

Employment Security

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Résumé de l'article

J'aimerais proposer la définition suivante de la sécurité d'emploi : « état économique qui fait qu'un travailleur individuel a la possibilité de continuer à travailler autant d'années qu'il le désire ». Ce travail ne doit pas nécessairement être au même poste, ni avec le même employeur, ni dans la même industrie.

La sécurité d'emploi ainsi définie, il existe plusieurs séries de données qui permettent de juger du progrès d'une nation vers la sécurité d'emploi de sa main-d'œuvre. La première est évidemment le taux de chômage. La seconde vise la durée du chômage. L'examen simultané de ces deux mesures révèle le succès relatif qu'ont les gens, non seulement à garder leur emploi, mais aussi à en trouver rapidement un autre. Finalement, les données sur les hausses et les baisses du niveau de vie et sur la distribution de la richesse au sein de la population fournissent certains indices sur les conséquences qu'ont les déplacements de main-d'œuvre sur le revenu net.

Alors que les données brutes sur les taux et la durée du chômage permettent de peindre un tableau relativement optimiste pour la plupart des travailleurs américains, il ne faut pas oublier ces travailleurs qui ont souffert de façon disproportionnée du chômage et dont la situation critique ne peut être ignorée. Le pourcentage d'Américains vivant dans la pauvreté, et plus particulièrement les familles monoparentales, demeure une préoccupation constante.

La stratégie à utiliser afin d'accroître la sécurité d'emploi dans une société comporte un certain nombre d'éléments. Il y a, entre autres, les politiques macroéconomiques et commerciales ainsi que les initiatives du secteur privé qui permettent la croissance de bons emplois, première condition pour une économie de plein emploi. Les politiques sociales, tant publiques que privées, sont tout aussi importantes, de même que les initiatives qui préparent les gens au travail, réduisent les coûts humains d'adaptation, répondent aux besoins de ceux qui ont à subir des désavantages professionnels et sont généralement sensibilisés aux concepts de justice et d'équité qui sont l'apanage d'une société démocratique. On ne pourra atteindre la sécurité d'emploi sans une concertation des efforts sociaux et économiques pour un consensus national en vue d'atteindre un objectif commun.

La présente étude se concentre sur un certain nombre de programmes sociaux qui touchent la sécurité d'emploi, lesquels nécessitent une grande amélioration si l'on veut éviter des risques sérieux pour l'avenir. Notre système d'éducation primaire et secondaire est en plein désarroi, en dépit du fait que le lien unissant éducation et sécurité d'emploi soit reconnu comme étant direct.

De façon générale, les politiques d'emploi pour les désavantages n'ont pas atteint leurs objectifs, surtout à cause des champs d'application limités, du financement inadéquat et d'une administration déficiente. La politique publique commence à peine à se préoccuper de minimiser le traumatisme des travailleurs licenciés. Cependant, le secteur privé, organise ou non, a agi avec plus de vigueur et d'imagination.

Depuis les cinq dernières années, la majorité des travailleurs américains ont vécu l'expérience d'un emploi stable, même si ce n'était pas toujours avec le même employeur, alors que les efforts des secteurs publics et privés sont parvenus à diminuer la période de transition de ceux qui perdent leur emploi. Le fardeau de la restructuration économique repose de plus en plus sur les épaules des nouveaux arrivants et de ceux qui reviennent sur le marché du travail, de même que sur celles des désavantages qui sont ni qualifiés ni instruits. Aux États-Unis, des taux de chômage peu élevés et de courtes périodes de chômage donnent une image positive de la sécurité d'emploi pour la majorité de la main-d'œuvre. Cependant, la disparité de revenus qui existe entre le travailleur moyen et les gens peu éduqués qui vivent sous ou près du seuil de la pauvreté donnent une image plutôt négative des moins bien nantis.

Les programmes publics et les efforts du secteur privé visant à aider les désavantages à mieux se défendre sur le marché du travail ont connu un succès marginal. C'est à ce domaine que la société américaine doit donner une priorité particulière et une attention renouvelée si l'on veut que la sécurité d'emploi devienne une réalité pour tous ceux qui représentent la main-d'œuvre américaine.

Employment Security

Malcolm R. Lovell, Jr.

The authors is preoccupied with the performance of given societies in providing work opportunities for their citizens, and in developing private and public policies which contribute to employment security.

Employment security may be thought of as a state of mind, an elusive and ephemeral goal which can disappear just when its achievement seems most likely. It is in a sense a contradiction, an oxymoron, for employment can never be truly secure if we require certainty rather than probability in our employment relationships. So it must be thought of in relative terms, more secure or less secure. It ill behooves one to say, "I have it", for fear that the very expression will somehow tempt the fates to change the circumstances!

But from a public policy point of view, it is a vital goal, an important measure of how well a society is serving its members. If people feel assured that they will always have an opportunity to contribute to their own welfare and that of the broader society, individuals and society gain. It is proper, therefore, to examine how well a society performs in providing work opportunities for all its members and how it develops private and public policies which contribute to employment security.

