

# The Task Rabbit Economy

By Robert Kuttner

**T**askRabbit.com markets itself as a Web service that matches clients seeking someone to do odd jobs with “college students, recent retirees, stay-at-home moms, [and] young professionals” looking for extra income. The company website calls it “a marketplace dedicated to empowering people to do what they love.” The name Task Rabbit doesn’t exactly suggest the dignity of work, and the love often takes humble forms. Customers hire Task Rabbits to clean garages, haul clothes to the laundry, paint apartments, assemble Ikea products, buy groceries, or do almost anything else that’s legal.

The San Francisco-based company, which has raised \$38 million in venture capital since it was founded in 2008, makes its money by tacking on a 20 percent surcharge to the fees paid by clients. The firm performs criminal background checks on aspiring Rabbits, who then get access to chore requests posted by customers. Using the familiar metrics of the Internet, the more than 10,000 approved Rabbits are rated by past users. Early this year, Patricia Marx wrote a witty *New Yorker* piece titled “Outsource Yourself” on her experience hiring a Task Rabbit to purchase and deliver hors d’oeuvres for her book group. When Marx fell behind in her reading, she hired a second Rabbit to summarize the book for her (Proust’s *Remembrance of Things Past*, no less) and to ghostwrite some clever comments. She then retained a third Rabbit to bake madeleines.

Marx’s adventure reads like a cross between Woody Allen’s famous short story, “The Whore of Mensa” (in which a character hires a young Brandeis graduate to talk pseudo-intellectual to him), and a labor-market fantasy by Friedrich Hayek. But Task Rabbit is more than a hip, Web-based temp agency. It’s the reserve

army of the unemployed made flesh. What’s diabolically brilliant and emblematic about the company is that prospective errand-runners *bid against one another for jobs*. To get an assignment, an aspiring Rabbit offers to do the chore for less money than he or she thinks other prospective Rabbits are bidding. That’s what makes it a metaphor for the new economy, a dystopia where regular careers are vanishing, every worker is a freelancer, every labor transaction is a one-night stand, and we colude with one another to cut our wages.

At the rate things are going, tens of millions of us could end up in the role of Task Rabbits. Not actual Task Rabbits, mind you. But temps, contract employees, casual day laborers, baristas, warehouse pickers at Amazon, fast-food workers, call-center operators, nurse’s aides, underemployed “consultants,” and adjunct professors all have one core trait in common with freelance errand-runners: They have lost bargaining power. Even people with regular paychecks are less likely than their parents to have decent pay, benefits, and job security. In its technology, the Task Rabbit economy is very 21st-century, but it brings back the 19th, an era when most people who didn’t farm or own property were casual labor.

**THE PRECARIOUS LABOR** market raises a host of questions. Is this trend economically efficient? Is it technologically inevitable? Must workers lacking advanced skills necessarily be relegated to a virtual hiring hall of low-paid day labor?

Further, in a relentlessly competitive global economy of intensified creative destruction, is job security no longer possible for employers to provide? Is a stable career a foolish aspiration? We hear that with lifetime employment

defunct, workers should not only adjust to the need to pursue multiple jobs, skills, and careers but welcome the challenge. Do Task Rabbits love the freelance life, or are they quietly desperate people internalizing the new norms of job insecurity?

Finally comes the political question. To the extent that at least some of this erosion of decent work is optional, what will it take to restore an economy of living-wage jobs?

As we try to figure out why the United States is becoming an economy of ever more casual employment and how to reverse this trend, we had better get the answers to these questions right.

Somehow, despite the claims for efficiency, a hyper-competitive labor market has not yielded superior overall economic performance. On the contrary, the era of more-stable employment in the quarter-century after World War II had almost double the recent rate of economic growth. Even the postwar era had its Task Rabbits, of course. My mother, widowed with a small child, took a temp job selling classified ads from home. Young people baby-sat, delivered newspapers, and fetched groceries for old folks at subprime wages. Minorities were relegated to insecure domestic, janitorial, and farm labor. But the norm for prime-age (white, male) breadwinners was regular payroll employment.

Katherine Stone, a professor of labor law at the University of California, Los Angeles, studies the erosion of what she terms the “standard contract of employment.” She doesn’t mean a literal contract, though some workers had one, but a set of norms and assumptions. That contract included a regularized workweek and paycheck and the expectation of continued employment assuming satisfactory job performance. The

social protections that were added throughout the 20th century—wage and hour laws, unemployment insurance, workers' comp for injuries, apprenticeship programs, regulated fringe benefits, anti-discrimination rules, Social Security, the right to bargain collectively, health and safety standards—were predicated on the assumption of a standard workweek. To use Stone's term, they were "layered" on top of the normal employment contract.

As Stone notes, regular employment promoted solidarity: "By giving workers the actual or potential experience of working together over extended periods of time, the standard employment contract taught them how to organize for industrial and political action." None of this happened spontaneously or was an artifact of a particular stage of capitalism. It took political struggle and victories in Congress and on the shop floor.

