

## 'Indenture': labour for miserable reward, a fifth of all households

**Danny Dorling**

### How would you answer the following question?

Which of these phrases would you say comes closest to your feelings about your household's income these days: living comfortably; coping; finding it difficult to manage; or finding it very difficult to manage on present income?

Excluding those who responded 'don't know' or who did not answer, the typical response to such a question, as recorded over the course of about two decades (1), has not been that positive.

On average around a fifth of the population (21 per cent) routinely find it either 'difficult' or 'very difficult' to get by on their income. This proportion varies between affluent countries and over time. There is no rule set in stone that it should be a fifth, but it is a fifth on average. This particular proportion is the figure for the United Kingdom; the proportion is much higher in the United States, and much lower in Japan. International statistics are hard to compare as language and meaning vary so greatly. Finding it 'difficult to manage' is a very British euphemism for not managing. Those doing better than this, almost half the population in Britain (48 per cent), describe themselves as only just 'coping'!

In recent decades less than a third (31 per cent) of people in households in Britain described themselves as 'living comfortably', and all this before the crash of 2008. In all affluent countries governments do not like to admit how hard most households find it to get by. Members of the governing party in Britain have taken great pride in pointing out how, just before the financial fall, the share who appeared to be finding managing most difficult was falling, and the number of those who said they were living comfortably was rising (Dorling, 2007). The figures just given were released in 2006 in the official publication of Britain's Office for National Statistics, *Social Trends* (No. 36).

The following year *Social Trends* (No. 37) showed how those gains had been achieved by borrowing; total lending in Britain had, we later found out, peaked in 2004 (Figure 6.13 of No. 37). Personal insolvencies were rising exponentially by 2004 (Figure 6.14 of No.37). The next year *Social Trends* (No. 38) revealed that even the wealthiest, those who had property they could borrow against, the bulk of the 'comfortable', had been getting that little extra and managing to be comfortable mostly by borrowing yet more money against their property. This was then called 'equity withdrawal' and it was responsible for over 8 per cent of *all personal income* in Britain by 2004 (according to Figure 6.14, No. 38). Again the peak had been in 2004, but it was not obvious until 2008 that even the minority who were a little wealthy had been increasing their borrowing to maintain their comfortable lifestyle. In hindsight even the minority who said they were living comfortably were increasingly only living comfortably partly on tick.

People who read journals such as *Renewal* know the story well now. They know how the British Chancellor of the Exchequer was surprised to pick up a copy of the *Financial*

*Times* while on holiday in late August 2008 and read that the European Central Bank had begun what amounted to panic measures to try to curtail the crash (Johnson, 2009). They know that just five months later, in mid January 2009, an unnamed member of the British Government's Cabinet, with apparently a little economic savvy, was reported to announce: 'The banks are fucked, we're fucked, the country's fucked' (Wintour, 2009).

They read here that in the 1970s that labour's share of output had been much greater following decades of, on aggregate, successful union organisation, but that gain was then lost over the subsequent decades (White, 2008). They know that the United States medium wage of full-time workers fell in absolute terms from 2001 to 2004 by \$7 a week (or by about 1 per cent) and that it was debt which was used by people to make up for real falls in income and a decline in the proportion of GDP going to wages (Turner, 2008). Most now accept how bad it was that we were living this way. But what made all that debt so necessary was modern indentured labour, and that indenture, and the prejudice which justified it, we have yet to address.

Borrowing money to maintain a comfortable lifestyle is far from good, but a comfortable lifestyle is not even imaginable by those who are finding it difficult or very difficult to get by, those who are doing *worse than just coping*. For the fifth of the population that are not managing, debt is and has been a necessity to keep going. It is this fifth who have the fewest real choices in life in Britain and similar countries. They have few choices over what kind of work they do; they take any job they can get. Having to work at a job that you do not choose to do is as demoralising as being formally indentured to labour for a fixed term to pay off debts, although in the later case at least the term of indenture tended to be known. In the past indentured labour was often reserved for people thought of as being of a different racial group to those who employed them. Today we tolerate a similar type of indenture, and fear it enough for the affluent among us to also have to seek debt to avoid appearing to be like those who might fear indenture.

I believe that despite all that we know, we tolerate modern indenture, the state of having no choice over toil, because enough of us still see others as sufficiently different, akin to racially different, that we do not see that for a fifth of the population to be failing to manage is unjust, or that it is unnecessary to have nearly a majority who are only coping. All these proportions are about life in the supposedly good times before the 2008 crash. Those times were mostly only a good life for a very small minority.