In this paper I shall first offer a definition of employment security which permits us to measure the performance of a society in moving toward this goal. I shall then attempt to assess the degree of employment security we in the United States have achieved for the men and women in our workforce.

Unlike many economic phenomena there are no accepted data series which reveal in concise detail the degree of employment security enjoyed by the working people of a nation. Moreover, there is no generally accepted definition of "employment security" which makes possible the quantification of the available data.

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I would like to propose the following as the definition of employment security: "An economic state wherein an individual worker is able to have continuity of work opportunity throughout the years he wishes to be employed". This work certainly does not have to be on the same job, with the same employer or even with the same industry. But this definition does assume that the work undertaken reflects the individual's income requirements and aspirations.

Consistent with this definition is a recent statement on employment security by the Collective Bargaining Forum, a high level group of corporate and union leaders who have been meeting over the past four years in an effort to improve the labor management climate in the United States. In a publication entitled "New Directions For Labor And Management", the Forum states in part, "...in a global economy employment security must be seen as a dynamic concept. It does not mean that an individual has a right to expect to hold any specific job indefinitely. It also implies that workers must be prepared to make and assist in a transition to a different employer more frequently than has been the case in the past".

If one defines employment security in this fashion, there are several data series which can be examined to track a nation's progress toward employment security for its workforce. The first is, of course, the unemployment rate. The second is data regarding the duration of unemployment. These two measures taken together indicate the relative success people have not only in holding jobs but, equally importantly, in being able to move quickly to a new work opportunity. Finally those data indicating the rise and fall of the standard of living and the distribution of wealth within the population give some indication of the net income consequences of work force shifts which take place.

In reviewing the data relating to employment security and making an assessment regarding the performance of the United States, one must first look at unemployment. While the United States had an unemployment rate in the 1960's and 1970's substantially higher than that of Japan and the European Community, its performance during the 1980's is far more commendable. While the unemployment rate is consistently higher than that of Japan, the U.S. has outperformed many of its trading partners over most of the decade (see Chart 1).

In considering the duration of unemployment, one finds that most data is collected not by average duration of an unemployment spell but by percentage of total unemployment lasting six months and over and twelve months and over. Chart 2 shows that throughout the 1980's the performance of the United States in regard to long term unemployment was among the best of the nations surveyed including Japan.

Chart 1
Unemployment Rates in OECD Countries
Standardised Unemployment Rates¹

	1964-73	1974-79	1980-85	1985	1986	Average rates % Latest period
US	4.5	6.7	8.0	7.1	6.9	5.9 (August)
Japan	1.2	1.9	2.4	2.6	2.8	2.7 (July)
Germany	0.8	3.2	6.0	7.2	6.9	7.0 (July)
France	2.3	4.5	8.3	10.1	10.3	10.9 (July)
UK	2.9	5.0	10.5	11.2	11.1	9.8 (August)
Italy ²	5.5	6.6	9.2	10.5	—	10.7 (1986 Q3)
Canada	4.8	7.2	8.9	10.4	9.5	8.7 (August)
Belgium	2.3	6.3	11.3	11.2	10.8	10.6 (July)
Netherlands	1.3	4.9	10.1	10.6	9.9	9.6 (July)
Spain	2.6	5.2	16.6	21.4	21.0	21.1 (February)
EC average ³	2.7	4.9	9.5	11.1	—	—
Major seven ⁴	3.1	5.0	7.1	7.4	—	—

¹Data have been adjusted by the OECD as far as possible to preserve comparability over time as well as between countries, but nevertheless there are some breaks in the individual series. Recent figures are provisional and could be substantially revised.

²Existing series not updated pending the receipt of new data based on EC labour force surveys.

³Germany, France, UK, Italy, Belgium, Netherlands, Spain only.

⁴US, Japan, Germany, France, UK, Italy, Canada.

Canada has also fared comparatively well on both of these indices. Chart 3 depicts average duration of unemployment from 1979 to 1987 and shows both the United States and Canada as strong performers. The past five years in which the U.S. has had falling unemployment and relatively short duration of unemployment have also been years of rapid change in the nation's job mix. It is estimated that over a million people a year were permanently displaced from their jobs due to the churning of the labor market and the pressure of competitive forces on all sectors of the economy.

The American standard of living has also been rising. The GNP per capita has grown at an average annual rate of 1.7% between 1965 and 1985. While the rate of growth was substantially less than that of many of our trading partners (Japan 4.7%, Germany 2.7%, Canada 2.5%, Mexico 2.7%),¹ the United States, with an average per capita income of \$16,690 in 1985, still has a standard of living among the highest in the world.

¹ World Development Report-World Bank.