As the standard contract of employment has eroded, the added protections of labor regulation have eroded along with it. What economists call "contingent" workers—casual labor—generally don't get unemployment insurance, workers' comp, or fringe benefits; they pay their own Social Security and can't organize unions. The move to insecure, irregular jobs represents the most profound economic change of the past four decades. The \$64 trillion question is whether this collapse in what used to be standard reflects a shift in fundamentals—or merely a shift in political power from labor to capital.

**A LARGE COTTAGE INDUSTRY** of academic economists and policy advocates contends that America's widening income inequality is primarily a reflection of new technologies and global competition that leave lesser-skilled

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workers far behind. So the main cure for widening inequality is said to be a better-educated and -trained workforce. The economist's term for this supposedly inexorable trend is "skill-biased technological change."

The foundation-funded Commission on the Skills of the American Workforce published an influential 1990 report, *America's Choice: High Skills or Low Wages*. But as more and more people have completed college and upgraded their skills in the 23 years since, a better characterization of the U.S. workforce might be high skills and low wages. The 2007 sequel *Tough Choices or Tough Times* warned that "American workers at every skill level are in increasing competition with workers in every corner of the globe." For these reports, the remedy is ever more stringent education standards.

There are several problems with the skills hypothesis, but here are the main ones. The four-decade transfer of income to the top had little to do with skill and more to do with opportunities for corporations to weaken labor and capture more of the national product. A recent study by the Economic Policy Institute concluded that deregulation of financial markets has allowed elites to extract abnormal profits that are neither checked by market competition nor restrained by rules—super-profits that economists call "rents." In this case, rents were available thanks to the deliberate opacity of toxic financial products and trading strategies. Consider: Some of the most "skilled" financial engineers on Wall Street were rewarded with billions for costing the economy trillions. Measured against the economic consequences, the value of their skills was negative. A regulated labor market may be imperfect at aligning pay with skill, but a laissez-faire economy can be even worse.

Conversely, other highly skilled people, such

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as physicians and research scientists, have had fairly flat incomes. The relative premium to college education, the usual proxy for a skilled workforce, has increased more slowly since the 1990s. Further, there are many occupations in which people learn to work with advanced technology but receive no additional compensation. Today's autoworker has an impressive set of computer skills but earns less than his father.

As the economist Robert Gordon points out, all of the major advanced economies have had essentially the same technological trends but widely differing income distributions. Further, there is no evidence that the economy's rate of new demand for skills is above its historic trend.

According to a report from the blue-chip business group The Conference Board, jobs for architects and engineers have declined this year by 18,800, and jobs in computers and mathematics have dropped by another 35,500. Meanwhile, jobs have increased in such low-wage service occupations as transportation (by 36,200) and food service (by 18,800).

It's important to appreciate the political and ideological function of the emphasis on worker skills. For conservatives seeking to divert attention from the true causes of inequality and low wages, the focus on skills promotes the scapegoating of public schools and places the blame for paltry pay and job insecurity on workers rather than on changes in the rules of the system. Blaming high overall unemployment on skills deficits also gives conservatives a basis for opposing fiscal stimulus.

Another oft-cited cause is the shift from manufacturing to services. The production economy has more jobs in the middle of the income distribution, while services has more at the extremes. So as we switch to services, an economy of extremes is only natural, right? But

it's not as if metal bending is inherently a high-wage job. The decent wages took strong unions. Before Franklin Roosevelt and the industrial labor movement, most factory jobs were in sweatshops. In much of the world, they still are.

Globalization is another popular explanation, but here again there is more than one possible set of rules for trade. The system created at Bretton Woods in 1944 deliberately constrained private financial speculation in order to promote domestic economies of full employment. John Maynard Keynes's insight was that speculative flows of private capital pressure debtor nations to shrink their economies rather than pressing creditor countries to expand. The original International Monetary Fund was to help tide nations over during periods of payments imbalances. The World Bank was to provide public-development capital. Since the 1970s, however, the IMF, the World Bank, and the sister World Trade Organization have been used to demolish this managed form of capitalism, and globalization has become an enabler of *laissez-faire*. That, too, is optional. (The current penury of Greece, Spain, et al. proves Keynes's point.)

**THE NEW ECONOMY IS SAID** to reward flexibility and innovation. But as labor-market policies in Northern Europe demonstrate, there is more than one road to greater efficiency, productivity, and competitiveness.

The two iconic versions of more egalitarian competitiveness operate in Sweden and Denmark. In Sweden, for more than half a century the formula has included full employment, continuous investment in the workforce, and a deliberate effort to narrow wage gaps (known as a "solidarity wage policy"). Government strives to provide a job for everybody who wants one. During regional or national

downturns, it redoubles investment in public infrastructure and training. Workers can take retraining sabbaticals, opening jobs for other workers. Regional development and subsidies go to localities where old industries are in decline to help incubate new ones. The solidarity wage policy seeks to more nearly equalize earnings across industries and occupations, both as an end in itself and to promote job mobility so that a worker's move to a new sector doesn't entail an income loss. Over time, the entire economy becomes more productive.

