My View On … Work

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My View on …

Work

Richard J Murphy

This post is part of an ongoing series in which I set out my views on significant issues in economics, political economy, politics, taxation, and accounting. It should be read in that context. It provides an overview of a position that I have developed over many years of writing and analysis, rather than a comprehensive treatment of the subject. If you would like to explore these ideas in more detail, the reading list at the end of this post provides a good place to start.

The whole View On series is available here.

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What we get wrong about work

Here is a thought experiment I have used more than once when trying to explain why our economy rests on foundations that mainstream economics barely acknowledges.

Suppose no one went to work tomorrow. Not because of a strike, or a bank holiday, but because of a complete and universal cessation of human effort for a single day. Food would not be produced or distributed. Care would not be delivered. Services of every kind would collapse. Money would still exist, but it would be meaningless because there would be no one in the banks to manage it, no one in the shops to exchange it for, no one in the fields or factories to produce anything worth buying.

That is important, because what that thought experiment reveals is that wealth is not money. Wealth is the product of human effort, and without that effort, the money is worthless.

Despite that, our political debate, our economic measurement, and our public policy all proceed as though money were the thing that matters, and work is merely the means of obtaining it.

In what follows I want to argue that this confusion runs very deep, that it has distorted the way we value different kinds of human contribution, and that getting it right is not an abstract philosophical question but one of the most pressing practical challenges we face, touching everything from the productivity crisis in the British economy to the coming disruption of artificial intelligence and the growing insecurity of working life.

The classical economists had it right

Adam Smith understood something that his modern successors have largely forgotten. His book, The Wealth of Nations, published in 1776, was not a defence of markets as such. It was an account of how human effort creates value. Production, Smith argued, depends on labour. Labour and enterprise create wealth, while rent and interest extract from it. That framework, developed and extended by the classical economists who followed Smith, was shared across what would later seem like very different intellectual traditions. Significantly, even Marx accepted it, even as he drew very different political conclusions from it.

What then happened in the 1870s, when economics was transformed into a largely mathematical discipline, was that this foundational insight was progressively abandoned. The focus shifted from how value is created to how prices are formed in markets, and the role of human effort in producing anything was increasingly taken for granted or ignored. Finance was elevated above production. The corporation became the dominant institution, concentrating power and extracting value rather than creating it. Rent extraction, once regarded by the classical economists as unproductive, became normalised as a legitimate form of income, so that today we regard someone who owns land or property or financial assets and extracts income from them as doing something equivalent to someone who actually goes out and makes or does something. We have our economics backwards, and much of what follows from that inversion is damaging.

Marx saw this clearly enough, though he made an error of his own that is worth noting. He treated paid employment as the definition of real work, reducing the human contribution to wages earned in the market. That framing overvalues market activity and ignores everything else. It is a mistake that much of the political left has inherited, and it matters because the economy as we live it depends enormously on work that is never paid for at all.

Why we need to work

Before continuing, there is a question that sits beneath everything else I want to argue in this piece, and it is worth addressing directly.

Why do people work? The obvious answer is that they need the money. But that answer is incomplete, and we know it is incomplete because of what people do when the money is no longer the reason. Studies of lottery winners consistently find that the majority return to work within a year or two, not because their winnings ran out, but because they found, often to their own surprise, that they missed something they had not expected to miss. Ask most people whether they would continue working if they did not need the income and a significant number say they would not. Watch what those same people do when that situation arises, and most of them carry on working, or find something very like it.

The same is true of many retirees, whether they retire early or not. Many find that after a few months they want to work, and do so, if only part time. Work meets a need they had not appreciated before being asked to do without it.

What they are missing, I think, is not the work itself in any narrow economic sense, but everything that comes with it. Work gives people structure. It divides time into the meaningful and the purposeful. It provides a reason to get up, a rhythm to the day, a boundary between effort and rest that makes the rest feel earned. Those who have spent time out of work, whether through unemployment, illness, or caring responsibilities that the world does not count as real work, often describe not the loss of income as the hardest part but the loss of that structure, the sense of days that run into one another without shape or direction.

Work also gives people somewhere to belong. For most of us, our working lives are where we make friends, where we encounter people we would never otherwise meet, and where we are part of something larger than our own household. The social fabric of work is something we rarely notice until it is gone. When it goes, as it does for the long-term unemployed or for those in the fragmented, isolated conditions of gig work, the consequences for mental health and social connection are severe and well documented.

Guy Standing's account of the precariat captures this precisely: what the precariat lacks is not merely income security but the stable occupational identity and social belonging that steady work, at its best, provides.

