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Conceptualising Work in Economics: Negating a Disutility

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SUMMARY

This paper starts from the premise that economics has offered a one-sided conception of work. Standard economic theory, specifically, has defined work as a means to income and consumption; it has failed to grasp the importance of work as an end in its own right. The aim of the paper is to develop an alternative conception of work that captures the formative impacts of work on the well-being of workers. The paper firstly outlines and criticises the different definitions of the disutility of work found in economics. It then offers a critical assessment of happiness research on work. The idea that the effects of work on worker well-being can be captured by job satisfaction data and that the importance of work can be reduced to a subjective feeling in the heads of individual workers – two key aspects of happiness research – are challenged. The final part of the paper develops novel ideas about how the economics of work should progress in the future. The section proposes a needs-based conception of work and then uses this conception to make the case for collective intervention aimed at enhancing the quality of work life.

ABSTRACT

Standard economic theory has stressed the functional aspects of work over its formative aspects. This paper seeks to offer an alternative conception of work that captures the direct impacts of work on the well-being of workers. It argues against the definition of work in terms of utility derived from work and instead proposes a needs-based conception of work. The paper questions happiness research on work and develops novel ideas about how the economics of work should progress in the future. At a normative level, the paper makes the case for collective intervention aimed at enhancing the quality of work life.

JEL codes: J28; J81; J83

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I. INTRODUCTION

Standard economic theory has represented work as an instrumental activity, a means to income and consumption, rather than an end in its own right. This representation of work has been underpinned by the idea that work is a 'bad' or 'disutility' for which workers must be compensated. This paper argues for an alternative conception of work that captures the formative impacts of work on the well-being of workers.

Some recent research associated with the happiness economics literature has considered the importance of work for worker well-being. It has been argued that work is a source of 'procedural utility': workers are said to value work not just because of its material outcomes but also because of its qualitative content (see Frey et al. 2004, Benz and Frey 2008). This paper seeks to go beyond the above literature in two ways. Firstly, it questions the use of job satisfaction as a proxy measure of the impact of work on worker well-being. Within happiness research, high reported job satisfaction is seen as an indicator of the positive impact of work on worker well-being. For reasons that are explained below, workers can report high job satisfaction when working in inferior conditions. The paper argues that self-reported job satisfaction provides an unreliable and indeed often inaccurate signal of the quality of workers' lives at work. Secondly, it is questioned whether the impacts of work can be reduced to the level of a feeling experienced by individual workers. It is proposed instead that work be understood in terms of its role in meeting the needs, both material and creative, of workers. In understanding how well work meets these needs, it is suggested that attention should be focused on the actual objective conditions of work, rather than on the level of reported job satisfaction of individual workers. The argument made about the importance of work in meeting human needs is used to support the case for collective intervention aimed at enhancing the quality of work.

The paper is organised as follows. Section II outlines and criticises the different definitions of the disutility of work found in economics. Section III discusses the contribution of happiness research to the study of work. Section IV sets out an alternative conception of work and draws out its normative and policy implications. Section V offers conclusions.

II. WORK AS A DISUTILITY

Economics has traditionally viewed work as a disutility. It has been assumed that people work only for the income it brings and that work itself brings no direct utility. However, while often overlooked in the economics literature, different definitions have been attached to the disutility of work. Here

attention is given to three prominent definitions drawing out their nature, differences as well as problems.

1. A painful undertaking

The first definition says that work itself is a painful activity that people perform only out of necessity or the desire to consume. The disutility of work, in this case, is defined by the pain experienced by workers in the actual act of working. This idea finds particular support in classical economics. Adam Smith, for instance, defined work as 'toil and trouble' (Smith 1976, vol.1, p. 47). Although Smith recognised the human costs of the technical division of labour (Smith 1976, vol.2, p. 782), he assumed that work would be a source of pain, even without the technical division of labour. Jeremy Bentham agreed with Smith about the inherent painfulness of work. Humans, in his view, worked only for the benefit of consumption and took no pleasure from work itself. In the words of Bentham (1983, p. 104; emphasis in original), 'Insofar as *labour* is taken in its proper sense, *love of labour* is a contradiction in terms'. J.S. Mill concurred with this view, writing that: 'Work, I imagine, is not a good in itself. There is nothing laudable in work for work's sake' (Mill 1984, p. 90). The classical economists, in general, saw the endurance of pain in work as a necessary and unavoidable cost of economic progress (see Spencer 2009). Work was never good in itself; it was only ever a means to something valuable.