Chart 2
Incidence of Long-Term Unemployment in Selected OECD Countries
In Percentages of Total Unemployment

	1980		1982		1983		1984		1985		1986	
	6	12	6	12	6	12	6	12	6	12	6	12
	months and over	months and over	months and over	months and over	months and over	months and over	months and over	months and over	months and over	months and over	months and over	months and over
Australia	39.9	19.9	38.8	19.0	52.7	27.5	51.3	31.2	51.5	30.9	47.4	27.5
Austria	19.4	9.2	19.8	5.7	25.8	9.0	28.3	12.9	27.6	13.3	26.7	12.6
Belgium	73.6	57.9	75.3	59.5	77.9	62.8	81.3	68.0	80.6	68.3	80.7	68.9
Canada ^a	15.5	3.3	20.4	5.3	28.7	9.8	26.6	10.1	26.3	10.3	25.6	10.9
Finland	35.0	27.0	35.0	22.3	32.7	22.3	33.1	22.3	34.7	21.1	—	—
France	56.0	32.6	64.1	42.1	67.0	42.2	66.5	42.3	71.0	46.8	70.0	47.8
Germany	36.2	17.0	46.4	21.2	54.1	28.5	55.1	32.7	51.7	31.0	52.2	32.0
Ireland	51.0	34.8	50.1	31.8	50.9	31.0	57.8	39.1	59.2	41.2	62.8	44.3
Italy ^b	—	37.1	—	37.8	—	41.9	—	50.0	—	56.4	—	—
Japan	36.8	16.0	33.1	14.9	33.8	15.5	37.6	15.2	33.5	11.8	39.3	17.2
Netherlands	45.6	25.9	59.4	31.6	69.6	43.7	75.0	54.5	73.5	55.3	74.4	56.3
Norway ^b	10.7	2.3	15.1	3.3	20.0	6.7	28.5	10.8	22.0	8.3	16.8	6.7
Spain	58.9	34.5	68.8	49.1	71.0	53.5	72.9	53.6	73.8	56.8	72.5	56.6
Sweden ^a	16.9	5.5	22.1	8.4	24.9	10.3	27.9	12.4	27.1	11.4	21.8	8.0
United Kingdom	34.4	19.2	54.7	33.6	58.1	36.5	60.2	39.8	60.4	41.0	60.2	41.1
United States ^a	10.7	4.3	16.6	7.7	23.9	13.3	19.1	12.3	15.4	9.5	14.4	8.7

a) Data are averages of monthly figures.

b) Data are averages of quarterly figures.

Note: International comparisons of the duration of unemployment are particularly uncertain. The data here are best used for comparing movements over time. For any single year, only large differences in the levels should be regarded as significant. The data are drawn from both household survey sources and from administrative records. Data from household surveys suffer from problems of inaccurate reporting by households and sometimes no figure for unemployment duration is reported. International comparisons between survey data are made more difficult by the different national treatments of any overlaps between periods of job-search and periods of employment. Estimates for countries where levels of long-term unemployment are low are naturally subject to relatively high sampling errors. Data from administrative records are generally less suitable for use in international comparisons since they depend so heavily on the conventions of the different administrative systems. Data for Australia, Canada, Finland, France, Italy, Japan, Norway, Spain, Sweden and the United States are from household surveys; data from the remaining countries are based on the duration of registration as unemployed according to the records maintained by employment offices. In the case of Canada, Finland, France, Italy, Japan (1984), Norway and Spain, persons for whom no duration of unemployment was specified are excluded from total unemployment.

Sources:

- Australia: Australian Bureau of Statistics, *The Labour Force, Australia*; data refer to August of each year.
Austria: Data refer to end-August of each year and are supplied by the national authorities.
Belgium: Data refer to the wholly unemployed drawing benefits at end-June of each year and are supplied by the national authorities.
Canada: Unpublished data from the labour force survey supplied by Statistics Canada.
Finland: Data refer to Autumn of each year from the annual labour force interview survey and are supplied by the Central Statistical Office of Finland. Persons aged 55-64 on unemployment pensions are excluded.
France: INSEE, *Enquête sur l'Emploi*; data refer to March of each year except for 1982 when they refer to April-May.
Germany: *Ämtliche Nachrichten der Bundesanstalt für Arbeit*; data refer to end-September each year.
Ireland: Data on the age-duration analysis of the Live Register supplied by the Central Statistics Office; data refer to April of each year except for 1979 when the data refer to February.
Italy: ISTAT, *Rilevazione delle forze di lavoro*.
Japan: Management and Co-ordination Agency, Bureau of Statistics, *Report on the Special Survey of the Labour Force Survey*; March of each year except for 1983 when the data refer to June, and 1984 when the data refer to February.
Netherlands: CBS, *Sociale Maadstatistiek*; data refer to end-May of each year.
Norway: Data from the labour force survey supplied by Central Statistical Office.
Spain: INE, *Poblacion Activa*; data refer to last quarter of each year.
Sweden: Statistics Sweden, *The Labour Force Survey*.
United Kingdom: Department of Employment, *Employment Gazette*; data refer to July of each year.
United States: Bureau of Labor Statistics, *Employment and Earnings*.