Importantly, work gives people a way of being seen to contribute. This, I think, is the deepest of the reasons why we want to work. Human beings appear to have a genuine need to feel that their efforts count for something, that they are making a difference to other people, that the world is in some small way better because of what they do. This is why the question of time expended on hobbies interests me. When I observe people outside paid work producing things of extraordinary skill and dedication for no financial return at all, what I see is not a leisure activity but a form of work in every meaningful sense, motivated not by money but by the need to apply effort purposefully and to have that effort result in something real. The drive to contribute is not manufactured by employers or by economic necessity. It is prior to both.

This matters for the argument I make here, because it means that the degradation of work under neoliberalism is not merely an economic injury. It is an injury to something people need to live well. And it means that the disruption threatened by artificial intelligence is not simply a problem of income replacement. It is a problem of what people do with themselves, how they structure their time, how they remain connected to one another, and how they retain the sense that their contribution to the world is real and recognised. These are not soft or secondary concerns. They are central to what it means to take the role of work seriously within society.

The work we do not count

The pints just noted feed naturally into a point far too rarely noted in economic debate. We live in a world where a great deal more work is done than is ever measured or rewarded. Care work, in particular, is the invisible foundation of much that is of value in our society. Activities such as childcare, care for elderly relatives and household labour of all kinds sustain the daily lives of most people in society and make all other economic activity possible, and they are disproportionately performed by women. None of this appears in GDP. None of it is reflected in wages or salaries. None of it is acknowledged in the political rhetoric about working people, which defines work almost entirely in terms of paid employment and payslips, yet it has enormous value.

The same is true, in different ways, of volunteering, community activity, and creative work done outside the market. When I look at the people who run charity shops and community gardens and local repair cafes, I see people doing work of genuine social value that our economic system classifies as worthless because no money changes hands. When I go to hobby exhibitions and similar events, I see people producing work of extraordinary quality using skills that their employers might have never thought to ask them to use at work.

This matters not only as a philosophical point about how we measure things, but as a practical economic observation. The UK has a persistent and troubling productivity gap relative to comparable economies. Part of the explanation, I am increasingly persuaded, is that British employers systematically fail to engage the skills, creativity, and initiative of their workforce. People who are told at work to follow instructions without exercising judgement are the same people who go home and produce astonishing things in their own time, because there they are allowed to use their abilities. The frustrated energies that end up in hobbies is the energy our economy could also be capturing in productive work.

GDP as currently measured gets all of this this comprehensively wrong. It counts the imaginary rent that homeowners supposedly pay themselves for living in their own homes. It records the costs of cleaning up environmental disasters as economic output. But it ignores care work and volunteering entirely. The result is an economic measure that systematically understates what sustains life and community and overstates the contribution of financial transactions that may add nothing to anyone's wellbeing.

The degradation of work under neoliberalism

If classical economics got the foundations of work right and then forgot them, neoliberalism took the forgetting further. The political project that reshaped British and American economic policy from the late 1970s onwards did not merely deprioritise the question of what work is for. It actively degraded the conditions of working life, shifted risk from employers to workers, and rewarded ownership over contribution in ways that have steadily eroded the labour share of national income.

The evidence for this shift is not contested. The labour share of income in the UK has fallen significantly since the late 1970s. Working people are, in aggregate, receiving a smaller proportion of what the economy produces, while capital receives more. This is not the result of some impersonal market force. It is the consequence of deliberate policy choices such as the weakening of trade unions, the deregulation of labour markets, the growth of zero-hours contracts and casualised employment, the promotion of self-employment arrangements that deny workers the rights and protections of employment while disguising the dependency relationship that actually exists.

Guy Standing, whose analysis of what he calls ‘the precariat’ I find compelling in many of its essentials, has described a structural transformation of labour markets in which insecure jobs, unpredictable income, and the absence of long-term prospects have become the norm for a growing section of the workforce. Work no longer guarantees security, identity, or dignity for very many people.

This was not inevitable. It was chosen. The idea that flexible labour markets are simply a response to economic reality, rather than a political construction designed to shift the balance of power between employers and workers, does not survive even a cursory examination of how these changes were made and who benefited from them. The growth of the gig economy has cost the public exchequer billions in lost tax and National Insurance revenues because employment relationships have been recast as self-employment to deny workers their rights and reduce employer obligations, without any corresponding economic benefit to anyone except those at the top of the firms involved.

The Labour Party was originally founded not to extol the virtue of work as such, but to resist the exploitation of those who had no choice but to sell their labour. That distinction matters enormously. There is nothing dignified about degraded, insecure, low-paid work that strips people of autonomy and treats them as interchangeable units of production. The rhetoric of the dignity of work, deployed by politicians across the spectrum, often amounts to little more than a demand that people accept whatever conditions they are offered without complaint, on the grounds that any job is better than no job. I do not accept that framing. What people deserve is not merely work, but work that is worth doing, on terms that respect their capabilities and their humanity. The fact that we now have no political party championing that idea is one of the failings of modern British politics.