The view of work as an inherent pain raises several issues and problems. One is the neglect of the actual and possible intrinsic benefits of working. The fact that work can be and often is pursued for its own sake rather than just for income is eclipsed. Secondly, there is no clear sense in which the pain of work is connected to the structures and organisation of work. Pain is viewed as a feature of *all* work, regardless of where or how it is undertaken. Smith's appeal to the dehumanising effects of the technical division of labour must be juxtaposed against his emphasis on work as all 'toil and trouble'. Work's painful character appears to exist as a 'law of nature', not something linked to the prevailing system of work. Thirdly, there is a lack of hope and indeed outright pessimism about the prospects of erasing the disutility of work. The sense is that workers are destined to live out their days enduring work as a pain. Missing is any reform agenda that seeks to bring meaning and pleasure to work. Instead, there is an emphasis on higher consumption and longer leisure hours as the only ways to raise human happiness. A world in which work itself is meaningful and enjoyable is dismissed as hopelessly utopian.

2. A loss of leisure time

A second view of the disutility of work gained momentum and support following the emergence of neoclassical economics in the late nineteenth century (see Spencer 2009). It has since become a foundation for the standard labour supply model found in all economics textbooks. This view sees work as an opportunity cost rather than as a pain cost. Work's disutility is seen to derive from the fact that it replaces hours of leisure, not from the fact that it is painful as such (see Benz and Frey 2008, p. 365). Indeed, this second definition of the disutility of work proceeds without direct consideration of the costs (and benefits) of work itself; instead, what underlies it is the assumption that leisure hours are a source of positive marginal utility – the assumption that leisure time is a 'good thing' is used to explain why work time is a 'bad thing'.

The notion of work as an opportunity cost creates certain problems. Most obviously, it does not consider the qualitative content of work and its effects on human well-being. It gives the impression that workers are only concerned about the income they receive from work and the number of hours they work. The work decision, in effect, is treated as a straight choice between two 'goods', namely consumption and leisure time. There is no direct consideration of how workers value the work they do, and how they are shaped by the actual experience of work (see Benz and Frey, 2008, p. 365). Workers may earn the same income from work, and work the same number of hours, but value and experience work very differently, due to differences in the qualitative content of their work. The significance of these differences is missed in neoclassical economics, owing to its functional view of work.

The basic textbook model of labour supply, to be sure, can be extended to include the fact that workers have preferences for different types of work. The theory of compensating wage differentials, for example, recognises that workers value different types of work and that their preferences for work affect their wage demands. Workers who prefer intrinsically rewarding work, for instance, are assumed to forgo higher wages to achieve their preferences. The problem with this approach is that in practice workers cannot always be guaranteed to realise their preferences: low pay, for example, is very often associated with dull and uninteresting work, contradicting the outcomes predicted by the theory of compensating wage differentials. There is also the issue that if the quality of work is important as a determinant of individual well-being it should be considered in its own right, not just via its impact on relative wages (see Benz and Frey 2008, pp. 365-66). The theory of compensating wage differentials in this sense still only offers a very limited understanding of how work impacts upon the well-being of workers. It also does not explain how work might be

changed to improve the quality of work – indeed it works against this outcome, by assuming that workers are allocated to types of work that match with their preferences.

3. The 'shirking' problem

The third definition of the disutility of work builds on the idea that all workers are compulsive 'shirkers'. This approach does not directly address the pain of work or at least it does not privilege the latter in defining the disutility of work. Nor does it give direct emphasis to the opportunity cost of work time. Rather it focuses on the assumed shirking behaviour of individual workers. The disutility of work is seen to reflect on the supposed natural aversion of workers to hard work – in essence, it is viewed as a sign of laziness. This view of the disutility of work finds direct support in transaction cost economics (Williamson 1985).¹ It also features in personnel economics via the assumption that workers are averse to effort (Lazear and Shaw 2007).