Chart 3

Average Duration of Unemployment (in weeks) Among the Unemployed

	1979	1981	1986	1987
Canada	14.9	15.2	20.3	20.5
United States	10.8	13.8	15.0	14.5
Germany, Fed. Rep.	30.5	28.3	54.5	50.5
Japan	27.7	23.3	34.4	--

Sources: Canada: National Sources: Statistics Canada, *The Labour Force*, Dec. 1979, 81, 86, 87.

United States: Bureau of the Census, *Employment and Earnings*, Jan. 1980, 82, 88.

Germany, Federal Republic: *Antliche Nachrichten der Bundesabstalt fur Arbeit*, Nurnberg, Sept. 1987, 88.

Japan: Statistics Bureau, *Report on the Special Survey*, March 1979, 1981, Feb. 1986.

While the gross figures on unemployment percentages and duration are reassuring, there are clearly those unemployed who have suffered disproportionately and whose plight must not be ignored. The percentage of Americans living in poverty remains a continuing concern particularly those associated with single parent families. A recent study suggests that the lower class in the United States, although stable in size, is receiving a declining share of the pie over time². The number of children below the poverty level (19.8% in 1986; Chart 4) has been increasing throughout most of the 1980's and poses a particularly challenging problem.

There are a number of ingredients inherent in a strategy to increase employment security in a society. There are, of course, the macro economic and trade policies and private business initiatives which provide the growth of good jobs which is the first requirement of a full employment economy. Equally important are the public and private social policies and initiatives which prepare people for the work to be done, reduce the human costs of worker adjustment, address the needs of those with employment handicaps and are generally sensitive to the concepts of fairness and equity demanded by a democratic society. Employment security cannot be achieved without blending the economic and social efforts in a national consensus toward a common goal. I list below five determinants constituting the underpinnings of employment security.

² Michael HARRINGTON and Stephen HAUGEN, "The Declining Middle Class Thesis: A Sensitivity Analysis", *Monthly Labor Review*, May 1988.

1. Macro economic and trade policies fostering economic growth and job creation within the national economy and the world trading system.
2. Private economic behavior driven by market forces and a determination to prevail which results in the competitive production of quality goods and services.
3. Employer commitment to the employment security of the workforce consistent with the economic competitiveness of the enterprise.
4. Private and public education and training policies which equip the workforce to perform in a competent manner and which make possible the worker mobility needed to meet the changing needs of a modern economy.
5. Social policies which deal sensitively, humanely and in a cooperative spirit with the human problems associated with change, but which do not severely threaten the capacity of a nation's economic enterprises to react quickly to such change.

While all of these ingredients do not need to be present and perfectly implemented at all times, they do need to be present in a mix wherein the absence or imperfections of one are balanced by one or more of the others.

A number of public and private policies and practices in the United States have contributed both to our successes and our failures in providing employment security to American working men and women. These policies define the social framework which make it possible to maintain the macro economic climate and job growth vital to full employment.

First I would like to examine the social policies that have been adopted to increase the employability of those who are having difficulty adjusting to changing labor market conditions. These programs have been designed to help both the disadvantaged people who have always been marginal in the work force and the displaced workers adversely affected by recent economic change.

The primary program addressing the needs of disadvantaged people is the *Job Training Partnership Act (JTPA)* which in 1982 replaced the *Comprehensive Employment and Training Act of 1973 (CETA)*. JTPA, though more effective than CETA, has only dealt marginally with the majority of the labor force underclass. Only 5% of the eligible clientele, for example, were served by JTPA in 1987. There are also serious questions as to whether the employability shortcomings of those who are served can be overcome given the program designs and budgetary constraints now in existence. The most effective program, the Job Corps, reaching its current high performance status after 20 years on the learning curve, has a cost per completion

in excess of \$15,000. The United States is not prepared rightly or wrongly to spend such sums to help all needy youth become more competitive in the labor market.

Chart 4
Persons Below Poverty Level and Below 125 Percent of Poverty Level:
1959 to 1986
(Persons as of March of the following year)

