

New working-class task force faces broad challenges, labor expert says

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A task force launched by President Obama to boost America's middle class will have to help retool beleaguered U.S. workplaces facing their most sweeping changes since World War II, a University of Illinois labor expert says.

Joel Cutcher-Gershenfeld, the dean of the School of Labor and Employment Relations, says working-class fortunes are tethered to jobs now squeezed by recession and fraught with lingering problems ranging from stagnant wages and waning benefits to fundamental changes in the nature of work and markets.

"The scope of the task force is still taking shape, but this is a unique historical moment in which decisions made now will last for generations," he said.

Led by Vice President Joe Biden, the task force will have to sort through a host of factors that have converged to put America's working class on the brink of unprecedented change, even beyond a deep economic meltdown that has thrown millions out of work, Cutcher-Gershenfeld said.

He says a wave of federal bailouts has given government an ownership stake and a fundamentally different role in financial, automotive and other industries, yielding new influence that already is opening debate on executive compensation, workforce wages and benefits, and overall business strategy.

Change also looms as the U.S. continues to adapt to an increasingly global knowledge economy and a rising push for "green" jobs that promote energy savings and the environment, said Cutcher-Gershenfeld, whose research includes organizational change and public policy.

He says some of the challenges have been mounting for decades, such as a shift from defined-benefit to defined-contribution pensions plans that tie retirement to the performance of 401(k) investments for the vast majority of workers; the increasing importance of knowledge across virtually all sectors of work; and a growing disparity between "good" jobs with decent wages, benefits and development opportunities, and "bad" jobs that are caught up in a global "race to the bottom."

"Basically, we have maintained standards of living by increasingly having two people working in a household rather than one," he said. "There isn't room for a third wage earner in most households, so most families don't have an additional way to adjust to what has been a long period of a reduced rate of growth in real wage earnings."

Many of the issues facing the new task force will be debated in June during a national policy forum sponsored by the Labor and Employment Relations Association, a one-of-a-kind organization that includes officials from labor, management, government and academics, as well as so-called neutrals. The non-profit group's national office is based at the U. of I., and represents more than 45 local chapters across the country.

"These are not just interesting scholarly debates," Cutcher-Gershenfeld said. "These are live issues that are on the table. Choices will be made that will ultimately be quite significant for society, shifting workplace and market models that have endured for decades."

He says some decisions are more imminent than others, such as a need to provide education and retraining for workers who have been laid off

amid a deep and widening recession.

"Figuring out how to deal with these massive layoffs needs to be done in a matter of weeks or months, not years," Cutcher-Gershenfeld said.

"Other issues, such as how we approach 'green' jobs will be a multi-year proposition."

He says the newly formed task force is a needed step to boost middle-class living standards that have been steadily eroding.

"There's a need for what we call good jobs, jobs with good pay, good benefits and good working conditions," Cutcher-Gershenfeld said.

"Achieving that is not just a simple matter of raising the minimum wage. It's a much deeper set of structural challenges for our society."

Source: University of Illinois at Urbana-Champaign

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