The above approach presents several problems. Firstly, it fails to consider the social and institutional context of work. The disutility of work is assumed to be fixed by nature, rather than explained as context-specific (Edwards 1990). Secondly, it does not consider how workers might work for reasons other than money. For example, workers may be driven to work by a desire to use valued skills and competences. The treatment of workers as work-shy idlers fails to speak to the complexities of work motivation (Ellingsen and Johannesson 2007). Thirdly, the assumption that workers are the villains of the industrial piece presents an unbalanced and indeed biased view of the sources of work resistance. In particular, there is no real sense that employers might prompt resistance to work via their own actions towards workers. Fourthly, the focus on shirking behaviour by individual workers places emphasis on control-type mechanisms as the only viable route to higher labour productivity and makes other forms of labour management such as those based on widening democracy at work appear as unviable or even counterproductive (Ferraro, Pfeffer and Sutton 2005). The hope of building a more democratic workplace is thus extinguished. In this sense, there is no real advance over previous conceptions of work in economics.

III. WORK REDUX: THE CONTRIBUTION OF HAPPINESS RESEARCH

The emergence and proliferation of happiness research since the 1990s has opened up new space for the analysis of work and its connection to well-being in economics (see Frey and Stutzer 2002a, Frey and Stutzer 2000b, Layard 2005, Kahneman and Krueger 2006, Frey 2008). This research,

¹ Although arguing that opportunism is an inherent part of human nature, Williamson (1985, p. 261) tends to see opportunism as a feature of the behaviour of workers, rather than employers. The need to project and maintain a 'good reputation' is alleged to dissuade employers from acting opportunistically. Workers, by contrast, are portrayed as incorrigible work avoiders.

specifically, has encouraged economists to define the quality of work not just in terms of wages and work hours, but also in terms of the satisfaction that workers gain from doing work (Blanchflower and Oswald 1999, Clark 2001, Benz and Frey 2008, Clark 2011). This section focuses on the specific contribution of happiness research to the conception of work, highlighting both its merits and demerits.

1. Work and happiness

Happiness research within economics represents work as something that workers directly experience as pleasurable or painful. The differences with the approaches reviewed in Section II can be highlighted here. One difference is that work is regarded not just as a disutility but also as a utility – work is not seen as inherently painful as in the pain cost definition mentioned above. Secondly, unlike the opportunity cost definition, stress is placed on the direct impacts of work on worker well-being – work itself is seen as a source of pain and pleasure for workers. Thirdly, there is no assumption of universal shirking by workers – instead, there is the idea that work is or can be pursued and enjoyed for its own sake. These ideas are used, for example, to explain why unemployment imposes such high costs on workers – hence, the loss of the opportunity to work is seen to magnify the costs of unemployment arising from the loss of income (e.g. Clark and Oswald 1996).

The impact of work on the well-being of workers is seen as directly measurable via the use of job satisfaction data available from social surveys. These data are assumed to convey accurate information about the quality of workers' lives at work. If workers say they are satisfied with work, this is assumed to reflect on their high level of utility (read well-being) derived from work.

By recognising the potential intrinsic worth of work itself, happiness research lends support to various policies and reforms aimed at changing work and employment. It supports, for example, the reduction of unemployment partly as a means to combat the non-pecuniary costs suffered by the unemployed through the lack of access to work. It also encourages forms of work that can be demonstrated to improve the job satisfaction of workers. Research, for instance, has shown how self-employment is associated with high job satisfaction (Benz and Frey 2008). This finding has been used to support policies aimed at encouraging self-employment. Other research that shows a positive association between job satisfaction and labour productivity has been used to back different reforms in the workplace (see Oswald et al. 2013).

2. Not happy ever after

Yet, for all its evident theoretical and practical benefits, happiness research also confronts some problems of method and concept. Two problems can be highlighted here. The first relates to the question of the measurement of the impact of work on worker well-being. Economics research on happiness asks us to accept the validity of job satisfaction data as a measure of the well-being of workers – high job satisfaction is seen to indicate high worker well-being, whereas low job satisfaction is seen to indicate low worker well-being. This approach is problematic in several respects. Here attention is given to issues relating to the responses given to survey questions that form the basis of job satisfaction data. Firstly, how workers respond to questions about job satisfaction in part reflects on what they expect to get from work. If workers expect very little from work, they may report feeling satisfied with work even if the work they do lacks intrinsic and extrinsic rewards – their high job satisfaction will reflect their low expectations in this case, not the positive experience of their time at work. Secondly, workers' reported job satisfaction is also impacted by their outside opportunities. The fewer the outside opportunities available to workers, the less likely they are to report their present jobs as dissatisfying. Relative to an even worse job or unemployment, a 'bad job' can be rated as satisfying. Thirdly, there is the impact of what workers perceive as normal. If social norms favour an instrumental view of work, then workers may be forgiving of poor working conditions in their reports of job satisfaction. High job satisfaction may simply reflect the impact of prevailing social norms and may not indicate the high well-being of workers. Fourthly, workers have the capacity to adapt to adverse circumstances such that their reports of job satisfaction may rise over time in spite of their facing real adversity in work. Adaptive preferences, in this case, will cause job satisfaction to vary independently of the nature and conditions of work.