Year	Numbr below poverty level (mil.)				Percent below poverty level				Below 125 percent of poverty level		Average income cutoffs for non-farm family of 4 ¹	
	All races ¹	White	Black	His- panic ²	All races ¹	White	Black	His- panic ²	Num- ber (mil.)	Per- cent of total popu- lation	At poverty level	At 125 percent of poverty level
1959	39.5	28.5	9.9	(NA)	22.4	18.1	55.1	(NA)	54.9	31.1	\$ 2.973	\$ 3.716
1960	39.9	28.3	(NA)	(NA)	22.2	17.8	(NA)	(NA)	54.6	30.4	3.022	3.778
1966	28.5	20.8	8.9	(NA)	14.7	12.2	41.8	(NA)	41.3	21.3	3.317	4.146
1969	24.1	16.7	7.1	(NA)	12.1	9.5	32.2	(NA)	34.7	17.4	3.743	4.679
1970	25.4	17.5	7.5	(NA)	12.6	9.9	33.5	(NA)	35.6	17.6	3.968	4.960
1975	25.9	17.8	7.5	3.0	12.3	9.7	31.3	26.9	37.2	17.6	5.500	6.875
1976	25.0	16.7	7.6	2.8	11.8	9.1	31.1	24.7	35.5	16.7	5.815	7.269
1977	24.7	16.4	7.7	2.7	11.6	8.9	31.3	22.4	35.7	16.7	6.191	7.739
1978	24.5	16.3	7.6	2.6	11.4	8.7	30.6	21.6	34.2	15.8	6.662	8.328
1979 ⁴	25.3	16.8	7.8	2.9	11.6	8.9	30.9	21.6	35.6	16.3	7.412	9.265
1979 ⁵	26.1	17.2	8.1	2.9	11.7	9.0	31.0	21.8	36.6	16.4	7.412	9.265
1980	29.3	19.7	8.6	3.5	13.0	10.2	32.5	25.7	40.7	18.1	8.414	10.518
1981	31.8	21.6	9.2	3.7	14.0	11.1	34.2	26.5	43.7	19.3	9.287	11.609
1982	34.4	23.5	9.7	4.3	15.0	12.0	35.6	29.9	46.5	20.3	9.862	12.328
1983	35.3	24.0	9.9	4.6	15.2	12.1	35.7	28.0	47.2	20.3	10.178	12.723
1984	33.7	23.0	9.5	4.8	14.4	11.5	33.8	28.4	45.3	19.4	10.609	13.261
1985	33.1	22.9	8.9	5.2	14.0	11.4	31.3	29.0	44.2	18.7	10.989	13.736
1986	32.4	22.2	9.0	5.1	13.6	11.0	31.1	27.3	43.5	18.2	11.203	14.004

NA Not available ¹Includes other races not shown separately ²Hispanic persons may be of any race. ³Beginning 1981, income cutoffs for nonfarm families are applied to all families, both farm and nonfarm. ⁴Population controls based on 1970 census; see text, section 14. ⁵Population controls based on 1980 census; see text, sections 1 and 14.

Source: U.S. Bureau of the Census, *Current Population Reports*, series P-60, No. 157.

By and large our employment policies for the disadvantage have not achieved their objectives because of their limited scope, inadequate funding or imperfect administration. On the plus side, we have gained invaluable experience and insight over the past twenty-five years into the strength and weaknesses of these efforts. We are now in a position to move more creatively in the implementation of cost effective measures to improve the employability of many of our disadvantaged citizens. The House of Representatives and the Senate have recently overwhelmingly approved a new welfare reform bill aimed at increasing the employability of welfare recipients. It is expected that the President will sign the legislation and that a major step will be taken to improve the employment security of this most needy group.

It is becoming increasingly clear, however, that basic education rather than remedial programs is the long term solution to the employment problems of our underclass. Our preschool experiments such as "Head Start" have proved remarkably effective. We know how on an experimental basis to educate the most disadvantaged children in a way that will provide ongoing and useful preparation for life and the world of work. We now must carry out our commitment to these children who will otherwise become our long term unemployed so that they, too, can share in the employment security enjoyed by most Americans.

Another group of social policies that have been adopted to aid in the resolution of human problems associated with economic change are those conceived to help the adjustment of displaced workers. The *Trade Adjustment Assistance Act* was the first of these efforts specifically designed to serve this group. This legislation primarily addressed the needs of those workers who were displaced as a result of government trade decisions and was mainly a vehicle for providing income support to supplement unemployment compensation. In 1984 Title III of the *Job Training Partnership Act* created a new program providing training and labor market services for displaced workers in general. With its budget of approximately \$250 million annually, it was designed to serve less than 10% of the one million workers believed to be permanently separated from their employment each year.

In December of 1985 the then Secretary of Labor William Brock created a task force on economic adjustment and worker dislocation to examine whether the worker displacement problem warranted additional public and private attention and action. The task force, made up of high level labor, management, government and academic representatives, submitted a report a year later recommending a consolidation of many of our current efforts and the addition of considerably greater resources into a new comprehensive program to help displaced workers move rapidly into new employment. In its report the task force emphasized the economic imperative of permitting plants to close and permanent layoffs to take place while at the same time stressing the necessity of a major public and private commitment to reducing the burden on those adversely affected by such changes.

The Reagan Administration and the Congress have now reached agreement on legislation carrying out the task force recommendations and these provisions are at this writing somewhat inappropriately lodged in the omnibus trade bill. There is little doubt that the displaced worker legislation, barring an unforeseen turn of legislative happenstance, will become the law of the land in 1988.