The coming disruption of AI

The question of what work is for, and who it is for, is being given new urgency by the advance of artificial intelligence. I have written about this at length in recent months, and I want to be honest about the extent of my uncertainty here as well as my concern. AI will displace significant numbers of workers in many occupations over the coming years. This is already happening in graduate-level jobs, where AI-assisted processing has enabled employers to shed entry-level positions while maintaining output, with the result that a generation of young people entering the labour market finds itself in an arms race with technology it did not design and cannot control.

I do not think the situation is hopeless, but I think it is more serious than the optimistic version of events, which holds that AI will create new jobs as fast as it destroys old ones, as the internet did, allows for. Research on automation has identified what might be called a demand externality: when firms replace workers with machines at scale, they reduce wage income, which reduces consumer demand, which weakens the economy on which those same firms depend. Individual firms acting rationally in their own interests can collectively produce an outcome that is bad for everyone, including themselves. This is not a small-scale or marginal risk.

The right response to automation is not to prevent it, which would be neither possible nor desirable. It is, instead, to ensure that the gains from automation are shared, that the workers displaced by it have somewhere to go, and that the economy continues to generate the kind of meaningful, skilled, well-remunerated work that people want to do. That requires active public investment in the kinds of work that AI cannot readily replace, such as care work, skilled craft and technical trades, education, community services, environmental restoration. It also requires an education system reorganised around the skills that will matter in an AI-assisted economy, rather than one built around the requirements of a world that is already passing. And it requires, above all, a politics willing to treat the question of what work is for as a public question, to be decided democratically, rather than leaving the answer entirely to market forces and corporate strategy.

Answering the sceptics

There are three objections to the argument I have set out here that deserve a serious response.

The first is that the concern about unpaid work and care is well-intentioned but economically marginal, that what matters for living standards and prosperity is what happens in the market economy, and that the invisible sector of unpaid contribution, however valuable in human terms, cannot substitute for paid employment and economic growth. I think this objection is wrong in two different ways.

It is wrong about facts, because the scale of unpaid care work is not marginal at all: estimates of its value consistently run to a very large fraction of GDP, and the NHS and the social care system would collapse within days without the unpaid labour that sustains people in their homes and communities.

It is also wrong about values, because the question of what we measure and what we ignore is itself a choice with consequences. An economy that counts financial speculation as productive and counts care as nothing is an economy organised around the wrong priorities, and the policies that flow from those priorities will consistently underinvest in the things that actually sustain life.

The second objection is that the concern about job quality and the degradation of work amounts to a counsel of perfection, that in a competitive global economy employers have no choice but to seek flexibility and reduce costs, and that demanding better conditions will simply drive jobs elsewhere. This objection contains a grain of truth, in that the international dimension of labour markets is real and cannot be wished away. But it substantially overstates the degree to which low-road employment is economically necessary rather than merely convenient for those at the top.

The UK's productivity problem is not unrelated to its employment model: an economy that relies on large numbers of people doing low-skill, low-wage work with high turnover and low morale will not generate the investment in skills and capabilities that a productive economy requires. Countries that have maintained stronger labour protections, higher minimum wages, and greater worker voice have not suffered the productivity disadvantage that the race-to-the-bottom argument predicts; in many cases they have significantly outperformed economies that took the low road. The argument that good jobs are unaffordable is, in practice, usually an argument that the people who currently benefit from bad jobs are unwilling to accept a different distribution.

The third objection, increasingly pressed as AI becomes more prominent in public debate, is that worrying about the degradation of work is a distraction from the larger and more urgent disruption to come, that if AI is going to transform the labour market fundamentally, arguments about zero-hours contracts and the labour share are essentially beside the point. I take AI's potential impact seriously, but I reject the conclusion that it makes the present condition of working life irrelevant. The choices we make now about labour rights, job quality, and the distribution of economic gains will shape the way AI's impacts are distributed. A society that enters the AI transition with a strong floor of worker rights, a functioning social security system, and a culture of public investment in skills and infrastructure will be far better placed to manage that transition than one that has spent decades eroding all of those things in the name of market efficiency.

Conclusions

Work is the foundation of wealth. Money, ownership, and financial engineering are not. Human effort is. Our labour, care, creativity, and effort are what actually produce the things on which every life depends. Classical economics understood this. We have progressively forgotten it, with consequences that are visible throughout the British economy and throughout the working lives of millions of people.