The above points suggest how unreliable data on job satisfaction can be as a measure of the well-being of workers. Due to the effects of expectations and norms plus adaptive preferences, job satisfaction data may indicate the opposite of what is occurring in terms of the quality of workers' lives at work. On the one hand, high reported job satisfaction may hide the fact that workers are suffering real hardships at work. On the other hand, rises in reported job satisfaction may conceal the fact that working conditions are getting worse such that the well-being of workers is declining.

As an example, consider the results of research on the job satisfaction of the self-employed. Such research generally finds that the self-employed have high job satisfaction. One interpretation of this result is that the self-employed have high well-being at work, due say to the high autonomy they exercise over their work. Being one's own boss offers 'procedural utility' and thereby raises

individual well-being (Benz and Frey 2008). While this interpretation has a ring of truth, it cannot be generalised across the self-employed. At least for some self-employed people, high reported job satisfaction may reflect the lack of alternative opportunities; people who are pushed into self-employment due to the lack of regular employment may compare their present employment situation with unemployment and this may bias upwards their reports of job satisfaction. Assessed against unemployment, self-employment may be regarded as a 'good thing'. Self-employment may also be viewed as less bad than a worse job in the regular economy. Research indeed shows that for at least some people self-employment is a forced choice (see Dennis 1996); for these people, self-employment may offer a way out of unemployment, but not necessarily a route to fulfilment, if the work that is performed lacks certain characteristics. The point is that job satisfaction data does not and cannot tell us categorically whether the self-employed (or any other workers) are able to achieve high well-being at work. Indeed, in some instances, these data may conceal the fact that people are facing a lack of choice in employment and possibly even poor working conditions.

Related to the above discussion, Block and Koellinger (2009) find that some self-employed people report low levels of satisfaction.² These are people who become self-employed after a previous spell of unemployment or due to a lack of better work opportunities. They are termed as 'necessity entrepreneurs' given their lack of choice in becoming self-employed. This result is interesting in two respects. One is that it suggests that adaptation effects for necessity entrepreneurs are not strong. The fact that these entrepreneurs find themselves in work rather in a state of unemployment or in worse jobs and the fact that they are able to exercise some choice over what they do at work does not mean that they report high levels of satisfaction. To the contrary, despite these effects, it seems that some objective features of work are so bad that these people report lower levels of satisfaction. Secondly, the above result underlines the complexities that confront the interpretation of data on self-reported satisfaction. To explain the lower reported satisfaction of necessity entrepreneurs, Block and Koellinger (2009 pp. 205-6) are required to invoke the influence of unmatched aspirations – that these entrepreneurs want regular work rather than self-employment. But if the explanation about aspirations not being met has validity, as we would suggest it does, then this should lead us to question the reliability of data on self-reported satisfaction – it suggests that reports of satisfaction are biased by aspirations and that these reports can vary independently of the actual conditions of work that affect what people can and cannot do and be at work.

² Block and Koellinger (2009) focus on entrepreneurs' satisfaction with their start-ups, rather than on their job satisfaction. However, the issues raised by the interpretation of their data also carry over to job satisfaction data.

Benz and Frey (2008 p. 366) mention the fact that job satisfaction data may be subject to 'reporting biases'. Block and Koellinger (2009 p. 203) also suggest that their results 'cannot rule out satisficing or biased responses'. But this point is not pursued. Its implications for the interpretation (and potential misinterpretation) of individual well-being is certainly not developed; instead, as with other similar economics research in the area (e.g. Clark 2011), there is a tendency to proceed as if data on self-reported satisfaction provide fully accurate information about the utility *qua* well-being of respondents.