Increasing concern is being expressed over the ability of our primary and secondary education system to meet the needs of our future work force. Our future workers not only must be educated enough to perform a wider variety of work than ever before, but must also must be prepared to carry out the more complex assignments of a high value-added economy. Without a competitive educational background the worker of the 21st century will have a lowered standard of living as well as reduced employment security. A recently completed Hudson Institute Study, *Workforce 2000*, outlines in clear fashion the greater educational demands that will be placed on those who will be employed in the most rapidly growing job categories. By the year 2000, these jobs will require a full year more of education than their counterparts do today. At the same time the performance of our primary and secondary education system stacks up poorly against those of most developed nations of the world. Low levels of academic achievement characterize performance in scientific and technical fields. At age 10, American students rank 7th in a field of 15 countries in terms of scientific knowledge. By age 15 Americans rank 15th out of 16 nations. S.A.T. scores, which fell precipitously in the 60's and 70's, have only rebounded by 10 points, still 90 points below their historic highs³. The link between education and employment security is a direct one. No social program ranks with education in its potential contribution to greater employment security.

Positive government social programs and restrictions on callous corporate behavior can play an important role in creating a political climate sympathetic to market oriented economic policies. On the other hand when such restrictions become so burdensome that they inhibit job creation, they pose a risk to employment security. The major obstacle to the passage of the omnibus trade bill when it was first sent to the President was a provision requiring advance notice of plant closings and permanent layoffs. While even opponents agreed that advance notice is desirable, they disagreed over whether it should be mandatory. It appears now that the Congress will pass, over the President's veto if necessary, an advance notice bill as well as legislation containing a displaced worker program. Even with this provision the United States places very few restrictions on an employer who must close a plant or permanently lay off long service workers. Employers are quick to point out that with this freedom to shuck jobs has come a period of job growth regarded with envy by many industrial nations of the world. Indeed there are in the US today no serious advocates of unwieldy restraints on necessary economic adjustment. The European Community, long famous for excessive government regulation of workforce reduction practices, is committed to its own version of *perestroika* by 1992. It will be in-

3 Unpublished paper by Dennis DOYLE.

interesting to see if those practices perceived by employers as barriers to rapid economic adjustment and job growth will be retained or modified in the Europe of the 21st century.

Both in Europe and in North America there is a recognition that a competitive society must permit — and even encourage — economic change but require it to take place in a humane fashion sensitive to the employment security needs of the workforce. Expressing such a goal is easy. Developing strategies which reconcile job loss of individual workers with the need to permit plant closings and permanent layoffs to take place is where agreement fades and all involved are sorely tested.

It is reasonable to say, however, that those societies which are most successful in achieving economic competitiveness in a humane and politically acceptable fashion will find workforce employment security one of the many rewards for their diligence and perseverance.

Whereas public policy in the United States has moved only slowly toward alleviating the trauma of displaced worker transition, the private sector has moved vigorously and imaginatively. The strategy that many highly competitive private sector firms in the United States appear to be following is to give maximum employment protection to current workers and encourage early retirement and offer job buyout options while permitting the total number of jobs to shrink. Enhancing employment security for those individuals currently holding jobs through programs of retraining and relocation long pioneered by companies such as IBM is a concept now being emulated in many collective bargaining agreements. The most notable in the United States are those in the automobile industry which go to unprecedented lengths to protect workers from job loss due to technological change and alterations in product mix. An example of this phenomenon (and of a movement to a true world economy) is illustrated by a recent (6-25-88) article in the *Washington Post*. "Ford Motor Company is no longer building tractors in the United States after 72 years of production. The auto maker's Romeo, Michigan, plant is being converted to begin engine production next spring. Ford's tractor building subsidiary, Ford New Holland Inc., will build the vehicles in Canada, England and Belgium and produce tractor motors in Brazil. Romeo plant manager, Clifford Dawson, said there would be no layoffs".

The UAW automotive contracts do not give the companies unrestricted freedom in eliminating jobs. Out of every two vacancies which occur one must be filled. This formula, particularly with a high seniority workforce, will still permit considerable downsizing of automotive employment over the years ahead.

Perhaps one of the most innovative efforts to deal responsively with workforce downsizing driven by economic forces is a recent proposal by the CSX Company to the Railroad Brotherhoods. CSX argued it needed to increase its return on investment in order to attract adequate capital to remain competitive in the transportation business. It suggested a joint union/management effort to eliminate over ten thousand jobs, change work rules and eliminate three thousand miles of track thereby permitting efficient manning of the railroad with vastly reduced employment levels. In turn CSX offered to share the savings inherent in the smaller workforce both with the workers who would leave and with those who would remain. The company opened its books to union financial experts and offered to be imaginative in negotiating the manner in which the savings would be shared and how the whole process would operate.

Although it now looks unlikely that a formula can be found satisfactory to the company and all the unions involved, a positive foundation has been established from which the parties can now deal with the economic needs of the industry and the employment security of the men and women currently employed. Indeed, the whole process of inviting the union into collaborative relationships with management in order to permit economic adjustment to take place in a humane fashion is the cornerstone of today's cooperative collective bargaining relationship in the United States.

