Good jobs, bad jobs

Good Jobs, Bad Jobs: The Rise of Polarization and Precarious Employment Systems in the United States. By Arne L. Kalleberg, New York, NY, Russell Sage Foundation, 2011, 292 pp., $37.50/hardback

In this large and detailed work, Arne Kalleberg, Kenan Distinguished Professor of Sociology at the University of North Carolina at Chapel Hill, investigates what he argues has been the transformation of work and employment relations in the United States over the past three to four decades. While he acknowledges the forces of international competition and rapidly changing technology that compel employers to adapt their human resource policies, he devotes the bulk of his discussion to the economic and social conditions that have given rise to "bad jobs," even as employers' requirements for skill and knowledge foster the creation of "good jobs." Kalleberg defines "bad jobs" as jobs that usually pay low wages, offer few if any wage increases over time, provide few if any fringe benefits, and allow no control over work activity. "Good jobs," by contrast, pay relatively high earnings, provide opportunities for advancement and adequate fringe benefits, and permit some worker control over scheduling and termination of the job. The crux of Kalleberg's book is that all jobs, whether good or bad, "have become increasingly precarious in the past four decades…and it is increasingly difficult to distinguish good and bad jobs on the basis of their security."

The author writes, "…bad jobs are no longer vestigial but rather, are a central…and in some cases a growing…proportion of employment in the United States." In line with the position of the European Commission, he does not believe that there can be "a single composite measure" or index of employment quality. He chooses instead to examine the economic and noneconomic aspects of job quality separately. Difficulties nonetheless arise. Nonstandard jobs, for example, may include those in which workers are well paid and can choose their own schedules. But this would not seem to be the norm. Thus, a large proportion of U.S. establishments—one-third to one-half—have adopted the core–periphery model of labor utilization: a core of "highly skilled, functionally flexible workers," assured of fairly permanent positions, "buffered" by "a periphery of outsourced, temporary, part-time and contract workers," who are subject to layoffs whenever cuts in labor costs are called for. Human resource management teams in such firms thus divide their workforce into either a permanent or nonpermanent status, just one aspect of the polarization (i.e., inequality) of the workforce Kalleberg examines.

Kalleberg contends that, during the 30 years following the end of World War II, a "psychological" or "social" contract existed between capital and labor, ensuring the mass of blue-collar workers a measure of job tenure and occasional promotions in return for hard work and reliability. This understanding began to erode during the 1970s. Jobs became less secure; industries faced such "macro-economic forces as aging technologies, and rising global competition from the lower cost labor of developing countries." Labor market institutions weakened, becoming less able to protect workers against downsizing, two-tier wage agreements, outsourcing, the hiring of temporary employees, and other means of facilitating "flexibility." Risk tended increasingly to be transferred to the workforce; for example, employer-paid pensions began shifting from defined benefit plans to defined contribution arrangements, and funds for employee training began drying up. (As scholars have noted, the latter may be an even more difficult hurdle for middle-age and older persons to overcome, because they are more likely to have home responsibilities and weaker academic backgrounds).

Kalleberg also notes the development of displaced-worker data by the Bureau of Labor Statistics in the mid-1980s. For the first time, information was collected on the involuntary displacement of workers for such reasons as plant closings, slack work, or the termination of positions or shifts. The loss of jobs in which these workers had accumulated specific skills, Kalleberg feels, calls for retraining programs and job search assistance.

In November 2008, Lawrence Summers, later a high-level economic advisor in the Obama administration, remarked, "The lack of middle class income growth since the late 1970s is the defining issue of our time." His concern was the stagnation of wages for much of the labor force, "especially for men," and the "proletarianization" of the large middle class. Earnings inequality had been relatively stable during the earlier years of the postwar period, but it was aggravated thereafter by "the creation of large numbers of poor quality, low quality jobs" starting in the mid-to-late 1970s.

In recent years, greater wage inequality has been widely attributed to skill-based technological change—for example, the "professionalization" of certain positions and the outsourcing of many others, resulting in an oversupply of unskilled or semiskilled workers. Yet, adaptation to changing technologies and the new skills it requires has been a continuous process in all modernizing economies for more than a century now. As Kalleberg points out, the skill-biased technological change in other advanced countries did not give rise to the inequality effects it has in the United States. Wage inequality has arisen at least in part from pressure to keep wages low, aided and abetted by job insecurity, layoffs, (i.e., worker displacement), the declining value of the minimum wage, and deunionization. High-wage occupations, in contrast, have been in large measure associated with changes in relatively few occupations (such as computer systems analysis and financial sales functions). Kalleberg terms this phenomenon "the growing financialization of the economy."

In his tireless pursuit of workers' quality of worklife experience, Kalleberg also investigates the time pressures they must address—on the job as well as at home. According to International Labor Organization data that he cites, "Americans worked 1,978 hours in 2000, a full 350 hours—9 weeks—more than Western Europeans," and dual-earner couples worked a total of 3,932 hours in 2000. In addition, "The average American worked 199 hours more in 2000 than in 1973," a period of three decades during which productivity nearly doubled. Possible reasons workers put in more hours include (1) efforts to make up for stagnant earnings, (2) corporate restructuring (i.e., downsizing, or reducing staff size), and (3) the pressures of global competition. Per Kalleberg, "The perceptions of a time squeeze on families [have led] … scholars and lay persons to question the legitimacy of time demands at work, the sacrifice of other values to the ever faster production of goods and services, and the resulting burden placed on the family and the health of citizens."

Kalleberg devotes the last part of his book to an overview of "Challenges to Policy": challenges that the problems of the polarized and precarious employment system pose. These, he believes, call for a "new social contract," or understanding, between business and labor, sustained by government policy and agency. Such a social contract, Kalleberg believes (or at least implies), existed between the end of World War II and the 1970s—a period in which trade unions were relatively strong—helping to ensure that productivity gains were equitably shared and that a sense of employment security prevailed.

At the core of Kalleberg's conception of the new social contract is the idea of "flexicurity." Borrowed from some of the experiences of Western European countries, flexicurity is designed both to safeguard the flexibility that business requires to meet global competition and effect rapid technological change and to impart a sense of economic and social security to the workforce. Kalleberg lists several "dimensions" of this security (some of which have been in existence since the 1930s) in his book. He appears to think that they should be anchored as citizen rights—that is, rights that exist outside the labor market—but not necessarily as employment rights, which tend to be subject to the "employment at will" doctrine of American business. He urges the reversal of the "anti-union climate in America" and the "reaffirmation of the right of workers to organize and bargain collectively." He has his doubts that the workplace model of trade unionism will remain viable, in view of workers' lessened attachment to employers and the greater importance of labor market intermediaries, which make for greater mobility between jobs and employers. Here, Kalleberg seems not to appreciate that such greater mobility lies at the root of the very precariousness he wishes to diminish.

An issue that remains is whether the "social contract" assumed by the author (as well as other scholars) to have existed during the earlier post-war period was really a success, considering the long strikes which occurred during that timeframe in the steel and auto industries and others. Moreover, after 1949 a number of states passed "right to work" laws, impeding the expansion of trade unions and indirectly encouraging the location of industrial enterprises in those states. Kalleberg is aware of the great political difficulties his various policy proposals face, but they do not deter him from fully supporting them.

This reviewer believes that Professor Kalleberg has written an indispensable work—indispensable to an understanding of today's situation of American labor and of much of the economy that sustains its livelihood. I strongly recommend the book. □

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