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Arne L. Kalleberg¹

Abstract

In this article, the author engages with the authors of the articles in this Special Issue by clarifying some aspects of the arguments in *Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s*; addressing selected matters of controversy; and highlighting central policy challenges raised by the rise of polarized and precarious employment systems. The author organizes his comments around several key themes raised by these authors: The causes of changes in job quality; the polarization model; cross-national differences in precarious work; and policy recommendations and the politics of job quality.

Keywords

flexicurity, job polarization, job quality, inequality, precarious work, public policy

In *Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s to 2000s* (hereafter, *GJ, BJ*), I sought to document and explain changes that have occurred in both economic and

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noneconomic aspects of job quality in the United States during the past four decades. I accounted for these movements in terms of macrostructural forces as well as demographic changes in the labor force. I conceptualized trends in job quality as reflecting two major processes: Polarization or growing inequality in many job rewards; and greater precarity for all workers. Polarized and precarious employment systems are not merely temporary features of the business cycle but represent structural transformations such that bad jobs are no longer vestigial but a central component of U.S. employment. I finally outlined some of the policy challenges needed to address these developments and suggested strategies for implementing a new social contract. While my focus was on the United States, I maintained that all countries face similar pressures due to the social and economic forces associated with more intense globalization, technological advances especially in information and communication technologies, greater mobility of capital and labor, new forms of organizational interdependence, and pressures that served to weaken unions.

GJ, BJ touches upon a diverse set of subjects related to work, occupations and organizations, stratification, the economy, social change, social movements, politics, and public policy. This varied set of concerns is reflected in the range of issues addressed by the sociologists and economists who contributed the seven articles in this Special Issue of *Work and Occupations*. Some of the authors connect directly with my arguments, expanding on and clarifying particular aspects and challenging others. Several authors focus on the economic, political, and cultural drivers of changes in job quality in the United States. Some concentrate on the evidence about changes in job quality themselves, especially the notion of polarization. Others expound on the policy interventions that are needed to address these matters. And still others extend the analysis beyond the United States (and Western countries) to consider how these issues are framed in the Global South. I am grateful to these distinguished authors for elaborating on these topics, and thereby enriching our understanding of the transformations that have occurred in employment systems in the United States since the mid-1970s.

In this article, I engage with these authors so as to clarify aspects of my argument, address several areas of controversy, and highlight some of the central policy challenges raised by the rise of polarized and precarious employment systems. I organize my comments around a few key themes raised by these authors: The causes of changes in job quality; the polarization model; cross-national differences in precarious work; and policy recommendations and the politics of job quality. I conclude by outlining some essential components of a research agenda needed to advance further our knowledge of these important topics.

Drivers of Change in Job Quality and Precarious Work

Changes in job quality and the growth of precarious work in the United States since the 1970s resulted from the interaction of two major sets of dynamics: (1) Macrostructural economic, political, and social forces such as the intensification of global competition, rapid technological innovation and change, deregulation of markets, increased mobility of capital and growing financialization of the economy, the decline in unions and worker power, and the continued rise of the service sector; and (2) demographic changes in the labor force that increased labor force diversity and created a larger group of non-White, nonmale workers who are more vulnerable to exploitation.

I discuss these drivers of change in Chapters 2 and 3 of *GJ, BJ*. My treatment of these complex forces was necessarily brief and I was unable to devote as much attention to all of them as they deserved. Fortunately, several of the commentators have elaborated on several of these central structural and cultural forces and thereby accentuated their significance for understanding the rise of polarized and precarious employment systems.

Financialization of the Economy

Economists Eileen Appelbaum and Jeff Madrick call attention to the importance of the growing “financialization” of the economy as an impetus for the creation of low-wage and precarious jobs. This term refers both to the increasing centrality of the financial sector to the economy as well as to the greater emphasis put on financial returns in nonfinancial corporations. The growing prominence of these processes was associated with the rise of a finance conception of the firm which views it as a tradable bundle of assets rather than as an organization committed to specific markets or to producing particular goods and services (Tomaskovic-Devey & Lin, 2011). Accompanying this changing conception of the firm was the replacement of the stakeholder model of corporate governance (which emphasized the welfare of employees and the myriad others who had a stake in the success of the firm) by the shareholder model of corporate governance (which gave primacy to the interests of investors) in the mid-1980s. The emergence of the shareholder model, together with the greater mobility of capital made possible by globalization and technological change, diverted corporate profits away from investments in human capital, innovation, and other sources of future productivity to dividends and share buybacks. CEOs were increasingly recruited from the ranks of finance managers and were judged primarily on their ability to provide short-term financial profits to shareholders.