The Collective Bargaining Forum has been one of the more articulate private sector groups on the subject of employment security. Recognizing the inherent relationship of worker commitment to the long term success of the business enterprise and company commitment to the employment security of the workforce, the collective bargaining forum has urged that employment security become a major corporate goal. Specifically, it has stated that "employment security as a corporate policy accepts the continuity of employment for its work force as a major policy objective. This commitment means that employment security will figure importantly in the corporate planning process at the same level of attention as is given product development, marketing, and capital requirements."

But with over 80% of private sector employees not represented by collective bargaining agreements, the majority of American workers cannot rely on labor management cooperation to protect them when work restructuring takes place. It is in this unorganized arena that one must look at private practices to ascertain how much employment security comes from the employer and how much from the economy at large. Unfortunately, there is very little quantifiable data on private efforts to avoid layoffs. There is much anecdotal evidence, however, that companies are recognizing the importance of considering their employees as human capital rather than as a

variable cost. Pronouncements from organizations such as the Business Roundtable suggest a growing sense of responsibility in this regard. In a recently issued set of "Plant Closing Guidelines", the BRT urged member companies to place redundant workers in other areas of the company whenever possible and where layoff was unavoidable to provide assistance in helping displaced workers move quickly to new employment. In addition to humanitarian concerns, a tightening labor market has motivated many business organizations to regard their work force as assets to be protected.

Finally, an increasing use of consultants and part time workers makes possible the maintenance of a core workforce within an enterprise that can enjoy reasonable employment security.

CONCLUSION

Over the past five years most American workers have experienced the reality of steady employment, though not always with the same enterprise, as public and private efforts intensify to speed the transition period for most job losers. More and more the burden of economic restructuring is falling on new entrants and reentrants to the workforce and on the disadvantaged who are untrained and uneducated. In the United States low unemployment rates and short unemployment duration paint an optimistic picture for the employment security of most of the workforce. However, continuing income disparity between the average worker and poorly educated people living under or close to the poverty level paints a negative picture for America's underclass.

Public programs and private efforts to help our disadvantaged citizens perform more effectively in the labor market have been only marginally successful. It is in this area that American society needs to give special priority and renewed attention if we are to make employment security a reality for all members of our workforce.

La sécurité d'emploi

J'aimerais proposer la définition suivante de la sécurité d'emploi: "état économique qui fait qu'un travailleur individuel a la possibilité de continuer à travailler autant d'années qu'il le désire". Ce travail ne doit pas nécessairement être au même poste, ni avec le même employeur, ni dans la même industrie.

La sécurité d'emploi ainsi définie, il existe plusieurs séries de données qui permettent de juger du progrès d'une nation vers la sécurité d'emploi de sa main-d'oeuvre. La première est évidemment le taux de chômage. La seconde vise la durée du chômage. L'examen simultané de ces deux mesures révèle le succès relatif qu'ont les gens, non seulement à garder leur emploi, mais aussi à en trouver rapidement un autre. Finalement, les données sur les hausses et les baisses du niveau de vie et sur la distribution de la richesse au sein de la population fournissent certains indices sur les conséquences qu'ont les déplacements de main-d'oeuvre sur le revenu net.

Alors que les données brutes sur les taux et la durée du chômage permettent de peindre un tableau relativement optimiste pour la plupart des travailleurs américains, il ne faut pas oublier ces travailleurs qui ont souffert de façon disproportionnée du chômage et dont la situation critique ne peut être ignorée. Le pourcentage d'américains vivant dans la pauvreté, et plus particulièrement les familles monoparentales, demeure une préoccupation constante.

La stratégie à utiliser afin d'accroître la sécurité d'emploi dans une société comporte un certain nombre d'éléments. Il y a, entre autres, les politiques macro-économiques et commerciales ainsi que les initiatives du secteur privé qui permettent la croissance de bons emplois, première condition pour une économie de plein emploi. Les politiques sociales, tant publiques que privées, sont tout aussi importantes, de même que les initiatives qui préparent les gens au travail, réduisent les coûts humains d'adaptation, répondent aux besoins de ceux qui ont à subir des désavantages professionnels et sont généralement sensibilisées aux concepts de justice et d'équité qui sont l'apanage d'une société démocratique. On ne pourra atteindre la sécurité d'emploi sans une concertation des efforts sociaux et économiques pour un consensus national en vue d'atteindre un objectif commun.

La présente étude se concentre sur un certain nombre de programmes sociaux qui touchent la sécurité d'emploi, lesquels nécessitent une grande amélioration si l'on veut éviter des risques sérieux pour l'avenir. Notre système d'éducation primaire et secondaire est en plein désarroi, en dépit du fait que le lien unissant éducation et sécurité d'emploi soit reconnu comme étant direct.

De façon générale, les politiques d'emploi pour les désavantagés n'ont pas atteint leurs objectifs, surtout à cause des champs d'application limités, du financement inadéquat et d'une administration déficiente. La politique publique commence à peine à se préoccuper de minimiser le traumatisme des travailleurs licenciés. Cependant, le secteur privé, organisé ou non, a agi avec plus de vigueur et d'imagination.