The Danish version goes even further. Unemployed Danish workers can get up to two years of subsidized re-education and training, with compensation of up to 90 percent of their former earnings. Since the system produces security of employment rather than security based on a current job, Denmark boasts the world's highest rate of voluntary turnover. This strategy is known as "flexicurity." Workers can be flexible because they enjoy security of employment and earnings. Thanks to such policies, these nations have been able to have open economies with world-class multinational corporations based on skilled workforces. For purposes of the U.S. debate, what's notable about the Nordic model is that it reconciles a well-paid labor force with economic dynamism, refuting the conservative claim that a supple labor market requires insecure workers.

Germany lies somewhere in between the Scandinavian and the U.S. systems. For decades, Germany has maintained a high-wage, highly competitive economy by investing heavily in its workers and promoting a model that rewards reciprocal loyalty between workers and firms. During economic downturns and bouts of regional or national unemployment, the federal government subsidizes

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reduced working hours and job-sharing, so that a skilled local workforce does not disperse. Germany pioneered co-determination on company boards, in which workers get a say in corporate governance. It has the world's most comprehensive apprenticeship programs.

But here's the bad news. In recent years, neoliberal global trends have reached even Northern Europe. Conservative governments in Stockholm and Copenhagen have cut taxes, reduced these social outlays, and promoted a more individualist ethic and set of national policies. Labor-market policies have become more punitive, with less subsidized retraining and more U.S.-style closely monitored job searches for the unemployed. Though both nations remain among the world's most equal, low-wage work is starting to creep in. Labor market "reforms" in Germany, likewise, reduced unemployment protections and created a new underclass.

Once again, however, these shifts are not inevitable. There is nothing about new technologies that requires them to undermine job security and worker pay. Rather, the governing rules of the global economy—license for capital, no social standards in trade, international pressure to reduce domestic regulation—pull all of its players in a free-market direction, even the Swedes. Along with exploding financial products, these policies are among America's more toxic exports.

In the mid-1970s, as the postwar social contract was beginning to unravel, the political scientist Andrew Martin wrote the classic essay "Is Democratic Control of Capitalist Economies Possible?" Martin concluded that because of the concentrated power of organized business and finance in a market economy, an egalitarian society was possible, but

Starting at \$200,000 would be really amazing for a primary-care physician. It doesn't really happen, though, unless I wanted to work like I was a resident. And I don't—I'm a mom too.

My dad just turned 57 and still works. Primary-care physicians don't really retire, because most are passionate about caring for their patients and frequently can't afford to. I don't think my dad had a huge salary throughout—it's always been kind of the same until recently when he sold the practice he worked years to build—but he didn't have the debt burden at all. Medical school was relatively free for him. My parents struggled to make ends meet with four kids, but there was never this "Oh my gosh, I have to get out of debt, I have to get out of debt."

**NAME:** Austin Pfeiffer

**AGE:** 26

**OCCUPATION:** Carpenter

**HOURLY WAGE:** \$15

**ANNUAL INCOME:** \$23,000–\$25,000

**LOCATION:** St. Louis, Missouri

“I work for Klassen and Son Enterprises. It's a small renovation, remodeling, and addition company. Basically, I work for this guy Harvey Klassen. Been with them for about three years now. I went to school in New York for graphic design. I made it three and a half years through and kind of burned myself out. I came back here, and I was just kind of at my folks' house, laying around and not really doing anything and mooching drinks off friends whenever we went out. I'm living at home right now. I've been actively looking for a place to move to for a month or so now.

When I first came in I was sweep man—which means I was keeping the job site clean—and cut man, where people were yelling measurements at me, and I was cutting two-by-fours. I didn't know anything, but I picked it up as I went along. The world of tools is a vast, vast universe, but the stuff we use is all pretty



simple, though there's some heavy-duty stuff, like your circular saws. The most important part is getting used to it. We've got a young guy with us now basically doing what I was doing a couple of years ago—sweeping out, cutting—you can see he's uncomfortable with the saw. I'm sure I was the same way. You're worried the entire time that it's going to kick back on you.

We were framing a wall once, and three or four of us were lifting it up and there was a nail loose and it kind of gashed my hand. It was stitches-worthy, but I wasn't screaming holy mercy. There's workman's comp for while I'm at work, but I don't get health insurance. Right now I make \$15 an hour. My company is not union. Most of the smaller construction companies aren't. When I started I was probably at \$10 or \$11, and I've been getting a buck raise pretty regularly. Though, if you ask me, I should be getting paid more, but that's just the way it is right now till I ask for a raise. And if there's not work, there's not work, and we don't get paid. The union guys, they're all coming from making \$25, \$26, \$27 an hour and getting benefits. They come to work for Harvey, and they're not guaranteed 40 hours a week, and they're taking a pretty sizable pay cut. When the economy was slow, the union guys just didn't want to bother. They'd rather just keep getting unemployment and wait until they get some more union work.