Financialization thus created pressures for firms to increase returns to shareholders' equity by strategies such as offshoring jobs and relying more on precarious work.

The financialization of the economy reflects changes in the role of capital markets in corporate governance and parallels the expansion of market forces in labor and product markets, fueled by market deregulation and the triumph of the neoliberal policy model (Harvey, 2005). The success of financialization permitted those in the financial sector to extract rents, shift income from labor to capital, and resulted in an increase in inequality between this sector and the rest of the economy (Tomaskovic-Devey & Lin, 2011). Financialization helps to explain the steady growth of economic inequality in the top half of the income distribution since the late 1970s, though it less relevant in accounting for the relatively flat growth in inequality in the bottom half of the distribution during this period, especially for men.

Public Policy

The rise of the shareholder model and financialization was accompanied by a shift in macroeconomic policy from the goal of achieving full employment to an emphasis on maintaining price stability, since inflation (rather than jobs) was the main concern of the financial community. Jeff Madrick points out that Federal Reserve Chairman Alan Greenspan in particular sought to keep the unemployment rate higher than required in order to keep inflation lower than was necessary. The attention paid to inflation was reflected in the successful implementation of neoliberal policies that further weakened the power of unions (long considered a major culprit in keeping inflation high); led to the deregulation of industries; and encouraged companies to offshore production and services to low-wage countries. These policies were largely responsible for the jobless recoveries of the last few recessions as well as the stubbornly high rates (and long durations) of unemployment after the Great Recession.

Madrick refers to these neoliberal policies as underpinning a "low-wage, high-unemployment" policy regime that has kept wages low in many jobs in addition to increasing unemployment. The recent high unemployment situation contrasts with much of the period in the United States since the mid-1970s, however, during which unemployment was relatively low (with some exceptions such as the early 1980s). Low unemployment was achieved largely by the creation of so many low waged, "bad" jobs by the vaunted "American jobs machine." Except for a brief period in the second half of the 1990s when demand for everyone including workers with just a high school

degree was high, though, there has been a lot of slack in the U.S. labor market, even if unemployment was not that elevated. This labor market slack helps to explain why wages could remain low even in occupations (like home health aide or nursing assistant) where demand was relatively high.

Appelbaum and Madrick also emphasize the importance for the low-wage regime of the replacement of wage-led by debt-fueled economic growth. The growing gap between productivity and company profits, on the one hand, and employee compensation, on the other, starting in the late 1970s contributed greatly to the economic stagnation faced by many workers and their families. This led to the continued increase in the number of dual earner families to try to compensate for this and, when this was not enough, eventually to massive increases in debt as families turned to borrowing (often against the value of their houses) to maintain their levels of consumption (Reich, 2010). The bursting of the housing bubble reduced the buying power of the middle and lower classes, leading to higher unemployment and the creation of even more low-waged jobs. In other countries, such as China, export-led growth models resulted in similar expansions in low-wage sectors (see below).

The persistently high unemployment in recent years in the United States has magnified the effects of polarization and precarity on individuals, their families and their communities. In such periods of high unemployment, concerns about job quantity generally overshadow issues of job quality. Now, as during the Great Depression, having any job is generally regarded as better than not having any job at all. While this view is certainly understandable, it unfortunately tends to shift attention away from the larger question of what *kinds* of jobs are being created. The emphasis of policy should not only be on creating jobs, but on generating more *good* jobs.

New Structuralism and Agency

My narrative in *GJ*, *BJ* about the rise of polarized and precarious employment systems emphasizes the centrality of work structures such as firms, occupations, unions, and governments. Accordingly, I stress the role of macrostructural factors (e.g., globalization, technological changes, deregulation) in generating the conditions (e.g., growing price competition and declining union power) that encouraged and enabled employers to adopt more flexible employment relations (e.g., temporary and other nonstandard work arrangements). This argument is in the tradition of the “new structuralism” in sociology, as Steven Vallas and Christopher Prener point out.