Being unable to manage in twenty-first century Britain is being unable to rest; 'to rest' meaning to be able to have an annual holiday. Rest has meant different things at different times, in ancient times a day of rest was called a Sabbath. Now in much of the rich world a fifth of households can take no Sabbath. These can be seen not just as the proportions who say they cannot manage, but as the fifth that have to toil, and in other ways survive, for seven days, to receive what another fifth are awarded for just a single day's labour. Given the cultural dominance worldwide of the seven day week, it is at the precise point where that seventh day has to be sacrificed, cannot be enjoyed, and cannot be used for rest that basic common choices in life appear most clearly to disappear.

From country to country the proportion of households that cannot afford a seventh day of rest varies (2). In Britain it is the worst-off fifth that must get by on only a seventh of the income of the best-off fifth. In the United States it is even more of the population who live such lives (although the Obama government's budget proposals for 2010 are set to reduce disparities). In mainland Europe fewer people have to toil so long, in Japan even less,

despite economic turmoil there. Overall in the rich world, because the United States has such a large population, about a fifth is indentured through not managing. Invariably people in this fifth will be much more likely to be identified as members of those racial groups that are most discriminated against; more will be women; children are disproportionately born into households in this fifth; and adults more often fall into this fifth upon having children. These become households whose time and labour are, for all real purposes, now indentured.

Indentured labour is the phrase used to describe the semi-slavery where some are bound to work for a time for others, often to pay off the debt of their passage. In the past this debt might have been the cost of their passage to the Americas, or the supposed cost of their forcible deportation to Australia in the case of convicts. The indentured are by definition not free to stop working, but by definition their children will not be indentured and so they differ from slaves. They themselves are told that after a number of years they will be free, and usually they are freed on time.

Today's indentured labourers are not so fortunate, but they act in similar ways because they are given a more vague promise of emancipation. They are led to believe that they will be free eventually, and that if their life is lived with little in the way of choice or hope, the lives of their children will be more fortunate as a result of their good behaviour. This is turning out to have been a false promise.

Today's indentured labours in affluent countries are not described as such and are not formally indentured; often they are not even in paid employment, but indentured to benefits. What sets them apart from others is that their choices in life are so very limited. They are those in work who have not chosen their work but are compelled to work out of fear.

Similarly those reliant on social security did not, as is sometimes fictionally portrayed, choose such a life willingly. There has never been a great mass of feckless people out there who want to be living on the basics of social security in preference to having choices. No one rationally chooses to live on the miserliness of sickness benefits because they see it as a good living. Young mothers do not become pregnant because the social security benefits are so wonderful. Teenage pregnancies are highest in those affluent countries where benefit rates are lowest, where inequalities are greatest, where there is the less money 'to be made' from having a baby (Wilkinson and Pickett, 2009). Teenagers and other mothers, often young ones, are most likely to have to give their children up for adoption in those affluent countries where social benefits are worse, but that does not mean that elsewhere young mums have their children for the benefits. Elsewhere teenagers and young adults simply choose, and are better placed to be able to choose, to have children less often.

What today's indentured have is a curtailment of all kinds of choices. They have little choice over the work they do, if they work, and little choice to work if they don't, or not to work if they do. The indentured have very little choice over where they live, which city they inhabit, even the home they occupy. In countries with social housing they are allocated their place in the block; in countries without such housing the free market directs them towards skid-row. Their children then usually have practically no choices over their education. They have to go to school where others choose not to. Choice for some reduces choice for others.

Today, in affluent societies, the indentured are held in indenture through the debt they have accrued simply by trying to manage, not through having to pay back some debt of passage on a journey to the supposedly glorious new world, of even passage to a new (but

not free) life on a sugar island in the Indian Ocean or the Caribbean. Today's newly indentured rarely travel far from where they were born.

Contemporary indentured labourers in affluent societies owe their debt to credit card companies and to those to whom debts are sold on following initial defaulting. The indentured may be in arrears on their rent, mortgage, on paying their utility bills, on the taxes they owe local government, on loans arranged through banks, on hire-purchase agreements, even on court orders to pay a fine for not having a licence to watch their television. Today's indentured have all manner of ways in which they can be in debt, no longer owing to a single creditor, but usually owing to numerous faceless creditors. They owe because their incomes are insufficient to support their outgoing, outgoings needed to preserve basic dignity in the countries they live in, usually those countries where it became more acceptable to string people out along a widening and ever more skewed curve of reward, creating many losers towards the bottom to pay for (and service) every new winner high up at the top. This, by the way, is why 'anti-rich prejudices' (Breeze, 2009) abound and are justified. For every rich individual there need, by definition, be many poor servants. Otherwise the rich are not rich.