Generally spring and summer are busy season. It slows down in fall, and it's usually pretty slow in winter. This winter, I'll probably try to call up UPS and see if I can get a gig as one of these seasonal drivers/helpers, when they're busy between Thanksgiving and Christmas. I still do some freelance graphic design here and there. Last year, I was thinking of moving to Kansas City and maybe picking up some courses because they've got a good little art institute. I see myself doing this for at least another few years and then either somehow escaping and successfully shifting into design with a little bit of side labor. Maybe I'll try to shift to the contractor side of things. Either way, I don't see myself making gobs of money, but hopefully not coming home quite as sweaty. I don't know. >>> page 50

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**NAME:** Colin Lieberman  
**AGE:** 34  
**TITLE:** Manager, sustaining-engineering team  
**ANNUAL SALARY:** \$140,000  
**LOCATION:** Oakland, California



“I started doing computer programming when I was six or seven. In high school, I took programming courses and had small IT jobs. But when I went to college, I didn’t want to sit in front of a computer all day. I majored in photography at the College of Santa Fe and was one of the few lucky ones whose parents were prepared for that.

After I graduated in 2003, I tried for eight months to find a job and ended up working at a one-hour photo place in Portland, Oregon. After an 18-month stint in Japan teaching English, I went back to computers. I worked as the IT guy for a small disability-rights law firm in Berkeley, then for a San Francisco company that sells font software, which was my first real programming job. Since I’d been out of the programming loop for nearly a decade, I had to learn a lot in a hurry, but I was 25, not married, didn’t have kids, so I had the time to do a lot of reading up on the technological changes and innovations that had taken place. After that, I was with Yahoo for three and a half years before ending up at Turnitin.

Turnitin is a grading and writing-evaluation system that detects plagiarism used by a number of large school systems, including the University of California. Students submit their work, which is checked against a database that’s grown organically over the last 15 years. I work for the sustaining-engineering team, which handles high-level issues that get escalated out of customer support. I oversee three junior people in the U.S., and we’re hiring two positions in Newcastle, England. I spend a lot of time in meetings—I see my role as going to meetings so the whole team doesn’t have to. In the last year or so, I realized how much more I enjoy management than actual development. It’s exciting to make something and have millions of people use it. But it’s more exciting to work with five or six people and give them the tools to succeed and watch them kick butt.

I see myself as staying here for a long time and have brought a lot of people here with me because it’s such a great place to work. We have three weeks of paid vacation plus ten holidays, as well as two volunteer days.

My wife and I have two boys, ages three and five. I try to get in at 7:30 A.M. and get out the door by 4 or 5. But there’s no one keeping track of hours and asking, “Where were you from 3:30 to 4?” If you’re sick but don’t feel like you need to take the day off, you can work from home. As long as the work’s getting done, we’re happy. I take the BART system to the office, which takes about 20 minutes. The child-care center is across the street from the train station. We pay a small fortune for child care—about \$2,000 a month.

**NAME:** Lara Shipley  
**AGE:** 32  
**OCCUPATION:** Adjunct professor  
**SALARY:** \$25,000  
**LOCATION:** Lawrence, Kansas

“I was working as an online photography editor at *National Geographic*. It was a time when everyone was getting laid off, and I got laid off, too, in 2008. It seemed like a good time to re-evaluate. I decided to go back for my master’s degree in fine arts.

I went to Arizona State University to a three-year program. I took out probably \$45,000 in loans—I didn’t have any savings going into grad school, but I was able to have school paid for with grants and scholarships and working as a teacher. But three years of just living expenses, they definitely add up.

One thing that was great about the school I went to is that you’re able to teach the whole time you’re there. I really loved doing it, and it was a good fit. Also, I wanted to find a way to be a working artist, and teaching in academia is one of the best places to do that because it’s kind of written into your job that 40 percent of what you do is research, >>> page 53



just barely. It required a strong labor movement, high voter turnout by the non-rich, and a labor or social democratic party that was the party of government most of the time. Political scientists speak of “American exceptionalism.” Maybe, Martin mused, it was more fitting to talk of Swedish exceptionalism. In the four intervening decades, global capitalism on the Anglo-Saxon model has become more ferocious and expansive, putting even the islands of greater security and equality at risk. “It may be,” Martin presciently wrote, “that the democratic control of capitalism has become impossible elsewhere because it remains impossible in the United States.”

But that conclusion may yet be too pessimistic. For there was a time, the era of the postwar settlement, when the stars were in alignment politically for a far more secure and egalitarian economy. If we can restore a more progressive politics, there is no purely economic obstacle to a far more secure society than the one we have.