Focusing on the importance of the institutional context, however, is not to deny the significance of agency, subjectivity, and ideology in shaping these

events. Structures and agency are complementary processes that influence social change. Thus, I point out repeatedly the role of neoliberal ideology that emphasized the working of markets and privatization in legitimating public policies such as deregulation and the institutional changes associated with financialization. Intimately related to neoliberal policy models were the cultural shifts that helped to replace a sense of collective obligation with individual notions of responsibility, which Vallas and Prener document in some detail. Addressing the consequences of polarized and precarious employment systems (see below) is thus clearly conditional on a major shift in American values away from the individualistic, market-oriented neoliberal views that have dominated in recent years.

Subjectivity and notions of agency also complement the structuralist model via the demographic changes that occurred since the mid-1970s and facilitated changes in the nature of employment systems. The growth of labor force diversity with regard to gender, race and ethnicity, and immigration status all helped to increase the number of low-wage and precarious jobs by creating a larger group of more vulnerable workers that employers could exploit. The fact that white men increasingly found themselves in bad and precarious jobs also undoubtedly contributed substantially to media coverage about these developments and the growing public awareness and concern over the proliferation of such jobs.

These ideological shifts in public policy and cultural norms are *independent* variables that enhance and flesh out a structuralist analysis. Work structures are *not* the exclusive focus of my analysis in *GJ*, *BJ*; it is not the case that “subjective constructs about work are only ever conceived as individual attitudes, and consequently limited to the status of dependent variables,” as Vallas and Prener seem to suggest. Their analysis of discourse and their example of cultural influences in the growth of the temporary help agency industry complements and is very consistent with my structural analysis and helps to explain the ways in which the growth of this industry gained legitimacy (see also Hirsch & De Soucey, 2006 for a review of the rhetoric behind organizational restructuring). Their article usefully reminds us that *both* structural and cultural forces are needed to account for changes in employment systems.

The Polarization Model

I claim in *GJ*, *BJ* that changes beginning in the mid- to late 1970s in the contexts of work (in the work structures, institutions and the rules and norms governing the employment relationship) and in the demographic characteristics of the labor force, resulted in a polarization of jobs and employment relations

with regard to aspects of job quality such as economic compensation and control over work activities and time spent on the job. On the other hand, there was a growing *equality*, not polarization, in precarious work; in a sense, we are all temps now, though some of us are more vulnerable to insecurity than others.

I use the term polarization to refer to different kinds of changes. One increases or decreases in the *size* of particular workforce categories, such as occupations or types of employment relations. For example, there has been a growth in the sizes of both high versus low status/skilled occupations, with a decline in middle-range occupations. This is the most common usage of the term polarization and is consistent with the approach taken by Fernández-Macias (2011), who looks at changes in employment by occupations that are ordered according to wage and education quintiles (see also Autor, Katz, & Kearney, 2006; Goos, Manning, & Salomons, 2009). Polarization also refers to the growth of *inequality* in job rewards, which I assessed by examining changes in the variance of these rewards. Finally, I use the term polarization to refer to differences in job rewards among *individuals* with particular characteristics. I concentrate more on explaining polarization among individuals based on their education and skill, rather than exploring systematically polarity related to gender and race. Many of these diverse forms of polarization are interrelated and mutually reinforcing. For example, the expansion of occupations at both the top and bottom of the occupational distribution is part of the reason for the increases in economic inequality.

A flexible conceptualization of polarization is in keeping with the complexity of the socioeconomic system in countries such as the United States, which belies simplistic descriptions and explanations. I contend that there has not been a consistent trend toward a divergence between good and bad jobs as even jobs that are otherwise “good” (e.g., highly paid jobs that provide greater autonomy) have some “bad” characteristics (e.g., they require people to work hard, often at the expense of maintaining their work–family balance).

The evidence I present in *GJ*, *BJ* does not uniformly confirm the polarization model, however. It is most clearly supported in the case of the occupational structure (where both low wage and highly paid jobs have grown, and middle-paying jobs have declined), for different kinds of employment relationships (there is a growing gap between those who have access to standard work arrangements and those who do not) and for earnings and fringe benefits. The evidence is less consistent with respect to intrinsic job rewards: I find indications of an increase in dispersion for some but not all of the measures of discretion, participation in decision making, and intrinsic rewards. Unfortunately, the paucity of longitudinal, quantitative data on the degree of

control that people have over their work activities and the associated intrinsic rewards, as well as some indicators of work intensity, hampers a more rigorous assessment of the polarization model for these noneconomic rewards.