The newly indentured are treated with contempt because a majority of the powerful came to believe that these are people who do not deserve more. Just as women are allowed to vote only when a majority of powerful enough people (including women) come to believe that they should vote; just as slavery is only formally abolished when that majority deems it right; just as children and the elderly are not required to labour once such enforced labour is deemed wrong; so too modern indenture (people having to undertake work with no other option) will continue to be tolerated, and will even be justified, until it is seen as intolerable.

Injustice only remains because it is justified by false argument. The various justifications begin by suggesting that if ending slavery, or introducing female emancipation, or reducing child labour, or introducing pensions, begins in one place then that place will suffer an economic loss compared to other places. It simply isn't 'economic' such an argument begins, for there not to be slaves, for people not to be forced to undertake work they would otherwise choose not to. When it is suggested that all could be paid a living wage in affluent countries, so that only those who chose to undertake undesirable work had to (3), perhaps by being paid more to carry out work for which there was little taste, the question of economic expense is raised to make such a prospect appear impossible. Just as the idea of paying slaves was once an anathema.

However, modern indenture, like slavery, like the bondage of women, like child labour and the suffering of the old, requires more than just an appeal to strange notions of affordability to defend it. Something becomes easily more *unaffordable* when it does not apply to you personally. Slavery is defensible only when the slaves can be painted as racially different: celts in Icelandic antiquity, blacks in recent American history, indigenous indians in Brazil today. Women's denial of liberties is only possible if you can persuade men that their mothers, sisters and daughters are less deserving than their fathers, brothers and sons. Child and old age labour requires us to forget our beginnings and not imagine our ends. Modern indenture requires us to see having no choice over work as being the fate of others in our affluent countries, those perhaps who we imagine have less ability, certainly not us, or our off-spring, our kin, because we are deserving of so much more, because we are different, because we are so prejudiced.

A homogenising myth of our times is that people fall to the bottom because they are undeserving. The myth states that they probably did not have the inherent ability to ever do

much better than they did. This myth is continually questioned. People now know not to express such thoughts out loud in polite company, but they express them indirectly in ways that clearly betray their prejudice. This is the prejudice of believing that you and yours are so special that you deserve greatness, and that greatness will (by default) necessitate the indenture of others to provide the kinds of services and lifestyle which you and yours 'deserve'. The social security benefits of others have to be kept low to keep them in fear of not toiling, not to reward sloth, and because you and your family deserve so much and don't want to be taxed more. Whenever (if ever) a waiter passes you a glass of champagne from a silver tray, or you sleep in a made-up hotel bed, give your cooking, washing, ironing, cleaning, or children to some one else to undertake and care for, you are usually employing the indentured labour of others.

The novelty of serving champagne quickly vanishes after that first afternoon spent balancing a tray while circumventing increasingly inebriated and obnoxious clientele. Serve it to family and friends while drinking a little yourself and it can be more fun. Similarly with cooking, cleaning, even washing, ironing and bed-making, it is all less drudgery when shared around and not undertaken for faceless strangers. Even when serving strangers with faces, looking after the children of the rich, or getting to actually see those whose bed sheets you change, serving others without choice is still painful. Sometimes it is even more painful to have to serve others under the public gaze. In the past one of the very few occupations that children rarely followed their parents into was working in service. If former chamber-maids, nannies, and butlers impressed one thing on their own offspring; it was not to follow them into serving others as if indentured.

Spending time with children and with those in their dotage can be the best of times. Instead it is usually made a trial by how we organise such spending. Care-workers for the elderly are the largest least well paid group in the most unequal of affluent societies. They are taught through their hours, wages and conditions of labour how little in turn we value the elderly. Most care-workers do not choose to end up working in old age care homes; they simply cannot get any other work. When it was suggested that immigration controls in Britain be tightened in the economic crash so that care-workers could only be imported at wages a fraction higher than the minimum, the care-home owners lamented that they would never find enough willing staff locally, even under conditions of mass unemployment. Few people bring up their offspring in rich countries today to hope that one day their children might grow up to be able to work in an old age care home.