What I want to see is an economy that starts from this reality rather than from the fiction that wealth flows from capital rather than from the people who do things. That means measuring the things that matter, including unpaid care and community contribution, not just the transactions that happen to involve money. It means treating job quality as a legitimate public concern, not merely a private matter between employers and the workers they happen to engage. It means investing, through a Green New Deal and through genuine public provision, in the kinds of work that are socially necessary, properly rewarded, and capable of engaging the capabilities that people have and currently find no productive outlet for.

It means, above all, refusing the political language that divides people into those who work and those who do not, as though work were a simple and self-evident category rather than a complex social relationship that our current economic arrangements systematically distort and undervalue. Almost everyone contributes. The question our politics has consistently failed to ask is why so much of that contribution goes unrewarded, unrecognised, and unmeasured, while the extraction of rent and interest is treated as the most legitimate form of economic activity there is. Until we ask that question seriously, we will keep getting the answers wrong.

Reading list

Post

Date

What it covers

[What is worthwhile work?]

28 March 2026

Core post arguing that wealth is the product of human effort, that care work and unpaid contribution are ignored by economics, and that we need to revalue all forms of work beyond market exchange.

[Economic questions: the Guy Standing question]

15 April 2026

Examines Guy Standing's analysis of the precariat, the structural transformation of labour markets, and the loss of security, identity, and dignity in work for a growing share of the population.

[Why are people so good at their hobbies?]

10 November 2024

Argues that UK businesses systematically fail to use the skills and creativity of their employees, which is why those energies flow into hobbies instead, contributing to the UK's persistent productivity deficit.

[When AI, unemployment, and inflation collide]

12 January 2026

Explores how AI-driven automation threatens to eliminate jobs faster than the economy can reabsorb displaced workers, with serious implications for demand and social stability.

[Will AI steal your job?]

24 July 2025

Considers the range of jobs at risk from AI displacement, the analogy with previous technological transitions, and what needs to change in education and social provision as a result.

[Has AI broken the job market?]

8 October 2025

Examines the growing mismatch between employers who will not hire graduates and young people who cannot get on the career ladder, and the role of AI in accelerating that breakdown.

[AI automation will not be our salvation]

1 May 2026

Analyses research showing that competitive pressure drives firms into an automation arms race that is collectively irrational, reducing consumer demand and harming workers and capital alike.

[Should we live in fear of AI?]

24 May 2026

Looks at worker experience of AI in practice, including exhaustion, surveillance, and the fear that trained-for jobs will not exist, and asks who controls the technology and who bears its costs.

[Labour is becoming the enemy of the vulnerable]

11 March 2025

Argues that Labour was founded to resist the exploitation of workers, not to extol work regardless of its conditions, and challenges the hollow political use of the phrase "dignity of work".

Labour's in a mess over 'working people', and rightly so

29 October 2024

Argues that the political definition of "working people" as synonymous with paid employment excludes carers, the disabled, pensioners, and others who contribute enormously to society.

What is a 'working person'?

25 October 2024

Examines the incoherence of Labour's use of the term "working people" and the deeper confusion in political language about what work is and who counts as doing it.

Useless jobs

22 July 2022

Argues that privatisation has created large numbers of administrative and supervisory jobs whose only purpose is to referee the contracting process, wasting scarce labour.

Why did Britain stop making?

22 November 2025

Examines the deindustrialisation of the UK economy, the undervaluing of engineering and skilled trades, and what a serious industrial strategy would need to address.

[What would I do as chancellor?]

24 April 2026

Sets out a programme including public investment to create secure, long-term, well-paid jobs as a central economic priority, drawing on Green New Deal thinking.

[Condemning ourselves to decline]

23 February 2026

Argues that decades of underinvestment in skills, training, and infrastructure are the root cause of Britain's productivity problem, and that only public investment can address it.

[10% of GDP is fiction]

17 March 2026

Challenges GDP as a measure of economic activity, including its exclusion of unpaid care and community work and its inclusion of transactions that add nothing to wellbeing.

[My concerns about Gary Stevenson's economics of wealth]

7 August 2025

Examines how government policy has been systematically designed to favour capital over labour, enriching the already wealthy while hollowing out the position of working people.

[Working people are being shafted]

5 September 2018

Uses IPPR data to show the long-run decline in labour's share of national income since the late 1970s, describing the structural shift of income from workers to capital.

Rich people shrink the economy

13 January 2025

Argues that rentierism, the extraction of income from ownership rather than contribution, withdraws money from productive circulation and damages the broader economy.

Labour, universal basic income and a job guarantee

1 August 2018

Sets out the relative merits of a universal basic income and a job guarantee as responses to labour market insecurity, arguing that the job guarantee makes the stronger case.