On the other hand, I contend that there has been a general increase rather than polarization in precarious work and job insecurity, though some workers (e.g., those with less education) are more vulnerable to precarious work than others. Empirical support for the general increase in precarious work is admittedly somewhat speculative, owing to the dearth of consistent measures that are available for broad samples since the 1970s.

Despite the diversity of meanings and in some cases limited data, polarization remains an important concept for analyzing the growing diversity in employment systems and individuals' work experiences. The notion of polarization focuses our attention on explaining the *variances* in job rewards and other outcomes, in addition to mean differences between groups. By contrast, most research on inequality in sociology tends to examine mean differences such as racial, gender or occupational gaps in earnings (Leicht, 2008). This emphasis on gaps tends to neglect important sources of inequality that reflect polarization *within* groups. For example, there is considerable inequality within occupations produced by differences in how jobs are organized and rewarded in diverse organizations; lawyers in Wall Street law firms are much better remunerated than public interest lawyers.

Nevertheless, the concept of polarization needs more careful theoretical specification and systematic analysis. Growing polarization of the occupational structure, for example, could reflect changes in both the relative *sizes* of occupations (e.g., the loss of high-wage blue-collar occupations through deindustrialization and the increase in poorly paid service sector jobs) and changes in between-occupation *inequality* (e.g., the rapid growth in wages of managerial and professional occupations relative to other occupations; Mouw & Kalleberg, 2010). The relations between these two dimensions of polarization—size and inequality—need to be examined more precisely for different kinds of work structures and diverse types of job rewards.

Policy Responses to Polarization and Precarity

Politics and public policies matter: Neoliberal policy models were based on explicit policy choices, and were not the result of inexorable evolution and economic change, globalization, or laissez-faire policies. Nor are these changes irreversible, inevitable consequences of economic forces; it is possible to alleviate and even reverse the negative consequences of polarized and precarious jobs, provided only that we have the political will—accompanied by a political strategy—to do so.

Flexicurity

A new social contract among workers, employers and the government must take into account the changes in the nature of employment relations that have occurred over the past four decades, as well as recognize that the growth of precarious work is not just a jobs problem, but is intimately related to broader social trends. Labor, product and capital markets are global phenomena, and they interact to intensify price competition. The rapidity of technological innovation both forces companies to become more competitive globally and makes it relatively easy for them to move goods, capital, and people within and across borders at an ever accelerating pace. Outsourcing and temporary work are progressively more available options for reducing costs and are legitimated by neoliberal and individualistic ideologies and policies that have encouraged a limited welfare state, weakening of unions, lowering of taxes and fees on businesses, and fiscal discipline taking precedence over social protections.

All countries are faced with the basic problem of balancing flexibility for employers and security for workers. Countries have sought to solve this dilemma in different ways depending on their institutional and cultural traditions. Flexicurity models—originating in Europe and now spreading to Asia (see, for example, Chatani, 2008) and elsewhere and which involve both employers and workers in a cooperative effort—suggest the efficacy of labor market institutions for addressing the challenges and consequences posed by the global division of labor and the tendencies toward precarious work.

Flexicurity is an appealing concept in that it offers a narrative about how employers and labor markets can have greater flexibility and workers can still be protected from the insecurity created by employers' search for such flexibility. Flexicurity principles, however, need to be tailored to their context. In the United States, employers already have considerable flexibility in their relations with employees and this should be preserved. The major challenge for adopting "flexicurity with an American face," then, is to provide workers with security in dealing with the growth of polarized and precarious employment systems.

A new social contract should try to achieve three main things: Provide workers (and all citizens) with economic security that protects them from the consequences of precarious work and uncertainty; guarantee workers the right to collective representation and bargaining power; and retrain and prepare workers for good jobs over their life cycles.

Enhancing economic, representation and skill reproduction security is likely to encourage employers to create more good jobs and make it less

advantageous for them to create bad jobs. Employers will be incentivized to adopt “high road” employment systems and to create skilled jobs so as to take advantage of a higher skilled workforce. Economic security is apt to spur entrepreneurial activity and make people more willing to invest in their human capital. Greater representational security will help to redress the balance of power between employers and labor and thereby also spur the creation of good jobs.