This paper proposes a different interpretation of data on job satisfaction. These data reflect on the one hand workers' subjective assessments of how well their lives at work are going and on the other hand the influence of workers' norms and expectations about work (see Brown et al 2012). In reporting their job satisfaction, workers can be seen to make an assessment of how well the objective conditions of work meet with their needs; this is to be differentiated from a subjective assessment of utility derived from work that is the interpretation given in happiness research. This assessment of how well work is going for workers can be seen as an indication of their well-being. But workers' reports of job satisfaction are also impacted by their norms and expectations. The influence of norms and expectations, importantly, means that reports of job satisfaction are subject to biases and can misrepresent the well-being of workers. When some workers say they are satisfied with work, this may simply reflect their low norms and expectations and may actually disguise their low well-being.³

There is a sense in which job satisfaction data are always being assessed against some (objective) standard of what high quality work is. High quality work is associated with factors such as high pay, high autonomy, and high skill. If workers report high job satisfaction where these factors are present, then the data are interpreted as meaningful. Where workers report high job satisfaction where these factors are absent, the meaningfulness of the data is called into question. The point here is that there is some way of gauging the quality of work independently of reports of job satisfaction. For example, self-employment is viewed as high quality work because it provides opportunities for autonomy. But if characteristics like autonomy are important to the quality of work, then our primary focus should be on whether these characteristics are present in jobs, not on the level of job satisfaction of individual workers. At best, job satisfaction data can confirm the presence of high quality work. At worst, these data can lead us to think that work is high quality

³ Qualitative research has shown how workers offer different assessments of their well-being when offered the opportunity to explain their responses to one-shot questions about job satisfaction used in surveys (see Walters 2005, Brown et al. 2012). This research adds weight to the argument that job satisfaction data are unreliable as a guide to worker well-being.

when the reverse is true. These issues and problems with job satisfaction data, it can be argued, are not fully appreciated in happiness research.

The second key problem with happiness research is that it seeks to reduce the importance of work to the level of a feeling inside the heads of individual workers. Work is associated with ‘feeling good’ or ‘feeling bad’ (with such feeling usually measured by reported job satisfaction). How workers feel about work is doubtless important, but there are other aspects to the relationship between work and human welfare that ought to be considered. Indeed, these aspects matter a great deal when it comes to how workers feel about work. The argument to be made here is that work matters to the fulfilment of certain basic human needs. These extend from the need for consumption to the need for autonomy and creativity. Work has a special role in human life because it provides a route both to consumption and to self-realisation. Through working, people gain (or are denied) opportunities to realise their material and creative needs and are able (or denied the opportunity) to achieve well-being. The notion that work makes workers feel ‘good’ or ‘bad’ fails to get to grips with the importance of work as it affects their identities, personalities, and freedoms. Happiness research ultimately belittles work by seeing it in terms of a conduit to subjective feeling. Work is too earnest and too profound an activity to be treated as just a feeling in the minds of individuals. Instead, it must be understood in terms of its connection to the realisation (or non-realisation) of the needs of people as creative and purposive beings. This point is further addressed in the next section, when attention turns more directly to the nature and importance of work.

IV. RE-CRAFTING THE ECONOMICS OF WORK: BEYOND THE DISUTILITY OF WORK

The following discussion seeks to do two things. Firstly, it sets out the basis for an alternative theory of work in economics. Secondly, it looks to address the case for collective intervention designed to enhance the quality of work.

1. Theorising work: from working to live to living to work

Economics needs to recognise work not just as a means to income and consumption but also as a formative activity that can have both a negative and a positive impact on human well-being. Work is essentially a human activity – people are as much the output of the work process as the goods and services they produce and deliver. Although economics may wish to focus on just the economic aspects of work, it is evident that the process of work has non-economic significance. Indeed, in the course of working to produce things of value, workers are themselves subject to changes that limit or enhance their well-being independently of the consumption opportunities that work provides

them with. Work is about more than just producing and delivering goods and services; its form and content affects what kind of lives people are able to lead within and outside work.

A point to stress is that there is nothing inherent in work that turns it into a means only. Nor is there anything inherent in human nature that turns people off work. To see work as just a disutility is to miss its developmental and potentially creative elements. It is also to miss the needs of people for work that is meaningful and life-enhancing (see Muirhead 2005). Where work is endured by workers, this reflects on the way that work is organised and designed. What it demonstrates is the need for reforms aimed at enhancing the quality of work.

