater flexibility in the content of human capital. A broader perspective of graduates from the university system will help them to achieve both the required flexibility to minimize the risk of unemployment and help to find more satisfying work for a decent life. The leading industrial countries thus face the task of achieving creative adjustment in political, social and economic relations in the future.

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