A challenge for the adoption of flexicurity models is the persistently high current unemployment rates in the United States and in most industrialized countries. Transitional labor market policies such as those represented by the flexicurity approach are difficult to implement during times of high unemployment since low labor demand makes it difficult to match persons to new jobs. This is seen in the recent experience of Denmark, the country that is the exemplar of the flexicurity model: In June 2010, for example, the Danish government limited unemployment payments to 2 years instead of 4 and tightened requirements that unemployed persons must increase their efforts to seek another job by submitting weekly job applications and attending more frequent meetings with job counselors and training programs (Alderman, 2010). While it is arguable that tightening these requirements is a strategy designed to accelerate the transitions of unemployed persons back into the labor force, deficiencies in labor demand almost certainly make it increasingly difficult for them to do so.

Beyond Flexicurity

While flexicurity models provide a useful meta-policy that offers a counter-narrative to the reliance on markets for addressing problems of polarization and precarity, it is likely that this approach is not sufficient in itself, especially in periods of high unemployment. Appelbaum suggests that we extend the concept of flexicurity to encompass “short-time working” or “work sharing.” A successful example of this policy is the case of Germany, where work sharing (*kurzarbeit*) has enabled employers to adjust their employees’ work hours rather than lay them off completely (e.g., Schmitt, 2011). In considering this example, though, we should keep in mind that Germany’s strong unions and labor laws discourage employers from treating workers as variable costs, unlike in the United States. In addition, German codetermination laws also mandate that there be worker representatives on the boards of all companies with more than 500 employees; this enhances workers’ participation and ability to exercise voice in company decisions.

Several other authors also suggest policies to supplement and complement flexicurity models. Annette Bernhardt underscores the importance of labor market regulation in countering the trend toward low-wage jobs, especially in domestic service industries. Labor and employment laws are the main underpinnings of the employment relationship in countries such as the United States, in which workers presently do not have strong institutions such as unions to protect their interests. As we have discussed, the deregulation of markets was a central feature of the neoliberal policies that led to the growth of polarization and precarious jobs in the United States since the mid-1970s. Bernhardt provides valuable suggestions as to the kinds of labor regulations and employment laws that are needed in light of the changes in work and employment. She then offers concrete and sage advice as to types of local, regional, and national strategies that offer great potential in implementing and enforcing these regulations and laws.

Former U.S. Secretary of Labor Ray Marshall's article summarizes and elaborates some of the major conclusions regarding job quality that can be drawn from *GJ, BJ* as well as from other studies of low-wage work published by the Russell Sage Foundation. His discussion points to the similarities in contextual forces that other wealthy industrialized democratic countries have faced since the 1970s. He further contends that these countries face similar demographic changes, such as the growing labor force participation of women and the aging of workers, leading to common demands for child care and related services and for ways to manage immigration so as to foster greater coordination with native workers.

Marshall provides a number of helpful recommendations for policies that would assist in restoring broadly shared prosperity and that complement and supplement the flexicurity model. His suggestions underscore the complexity of the issues raised by the growth of polarized and precarious employment systems and the huge challenges facing the United States and other wealthy industrial democracies as they seek to cope with them.

Finally, Ching-Kwan Lee and Yelizavetta Kofman's identification of the "beyond employment" approach (Supiot, 2001; Vosko, 2011) points to a promising strategy that seeks to provide economic security to people at all stages of their lives regardless of their labor force status. This is consistent with a basic income approach that proposes to give all persons a certain amount of money, usually without work requirements, means testing or other conditions except citizenship (Standing, 2011). The notion of a guaranteed basic income is an old one: Variants of this policy were previously suggested by Thomas Paine in 1796 (who proposed providing an endowment to all citizens at the beginning of their adult lives rather than on an on-going basis);

and Milton Friedman in 1962 (who conceived of a negative income tax whereby people who earned below a certain amount would receive a supplement from the government), among others (Van Parijs, 2000).

The Politics of Job Quality and Precarious Work

The Case of Green Jobs

A bridging issue that has considerable potential for enhancing the quality of jobs is a focus on the environment and green jobs,¹ which links energy policy to economic development and new job creation. Paul Osterman and Elizabeth Chimienti's article discusses the political issues associated with enhancing the quality of low-wage jobs through a case study of weatherization jobs. The use of federal stimulus monies to fund weatherization work makes these green jobs typical of a large number of low-wage jobs in America in which public monies are involved, such as those in health care and construction. Their findings highlight both the great challenges involved in enhancing the quality of jobs and some of the strategies that are likely to prove effective, and so help to flesh out some of the policy discussions in *GJ*, *BJ* and those that are engaged in by other authors in this Special Issue.