It is also important to stress that work has impacts on people that extend beyond their level of subjective experience. Work, in effect, impacts on the ability of people to learn and grow as human beings. Where work is endured without intelligent action and creativity, it saps the physical and mental energies of those performing it. Adam Smith illustrated the point well when he described work under the technical division of labour as turning workers into 'stupid and ignorant' beings (Smith 1976, vol.2, p. 782). Research has since shown how prolonged exposure to low skilled and low autonomy work can undermine the intelligence of workers (Kohn and Schooler 1983). Evidence from the UK has also shown how performing routine, low discretion work can undermine the physical health of workers (Marmot 2006). Poor quality work may actually threaten one's life. Work, it can be argued, does not just affect how people feel; it also influences their health, both mental and physical.

Two further points can be made here. The first relates to the definition of the quality of work. The view taken here is that work quality is more an objective than a subjective construct. Following the discussion above, it can be argued that work quality is already widely understood. Work's quality is judged by what it enables people to do and be. More specifically, in making such judgments, attention is given to certain characteristics of work – whether it is high or low paid, whether it offers low or high levels of autonomy, whether it is interesting or dull, whether it is skilful or routine, or whether it is secure or insecure (see also Green 2006). The point here would be that the quality of work life is and ought to be defined in relation to specific objective features of work – level of pay, level of autonomy, level of interest, level of skill, and degree of security. How these features are to be ranked will depend on particular circumstances – pay, for example, may assume greater prominence where material deprivation through work is widespread. In a developing country context, for example, the provision of a living wage may be given a high priority in the definition of work quality. In richer countries, the focus may be on the freedom afforded by work and the level of creativity in work. There are also issues over how each individual feature of work is to be measured.

In the case of autonomy and security, for instance, there may be a requirement to use subjective data that is subject to biases. But then the problem is one proxying the characteristics of work that constitute the quality of work, not one of measuring subjective preferences *per se*.

There is the issue that evaluations of work quality can vary across individuals and that there may be no consensus over what is (and is not) high quality work. Some people may value pay more highly than other features such as autonomy over work. Imposing one universal definition of high quality work would then result in the violation of some peoples' preferences. Two responses to this issue can be mentioned here. One is that preferences are adaptive. People may value pay more highly than other intrinsic features of work simply because these other features are unavailable to them. This does not mean to say that they do not need the said features and would not desire them if they were more widely accessible. Secondly, it can be argued that enhancing the quality of work, say by increasing autonomy over work, is beneficial to all workers. This argument can be justified by considering the human costs of low autonomy work. Workers may prefer higher wages to autonomous forms of work but the negative health effects of low autonomy work means that they would be better off if they had the opportunity to work autonomously. The wider point here is that people have needs for improved work quality even where they may hold preferences that suggest otherwise. Again consideration of human needs rather than of subjective preferences should be our guide in defining work quality.

The second point relates to the definition of what it means to be poor.⁴ Conventional definitions of poverty focus on the lack of income. The connection to work comes via the consideration of work as a means to income. This definition has obvious relevance in so far as people are deprived of their ability to meet basic needs if they have no or limited access to income. That is why in terms of defining poverty it is important to consider the level of wages (as well as any social safety net for those without paid work). But there are other aspects to consider as far as the deprivation of needs is concerned. Being poor can be understood in terms of the inability to meet non-material needs in and through work. It can mean, that is, the inability to work freely and creatively. Work may be adequately paid, but still lead to hardship for workers via the deprivation of their needs for autonomy and creativity. Poverty can mean that workers have little option to develop and exercise their creative capacities; in other words, it can include work that is lacking in meaning and which is experienced as enervating. The point is that the definition of poverty can be widened to encompass not just low wages but also low quality working conditions encompassing low skilled and low autonomy work.

⁴ The following argument overlaps with Levine and Rizvi (2005).