In a grossly unequal society there are many jobs that most people would never believe their children would be lucky enough to hold. These are jobs which most people are told that their children are not capable of aspiring to, but remarkably these are also jobs which are seen as far too lowly for others to undertake. The dreams jobs of some are the nightmare drudgery of others. In Britain the former Prime Minister, Tony Blair, is said to have sent his children to selective schools because he did not want them *merely* to become school headteachers or university professors, jobs he considered unworthy of his progeny (4). These were the kinds of jobs secured by the offspring of that other former Labour Prime Minister, Harold Wilson. Tony thought his children were deserving of, capable of, entitled to; more. When people like Tony think like this, and ensure that low wages remain low (bringing in minimal but not living wages), it is hardly surprising that the message percolates down that to work in a care home for the elderly is to have failed.

Across the rich world, at the end of the last gilded age, aristocratic dynasties slowly crumbled in Europe following the First World War; robber-Baron wealth in the United States was decimated in the 1930s and began to be redistributed in the 1940s; aristocracy was dismantled in Japan following the Second World War; social rank and religious caste slowly and steadily reduced in importance over the entire period through to 1973. From 1950 to 1973 across the whole of the group of what are now OECD nations, the average working week fell by half a day; so those at the bottom were allowed to toil less; their fear was reduced, all became more equal (Irvin, 2008, 64). Then, with a little help from renewed prejudices, all those gains began to be reversed from around 1973, and by 2007, people were again working longer hours than they were in 1950. However, they were not producing as much in those hours spent working by 2007. Just as slavery and ill treating women, children, and the elderly, have been found to have been inefficient in the past, so too is indenture today.

United States productivity per worker-hour fell by half between 1973 and the mid-1990s (Irvin, 2008, 65), not because people were working fewer hours, but because more were working at more menial, dirty, sometimes dangerous and often difficult jobs for lower real wages than most of their parents had worked for. In the United States great swaths of the population had become, in all but name, indentured. They could be indentured by the 1990s more often because they were (compared to the 1970s) newly looked down upon, cast aside as inferior. The new prejudice had created vast new injustices. The new prejudices grew slowly in the early 1970s, the early symptoms of rising prejudice can be seen in both the Adam Smith Institute in Britain and the Heritage Foundation in the United States being created in the year 1973 with donations from rich individuals and remits to promote policies which have in hindsight been seen by so many to have fostered prejudice against the poor. Those rich donors only donated when they did in the early 1970s because ideas of elitism and a new tolerance of exclusion had grown strong enough for what had appeared unjustified to begin to be justified again.

The new injustices that result from a rise in prejudice do not fall solely on the poorest in rich societies. In the United States the greatest increase in hours worked has been for those married couple households where both adults have a university degree (Offer, 2006, 325). Between 1968 and 2000 the average number of hours spent in paid work by parents in households with children in the United States rose from 53 to 64 (James, 2008, 152). Similarly, in Britain, working hours have increased most for some of the more highly paid. All those in work laboured on average an additional 130 minutes a week by 2001 as compared with 1991 (Rose, 2005, 42). There had been an increase of some 7.6 weeks paid work a year in households where at least one adult was in employment when comparing 1981 and 1998 (Rutherford and Shah, 2006, 37). Some two to three months more a year is being spent in paid labour by adults in aggregate in households now in the United States today as compared to the 1960s. A large part of the increase is caused by more women being in paid working without any great reduction in the number of men in paid work.

When a fifth face modern indenture, many more face a curtailing of their choices. A majority have to carry out extra work. Most people do not do this extra work out of choice. Most jobs remain mundane and boring. Most jobs held by people with university degrees now involve mostly drudgery. People work longer hours in rich countries because they feel they have to. The poor have to because the minimum wage in countries like the United States fell in real terms so sharply from the end of the 1960s onwards that they became

indentured. The more affluent feel they have to because as the poor become indentured it becomes ever more important not to have to live like (or live near) the poor. And that costs money.

In the United States, where the need to labour just to survive is greatest, over a quarter of the young elderly, people age 65 to 69 have to undertake paid work simply to get by, as do a sixth of those aged 70-74. In the European Union less than a tenth of the young elderly have to work, and almost none aged 70-74. Almost half of young adults aged 15-24 are in paid employment in the United States, as compared to less than a third of that group in the European Union (even now when expanded to include most of Eastern Europe!) (Irvin, 2008, 87, Figure 4.2; and 118). In Japan the proportions in work as young adults (or when elderly) are much lower again. Different affluent groups of countries have chosen different courses to take; within each, different prejudices have been allowed to rise, others have been curtailed.