**SUPPOSE WE WANTED TO GET** serious about creating an American economy of greater employment security and higher wages, in which nobody who wanted to work full time would be poor. For starters, we’d need a national strategy of using every available policy tool.

**Block the Low Road.** The most important labor-market trend of recent decades has been a concerted effort by industry to cheapen jobs. Some of these maneuvers are legal. Many are not. Both kinds should be opposed by public policy and political action.

Wage theft has become endemic in the United States. Employers steal wages (typically from the poorest and most vulnerable workers) in a variety of ways. As Kim Bobo’s definitive *Wage Theft in America* recounts,

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employers steal tips, fail to pay required overtime, add bogus deductions to paychecks, and misclassify regular employees as contract workers in order to avoid paying Social Security, unemployment taxes, or workers' comp. They illegally make workers "clock out" during slack times of the day and make them work "off the clock" at the end of shifts. They bill workers for uniforms and safety equipment, dropping their real wages below the legal minimum. Sometimes, they just flatly fail to pay wages owed.

All of these strategies for stealing worker wages take advantage of the absence or weakness of countervailing institutions to protect workers' rights and enforce the law. The Labor Department, which is responsible for enforcing nearly all of these laws, has far fewer inspectors now than it did in the late 1930s and early 1940s when the Fair Labor Standards Act of 1938 became effective. Bobo reports that in 1941, the Labor Department had 1,769 wage and hour inspectors for 15.5 million covered workers and 360,000 employers. In 2011, it had just 1,000 inspectors responsible for 130 million workers in 7 million enterprises. Meanwhile, the government has managed to find several hundred billion dollars to hire many tens of thousands of new federal workers on homeland security.

When a wage-thief is caught, the "penalty" is to pay a portion of the wages that were stolen. This is not petty cash. Back-pay settlements with companies like Wal-Mart, State Farm Insurance, and Citigroup have run well into the millions and even hundreds of millions of dollars. As Bobo writes, "If you rob someone's house, you will probably go to jail. If you rob someone's wages, you might have to repay the wages. Or maybe not." Imagine the deterrent effect if the

worst penalty for someone caught robbing a bank were to have to give the money back.

The labor movement has been pressing Obama to take executive actions to assure that federal tax dollars do not underwrite substandard jobs via outsourcing. Wage theft is only the most glaring part of a low-road labor strategy that has become part of America's standard business model. Policy should target outright theft but also promote a high road of regularized work. For instance, employers should be required to provide the same benefits to temps and part-timers that full-time workers receive, to discourage the strategy of redefining normal jobs as contingent ones. The Dutch version of "flexicurity" accords part-timers the same labor rights as full-timers, with the result that most part-time jobs in the Netherlands are considered good jobs, which in turn promotes healthy family life. In the typical Dutch family with children, two parents work one and a half jobs. (Yes, it's mostly mothers who have the half-time jobs, but the percentage of fathers is slowly increasing.)

**Full Employment.** As labor costs (and incomes) rise with increased wages and productivity, it becomes all the more important to keep the economy at full employment so that workers displaced from bad jobs can get better ones. That's a challenge for both macroeconomic and public-investment policy. Fiscal policies like the sequester cut in exactly the wrong direction. Instead we should be investing massively in a program of improved public infrastructure.

According to the American Society of Civil Engineers, the U.S. has a deficit of \$3.6 trillion in basic infrastructure—roads, bridges, tunnels, water and sewer systems, and public buildings. That doesn't even include the



# A system of employer-based benefits not only creates more vulnerability for citizens but also adds incentives for employers to shift to casual work in order to save the company money.

imperative to invest in systems to protect coasts against storm surges or retrofit buildings for energy savings or to create smart-grid electrical systems, greener waste disposal, and universal high-speed broadband. A multitrillion-dollar public investment would provide good, domestic jobs as it improves the productivity and growth rate of the economy. Tight labor markets by themselves improve labor's bargaining power. One of the reasons wages are so low today is persistent joblessness and insecure work.

Economists like the late Hyman Minsky, the man famous for describing the dynamics of the 2008 financial collapse decades before it occurred, have made the point that the advocates of skills upgrading as the panacea for low wages have the sequence backward. As Minsky observed, we should start by keeping the economy at full employment. In that climate, workers would remain in the active labor market and skills upgrading would move them up the jobs ladder. But in an economy of high unemployment, it makes little sense to train people for nonexistent jobs, and training alone doesn't get us back to full employment. Certainly, a skilled worker is likely to earn more than an unskilled one, other things being equal. But those other things matter a lot.

When World War II broke out, unemployment evaporated. The war production machine was the greatest jobs program ever but also the greatest skills program ever. Unemployed people with no skills—white, black, male, female—learned them on the job. Full employment came first, and it needs to come first once again.