2. Enhancing the quality of work – the case for collective intervention

The purpose of this section is to argue for collective intervention aimed at enhancing the quality of work and thereby the well-being of workers. The argument is that such intervention is necessary because by itself the market cannot deliver to workers the quality of work they want and need. In economics, there is a tradition of assuming that workers can 'choose' jobs that match their preferences. If workers want jobs that offer high intrinsic rewards, so the argument goes, all they have to do is lower their wage demands to access such jobs. This line of argument is found in the theory of compensating wage differentials and can be used to argue against labour regulation by the state and other collective bodies. The problem with this theory, however, is that most workers are not 'free to choose' jobs as they please. In the real world, they must take jobs or face unemployment. Frequently workers face having to take jobs that fail to match with their preferences. They also face taking these jobs with no accompanying financial compensation. In the labour market, power resides with employers and workers often have to settle for jobs they wish were otherwise. This fact means that the collective regulation of work is important to meet workers' preferences for work. Work quality does not improve just because workers want it to improve but rather its improvement often stems from the interventions of the state and trade unions to protect and promote labour standards.

Two objections to collective intervention aimed at improving the quality of work can be mentioned here. One is that such intervention would violate the preferences of some workers who have no interest in higher quality work (for an argument along this line, see Nozick 1974). The counter to this argument, as mentioned above, is that these workers may have adapted their preferences to the absence of high quality work. There is no reason why they would not demand such work if it was encouraged by collective action. Further, even if workers have acquired for non-adaptive reasons preferences that do not support the pursuit of higher quality work, it can still be argued that they would be better off if collective action was taken to improve the quality of work. This argument is based on the established evidence that low quality work undermines the health and well-being of workers (see Schwartz 1982; Murphy 1992). On the grounds of promoting health and well-being, in short, the state can be seen as justified in pursuing measures designed to promote higher quality work.

The second objection is that collective intervention to improve work quality would add to firm costs and ultimately lower profitability. One response to this objection is that firms have a moral obligation to provide high quality work and that they should be prevented from compromising the quality of work in the interests of profit creation. Another response is that firms can create or at

least maintain profits via measures to raise the quality of work. Such measures, by adding to the morale and motivation of workers, can add to labour productivity and in turn raise profitability. There is evidence that more human-centred forms of management can work to improve labour productivity (Pfeffer 2007). Where firms have the option to implement these policies but decline to do so, in this case, they can be seen as foregoing the opportunity to lower unit labour costs.⁵ State intervention may be important then in encouraging employers to implement measures that raise both the quality of work and the productivity of workers.

The pursuit of high quality work by collective intervention, it can be argued, is about meeting the fundamental needs of people for a work life that is enriching and fulfilling. It is about creating an environment in which people can meet their needs not just as consumers but also as producers; it means providing the opportunity for people to work with the necessary freedom and creativity that enables them to achieve well-being. How exactly the state should intervene to increase the supply of high quality work is something that cannot be gone into detail here, though it is evident from the arguments made above that any genuine and systematic improvement in the quality of work will entail a gamut of policies ranging from the enforcement of basic labour standards such as health and safety at work to more radical policies aimed at democratising work.

V. CONCLUSION

The narrow depiction of work in economics, as argued in this paper, has come at a price. On the one hand, it has prevented the uncovering of the real hardships of work faced by many workers. On the other hand, it has blocked the identification and promotion of policies aimed at improving the quality of work life. The 'work as disutility' idea has persisted in economics despite its failure to capture the true importance of work in human life.

The rise of happiness research, to be sure, has helped to broaden the nature and scope of the economics of work; however, it also contains some weaknesses of concept and method. This paper raised issues with the use of job satisfaction data as a measure of the well-being of workers and also questioned the treatment of work as a source of 'procedural utility'. The argument has been made that economics needs to embrace a radically different conception of work that takes into account the importance of work in meeting the needs of workers. A need-based conception of work should replace approaches that emphasise the subjective feelings or utility of individual workers.

⁵ As Pfeffer (2007, p. 115) puts it, 'in spite of the fact that much of what is required to build engaged and successful organizations is at once well-known and not always costly to implement, many, maybe most, organisations have failed to take appropriate actions, thereby, in some sense, "leaving money on the table"'.

The ideal would be for economics to embrace an account of work that not only situates work in relation to human needs and their fulfilment but also seeks to promote changes in the nature and conditions of work that have as their ultimate goal the improvement in the quality of work life. More generally, with a strategic eye on relevant policy and political debates, a rejuvenated economics of work would be focused on humanising work, making it fit for people as consumers as well as workers. Living to work rather than working to live would be a fitting leitmotif for a new and enlightened economics of work.

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