Depuis les cinq dernières années, la majorité des travailleurs américains ont vécu l'expérience d'un emploi stable, même si ce n'était pas toujours avec le même employeur, alors que les efforts des secteurs public et privé sont parvenus à diminuer la période de transition de ceux qui perdent leur emploi. Le fardeau de la restructuration économique repose de plus en plus sur les épaules des nouveaux arrivants et de ceux qui reviennent sur le marché du travail, de même que sur celles des désavantagés qui sont ni qualifiés ni instruits. Aux Etats-Unis, des taux de chômage peu élevés et de courtes périodes de chômage donnent une image positive de la sécurité d'emploi pour la majorité de la main-d'oeuvre. Cependant, la disparité de revenus qui existe entre le travailleur moyen et les gens peu éduqués qui vivent sous ou près du seuil de la pauvreté donnent une image plutôt négative des moins bien nantis.

Les programmes publics et les efforts du secteur privé visant à aider les désavantagés à mieux se défendre sur le marché du travail ont connu un succès marginal. C'est à ce domaine que la société américaine doit donner une priorité particulière et une attention renouvelée si l'on veut que la sécurité d'emploi devienne une réalité pour tous ceux qui représentent la main-d'oeuvre américaine.

La seguridad del empleo

Propongo la siguiente definición de seguridad de empleo: "Un estado económico, en el cual un trabajador tiene la posibilidad de continuar trabajando durante los años que él desea". Este trabajo no debe ser necesariamente en el mismo puesto, ni con el mismo empleador o industria.

De acuerdo con esta definición existen varias series de datos que permiten juzgar el progreso de una nación en lo relativo a la seguridad de su mano de obra. La primera es la tasa de desempleo. La segunda la duración del desempleo. El examen simultáneo de estas, revela el éxito relativo de las personas, no solo para guardar su empleo sino también para encontrar otro. Finalmente los datos sobre las alzas y bajas del nivel de vida y sobre la distribución de la riqueza en la población, proporcionan ciertos índices de las consecuencias que tienen los movimientos de la mano de obra en el ingreso neto.

Si consideramos que los datos brutos sobre la tasa y la duración del desempleo, permiten presentar un cuadro relativamente optimista para la mayoría de los trabajadores americanos, es necesario no olvidar también que muchos trabajadores han sufrido de manera desproporcionada el desempleo y de una situación crítica que no puede ser ignorada. El porcentaje de americanos que viven en la pobreza, particularmente las familias monoparentales, es una preocupación constante.

La estrategia que deberá usarse para aumentar la seguridad de empleo en una sociedad, requiere un cierto número de elementos. Entre otros, las políticas macroeconómicas y comerciales, así como las iniciativas del sector privado que

permiten el incremento de buenos empleos, condición primera para una economía de pleno empleo. Las políticas sociales, tanto públicas como privadas, son tan importantes como aquellas iniciativas que preparan las gentes al trabajo, reducen los costos humanos de adaptación, respondiendo a la necesidad de los trabajadores que los cubren con los descuentos sobre su salario y que están sensibilizados a los conceptos de justicia y equidad básicos en una sociedad democrática. No podremos alcanzar la seguridad de empleo, sin una concertación de esfuerzos sociales y económicos para un consenso nacional que busque alcanzar un objetivo común.

El presente estudio, se concentra en un número de programas de seguridad de empleo que necesitan una mejoría si queremos evitar serios riesgos en el futuro. Nuestro sistema de educación primaria y secundaria está en plena confusión, no obstante el reconocimiento de la liga estrecha entre educación y seguridad de empleo.

De manera general, las políticas de empleo para los desfavorecidos no han alcanzado sus objetivos, sobretodo a causa de su aplicación limitada, del financiamiento inadecuado y una administración deficiente. La política pública apenas comienza a preocuparse de minimizar el traumatismo de los trabajadores sin empleo. Sin embargo el sector privado, organizado o no, ha actuado con mas imaginación y vigor.

Desde hace cinco años, la mayoría de los trabajadores americanos tuvo un empleo estable, incluso si este no fue con el mismo empleador, y también los esfuerzos del sector público y privado han disminuido el período de transición de aquellos que pierden su empleo. La carga de la reestructuración económica se basa cada vez mas en los nuevos inmigrantes, de aquellos que reingresan al mercado de trabajo y de los desfavorecidos que no están calificados ni instruidos. En los Estados Unidos, las tasas de desempleo poco elevadas y de corta duración dan una imagen positiva de la seguridad de empleo para la mano de obra. Sin embargo, la disparidad de los ingresos entre el trabajador medio y las gentes poco educadas, que viven bajo o en el umbral de la pobreza, dan una imagen negativa de aquellos menos privilegiados.

Los programas públicos y los esfuerzos del sector privado que tratan de ayudar a los desfavorecidos en el mercado de trabajo, han tenido un éxito marginal. Es en este dominio que la sociedad americana debe dar una prioridad particular y una atención renovada, si queremos que la seguridad de empleo sea una realidad para todos aquellos que representan la mano de obra americana.