**Minimum Wages.** The ongoing campaign of one-day strikes by fast-food workers includes a demand for a \$15-an-hour minimum wage. At \$7.25 an hour, the current federal minimum

wage is far below the inflation-adjusted post-war norm of \$10 an hour relative to the average wage. If the growth of the minimum wage had kept pace with the increase in hourly productivity, it would be roughly \$19 an hour, enough to end poverty.

According to a Dēmos study, "Retail's Hidden Potential," raising wages so that all retail workers earned at least \$25,000 a year (about a \$12.25 hourly minimum wage) would cost \$20.8 billion, or just 1 percent of the \$2.17 trillion annual sales of large retailers. According to a University of California study, raising the minimum wage to \$9.80 per hour would increase the cost of a hamburger by about 2 percent and would increase the cost of groceries by less than 1 percent.

Higher labor costs would indeed increase automation, eliminating lots of low-wage jobs in the short run and even some high-wage ones. But as long as we have macroeconomic and public-investment policies to keep the economy at full employment and labor-market strategies to promote job mobility, substituting capital for labor is what makes us more productive and richer in the long run. Without such policies, of course, workers suffer the effects of automation.

But the enemy is not automation; it's the failure to use the fruits of automation to convert a wealthier economy to one of well-paid jobs. There's nothing inherently "good" about a job assembling cars, pumping gas, or serving fast food. Society's goal over time should be to replace low-end jobs with machinery and move people into better jobs. Hence the need for full employment as the cushion, as well as other policies to mandate good wages.

The Nobel laureate Wassily Leontief liked to tell a parable in which the economy becomes

so productive that there is only one production worker left, and her job is to flip the switch. At that point, the pressing economic questions become distributive: Where does all that wealth go, and what does everyone else do for a living? The benefits of the automation can go to the factory owners, who become fabulously rich. Or the wealth can be spread around in the form of well-paid service jobs and leisure time. Unregulated markets tend to enrich mainly the owners.

**Reregulation of Finance.** As wage and salary income has become more precarious and more unequal, a steadily increasing share of the national product has gone to finance. Wage inequality and a shift of the total national income to capital are distinct but reinforcing trends. The more money Wall Street has, the more power it has to resist a regulated form of capitalism across the board. Reregulating finance would return banking to its historic function of being a servant of the rest of the economy rather than the master. The top 1 percent would have fewer opportunities to make off with so much of the national income, leaving more money for everyone else, and Wall Street would be proportionally weakened politically.

**Social Standards in Trade.** The conventional argument against labor and environmental standards in trade has been that citizens of Third World countries need to work for a pittance in order to help their countries get a foot on the ladder. "The central challenge in the poorest countries," *New York Times* columnist Nicholas Kristof wrote in 2009, "is not that sweatshops exploit too many people, but that they don't exploit enough." The same arguments were made a century ago for domestic sweatshop labor. But once workers organized, better factory wages and conditions benefited them as well as the larger economy.

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Labor standards in trade can put a floor under wages and working conditions and preclude the worst forms of a low-road business strategy. If every garment-factory owner had to pay a global minimum wage, the cost of a T-shirt might be a few cents higher, but trade once again would be based on factors other than a universal race to the bottom. Countries where citizens and workers have battled for a century to get decent social standards have every right to insist on a social tariff as a defense against conditions close to slave labor. Otherwise, we import the cheap standards along with the cheap products.

**Professionalized Human Services.** A related need is a national policy to convert all jobs caring for the old, the sick, and the young into good professional jobs. Nearly all human-service jobs are underwritten or subsidized by government. Public policy has a choice. We can define child-care and pre-kindergarten positions basically as baby-sitters or train and compensate people who work with preschoolers to the standards of schoolteachers.

If after-school and pre-K jobs pay, say, \$40,000 a year rather than \$8 an hour, our kids will benefit from a child-development-oriented experience instead of merely custodial care. Better-trained and -compensated professionals will produce better-educated students, and the whole society gains.

Nurse's aide positions in eldercare facilities and hospitals, likewise, can either be minimum-wage jobs with little training and frequent turnover or they can be part of a continuum of well-trained health professionals. Studies of nursing homes have shown that increased training and pay improve patient outcomes and reduce adverse incidents such as falls and bedsores. The problem is that nursing homes rely

and that research is your own art practice.

I just graduated last spring. I was applying for a tenure-track position everywhere and so was my boyfriend, who was finishing up his master's in fine arts in photography as well, and we were just going to see what happened. It was very stressful. For the longest time, we didn't know what was going to happen. I got close in a couple of jobs, but I didn't end up getting a full-time position, and then he got one at the University of Kansas at Lawrence. They agreed to bring me on as an adjunct. That seemed like a good plan for the time being, and then when I got here, I was checking in with other universities in the area. Now I'm teaching at another school, too, so I have two jobs in two places.

My salary is going to end up being \$25,000 for two semesters plus a little bit extra for traveling. I think we're kind of lucky. Photography is a really popular course for undergrads, so there seems to be plenty of photography positions. I know other people who are in some other medium, and it's really difficult for them to find even adjunct work.