Within Britain the prejudices which are central to maintaining modern indenture have been an arrogance of academic elitism and individualist entrepreneurialism associated in recent years with 'a bloodless Oxford, a false cosmopolitanism' (Aughey, 2008, 68). Denouncing indenture has been made out to be merely utopian fantasy and 'utopianism has been given a bad name by those who want everything to stay the same' (Cruddas, 2008, 76).

Those who want everything to stay the same believe that only a select few have 'the brains' worth pandering to, and hence 'deserve' the expense of maintaining for them everything from medieval academic tradition to high salaries. Others should make their beds and serve them at high table. Those who want everything to stay the same see nothing wrong in a few entrepreneurs (capitalists/dragons/snakes in suits/businessmen) becoming exceedingly rich and having their wishes pandered to by servants too, others cook for them, and make their beds.

Rising inequality is the cause of rising indenture. It has been sustained and quietly justified by a rise in prejudice. This is a prejudice of being seriously relaxed about the rich and inequality because you don't see those below you as like you. The economy may have crashed but the prejudices that have been used justify why so many should labour for such miserable reward remain only slightly bruised. Who laboured for miserable reward to make your life easier today, because you are so important?

**Danny Dorling** is Professor of Human Geography at the University of Sheffield. He doesn't clean his office and too rarely makes his bed.

## References

- Aughey, A. (2008) 'A British National Culture', *Renewal* 16 (2): 65-71.  
Breeze, B. (2009) Review of Michael Edwards, *Just Another Emperor? The Myths and Realities of Philanthrocapitalism*, *Renewal* 17 (1): 90-92.  
Cruddas, J. (2008) 'Reclaiming aspiration', *Renewal* 16(3/4): 71-76.  
Dorling, D. (2007) 'The Soul Searching Within New Labour', *Local Economy*, 22 (4): 317-324.

Dorling, D. (2010) 'Indenture': labour for miserable reward, a fifth of all households, *Renewal*, 18(1/2),59-66.

- Irvin, G. (2008) *Super Rich: The rise of inequality in Britain and the United States*, Cambridge, Polity.
- James, O. (2008) *The Selfish Capitalist: origins of Affluenza*, London, Vermilion.
- Johnson, J. (2009) 'The need for new journalism', *Renewal* 17 (1): 83-87.
- Offer, A. (2006) *The Challenge of Affluence: Self-Control and Well-Being in the United States and Britain since 1950*, Oxford, Oxford University Press.
- ONS (2006) *Social Trends No.36*, London, Palgrave Macmillan.
- Rose, M. (2005) 'The cost of a career in minutes and morbidity', in Housen, D, *Work-Life Balance*, London, Macmillan.
- Rutherford, J. and Shah, H. (2006) *The Good Society: Compass Programme for Renewal*, London, Lawrence and Wishart.
- Steel, M. (2008) *What's going on*, London, Simon and Schuster.
- Turner, G. (2008) 'Causes of the credit crunch', *Renewal* 16 (3/4): 33-41.
- White, S. (2008) 'On the limits and possibilities of social democracy: The economics of Andrew Glyn', *Renewal* 16 (3/4): 134-147.
- Wilkinson, R. and Pickett, K. (2009) *The Spirit Level: Why More Equal Societies Almost Always Do Better*, London, Allen Lane.
- Wintour, P. (2009) 'Labour stakes its reputation on second gamble', *The Guardian* 19.01.2009.

## Notes

1. As derived from ONS (2006). Social Trends No.36. London, Palgrave Macmillan. table 5.15, page 78 (mean of the rates reported in 1984, 1994, and 2004).
2. See section 4.3 of the book this chapter is derived from for a list and the expanded argument.
3. See [www.basicincome.org/bien](http://www.basicincome.org/bien) (accessed 4/6/9) on how all could be paid a living income.
4. Presumably this was also the view of his wife, or she was not strongly enough opposed to prevent the school choice, but that has not been documented. Tony's comments about the work which would be beneath his children are recorded in Steel, M. (2008). What's going on. London, Simon and Schuster. (page 8).
5. Irvin, 2008, 87, Figure 4.2; and 118.