Because it's so low-paid, it's really not something anyone expects to do long term. One of the things about academia that's kind of tough is that there's a once-a-year market. Jobs are going to be posted in the fall, and then people get interviewed in the spring, and then there's some shuffling around, and then there's really nothing else you can do until next fall. So I plan to apply to full-time positions. I think with more teaching experience this year I will be able to find something more full time.

I'm really happy with it so far, though. I have great students. I'm teaching photography classes, which is exactly what I wanted. So that makes it easier. It does feel a little bit like starting over, coming back on the low totem pole, working my way into something more permanent. That feels very much like it did when I got out of journalism school almost ten years ago. So I'm hoping this is going to be the last big change.

NAME: **Isaac Benham**

AGE: **28**

OCCUPATION: **Contract lawyer**

HOURLY WAGE: **\$30**

ANNUAL INCOME: **\$60,000**

LOCATION: **Washington, D.C.**

“In college, I was an English and philosophy major, because those were the classes I liked, and then I started thinking, ‘OK, I need a plan for making money once I graduate.’ So I started looking at law school, because that is maybe the one thing you can do with an English and philosophy degree. Or so I thought.

When I went into law school—I graduated from Georgetown in 2010—I thought it was easy to get a job. Pretty much everyone I went to school with thought that. There's a well-organized courtship process that law schools oversee between firms and their students. If you get a summer associate internship at the end of your 2L year, generally that will turn into an offer of employment after your 3L year. If you don't get a summer associate position, you have to get creative. I didn't get a summer associate job, and right around the time, the market crashed.

I knew I was going to have to pound the pavement to find a job. Normally, Georgetown's hiring statistic is something like 90 percent of people looking for firm jobs get them. My year, I believe it was around 50 percent—at least after 2L summer—because of the financial crisis. Many people who landed jobs had to target smaller firms and conduct a job search outside the usual track of summer associate to regular associate.

By the time I graduated, it was still my idea to work in a firm. I had six-figure debt. Shortly after taking the bar, I started to work as a contract attorney. I go through a company, and I rarely have more than two weeks off over the course of several months. On a project, every day is a lot like the day before. I'll get to the office around 8 or 8:30 A.M. and work till 6 or 6:30 P.M. Pretty much the entire day is spent going through e-mails that have been turned over by >>> page 54



a party in litigation. I will just go through, populating a document template on the computer, saying whether those e-mails are relevant to the litigation, under what categories are they relevant, and also determining if they're protected by attorney-client privilege. For the past year or so, I have been fortunate enough to work in a sort of managerial capacity, which is less monotonous and a bit more interesting than the lower-level stuff. There are still plenty of days where I'm reviewing docs like everybody else and then it's pretty much lather, rinse, and repeat. It's not too intellectually stimulating.

When I first started out "doc reviewing," I was thinking it was a very short-term gig; I kept my eye out for jobs, mostly at smaller local law firms. However, about nine months in or so, maybe earlier, I kind of stopped looking for a firm job, because I didn't think I wanted to be a lawyer long term. I started to see what firm life would be like through contracting with firms and seeing what their associates did. I frankly dislike the work. Also, I had a lot of friends from law school who were working in firms, and the lifestyle didn't appeal to me. A lot of my friends at firms don't really have nearly the amount of time to do what they want to do that I have. I decided I value that, and I like my lifestyle. I'm willing to give up a fair amount of income to keep that balance.

**NAME:** Steve Ferguson

**AGE:** 30

**OCCUPATION:** Contract autoworker

**HOURLY WAGE:** \$15.70

**ANNUAL SALARY:** \$28,000 to \$30,000

**LOCATION:** Smyrna, Tennessee

“For two years, I've been working for Yates, the temp agency that hires out for Nissan. They hire workers to come inside the plant, whether that is on the manufacturing line or picking parts to go to the manufacturing line. Before that, I worked for a subcontractor for Nissan down in Lewisburg, Tennessee. My fiancée's grandmother heard something on the news that they were going to be hiring a bunch of people up here,

and so I applied. Three or four months later, I ended up getting a phone call to come up here for an interview and orientation.

The lady that interviewed me, she works for the company, and I asked, "How long do I have to work here to possibly get hired on as a full-time Nissan employee?" And her response to me: Dead center, looked me in my eyes and said, "You probably never will be hired as a Nissan employee. They have not hired anybody on in Nissan in probably nine to ten years." But the starting pay was better than what I was making where I was at. Plus, where I lived at the time was a 30-minute drive to work, and I was only making \$10 an hour. I was topped out already. I have two little girls, and at that time I was divorced and I just met the woman who is now my fiancée. I wanted to make something of myself. My father worked for GM for 30 years, so the way I looked at it was, even though it's two different companies, it's car manufacturing, and there's good money in that. I wanted to be able to provide for my daughters and my family the way my father provided for me and my mother. So then when I got hired and had my interview and was told that, well, it was a rock and a hard spot.



I work on the truck line. I work on the Pathfinder and the Infiniti JX. I haven't been treated terribly. I think a lot of what Yates does is what Nissan will allow them to do. I don't think they can pay us any more right now because they only get a certain amount from Nissan. I work next to Nissan employees every day doing the same work that they do, but I make half of what they make. They think that it's really unfair for us. I pay everything on time. But do I have enough to take my kids out to go get an ice cream cone or take my fiancée out on a date night or something? Some weeks I don't. Ten years from now, I want to be doing whatever will provide for my family. If that's me still working at Nissan, then as long as I'm able to provide for my family, I'll be happy. ■

heavily on Medicaid reimbursements, which are too low to allow decent pay for nurse's aides. Professionalizing these occupations will require different national priorities.

**Social Income.** In America, our threadbare welfare state has come to connote benefits for the officially certified poor. A more useful phrase and concept is the old-fashioned British term: social income. It's the income that all of us receive as citizens, not just as workers. If everyone receives universal health benefits, a retirement package, paid parental leave, access to professionalized child care and to higher education without crippling debt, the effective income distribution becomes more equal and a society in which people change jobs frequently is less onerous to the individual.

By historical accident, the United States ended up with a partial welfare state in which most benefits were either directly job-related (health care, retirement), predicated on the assumption, in Katherine Stone's term, of a standard employment contract (unemployment insurance, collective-bargaining rights), or were for the needy. The great exceptions are Social Security and Medicare, which are for everyone. In Europe, the welfare state is better defended, because more benefits (child care, pre-K, universal health insurance) are for everyone.

In an economy of increased job mobility, this link between employer and social benefits has become perverse. A system of employer-based benefits not only creates more vulnerability for citizens but also adds incentives for employers to shift to casual work in order to save the company money. Although the Affordable Care Act, which exempts many part-time employees, intensifies the shift to contingent work as an employer strategy of tax-avoidance, corporations were shifting to temp, part-time,

and contract work long before Obamacare. As a source of health coverage, government should be more than the default provider; employers should be removed from the equation entirely. Today's economy will continue to have more job mobility than the mass-production, stable-corporation economy of the postwar era. The more labor transition we have, the more our social benefits should be universal and tax-supported.

**Progressive Taxation.** To finance a national policy of using public investment to keep the economy at full employment, upgrading human-service work, and universalizing social income, we would need roughly an additional trillion dollars more revenue a year. That's about 6 percent of gross domestic product. Simply reverting to the pre-George W. Bush tax code would provide almost half of that each year. Getting serious about collecting taxes from offshore tax evasion by corporations and individuals would produce another \$100 billion to \$200 billion yearly. A financial-transactions tax would raise at least another \$200 billion and reduce purely speculative activity on Wall Street. If we did increase taxation as a share of GDP from its current level of about 17 percent to 23 percent, that would still leave the United States among the more lightly taxed of advanced capitalist nations.

**The Right to Unionize.** One of the unenforced laws on the books is the Wagner Act, which guarantees the right to organize or join a union without the risk of retaliation. Today, if you try to organize a union, you are likely to be fired. One of the best defenses against wage theft and other management abuses is a union. If you had all of the other policies advocated in this article, maybe you wouldn't even need unions. But without stronger unions, we are unlikely to

**There's nothing inherently "good" about a job assembling cars or pumping gas. Society's goal over time should be to replace low-end jobs with machinery and move people into better jobs.**



get the other policies. Organized labor needs to be understood both as a set of collective-bargaining institutions and as a social movement cum political force. Even though most of America is suffering from work and income anxiety, what's missing is not the policy tools but the politics.

**IF WE PURSUE THIS SUITE** of policies, the American economy in the Internet age will still be more dynamic, supple, and innovative than its postwar counterpart was. There will still be plenty of people who deliberately choose to have multiple careers, plenty of eager freelance entrepreneurs, and lots of odd jobs for Task Rabbits. But more young professionals will be working in the professions for which they were expensively trained rather than picking up other people's laundry. More college students will be spending time at their studies rather than seeking low-wage strategies for paying the bills. More retired people will be able to afford retirement rather than running errands or bagging groceries. More moms (and dads) will be staying at home with their children thanks to paid parental leave. More parents will be enjoying part-time jobs with the same pay scale and social benefits as full-time ones rather than rushing out to assemble someone else's Ikea crib at minimum wage or less—and paying other workers minimum wages to watch their kids.

Even Task Rabbits would gain. In a tight labor market, clients who needed odd jobs performed would have to pay decently. Without a reserve army of "distributed workers," clients would have to bid wages up, instead of enjoying the spectacle of anxious Rabbits bidding them down. Being empowered to do the work we love is the right slogan. It just doesn't describe the Task Rabbit economy. ■