Their study points to some of the difficulties involved in enhancing job quality. Improving job quality is a slow process that takes a long time and considerable effort—especially when it comes to building job ladders that link relatively low-skilled jobs to progressively more skilled ones—and so a high degree of commitment on the part of participants is required. Moreover, the goal of bettering the quality of these jobs often takes a back seat to other considerations, such as saving money on heating costs or providing access to jobs for particular groups (such as union members, minorities, or other constituencies); the latter is an especially urgent concern during times of high unemployment. Government agencies are also reluctant to enforce labor standards (such as wage floors) in a time of high unemployment, due to fears that adhering to such standards would reduce the number of jobs created.

But Osterman and Chimienti also point to several sources of optimism. The explicit emphasis on improving the quality of jobs during the weatherization effort made this a topic of discussion and concern, even if it was not always a high priority. While these efforts were not as successful as one would have ideally hoped, pointing to job quality as a policy objective is a necessary first step in convincing people to take this as a serious goal. They also highlight the need for strong political leadership to enforce standards and to bring together disparate advocacy and worker organizations whose aims may not always be aligned.

Cross-National Differences

The spread of the neoliberal revolution generated precarious work in both the Global North and Global South. This did not occur in a mechanical way so as to produce a convergence in employment systems among countries, however. Rather, the impacts of macrostructural influences on job quality and precarious work were mediated in important ways by national institutions and cultural processes.

I maintained in *GJ, BJ* that the emergence of polarized and precarious employment systems in the United States since the mid-1970s was shaped primarily by the corporate strategy responses of employers to global and technological pressures for more flexibility. The absence of strong labor market institutions, along with a weak labor movement and a relative lack of government regulation and interference, gave employers relatively free rein to seek employment arrangements that enhanced their flexibility, which in turn encouraged the expansion of polarized and precarious jobs.

Focusing on one country of course makes it difficult to assess the role of institutions in transforming employment systems, since there is relatively little variation in these institutions during a short time period. While there may be regional or local differences in union power or labor market regulations, for example, these variations are relatively minor compared to the range of possibilities. Thus, while *GJ, BJ* concentrates on the changing nature of labor market institutions and employment practices in the United States, it is useful to compare the reactions of other countries' governments, employers and workers to similar macrostructural forces. Throughout *GJ, BJ*, I attempted to highlight (albeit necessarily briefly) the actions of countries particularly in Western Europe that share some similarities with the United States with regard to their political, economic, and social institutions.

The responses by employers in the United States are representative of those in Anglo-Saxon, liberal market economies (e.g., the U.S., Britain, Australia) that do not have very inclusive labor market institutions such as centralized and solidaristic collective bargaining and strong minimum wage laws. In such countries, weak labor market institutions have failed to protect workers' interests, resulting in a growth of low-wage work and an expanding polarization between good and bad jobs. Countries with more inclusive labor market institutions such as Denmark or France, by contrast, have extended the gains made by workers with relatively high power to those with relatively little power (see Gautié & Schmitt, 2010).

Many of the drivers of change in the United States are similar to those that led to the expansion of precarious work in industrialized countries of East Asia such as Japan, South Korea and Taiwan (see the summary in Kalleberg &

Hewison, 2013). In these countries, firms adopted cost-cutting policies in response to heightened competition associated with globalization and other macrostructural forces. As a result, companies hired fewer regular workers and increased their proportion of temporary workers. Japan mandated social insurance benefits only for regular workers, creating a significant incentive for firms to hire more temporary workers. In these countries, there was also a deregulation of the labor market, which loosened restrictions on firms' use of nonregular workers.

Lee and Kofman enhance our understanding of cross-national differences in precarious work by examining polarization and (especially) precarity in the Global South, using as examples countries in the Middle East as well as South Africa and China. They call our attention to the variability of the politics of precarious work and how the differing historical trajectories and institutions of dissimilar countries shape these. They contend that precarious employment had different roots and consequences in the Global South than in the United States and many other countries in the Global North: The nature of class compromise in the United States during the postwar period, for instance, which involved a social contract between organized labor and organized capital (as well as the government), differed considerably from that in the Global South, where public assistance was often exchanged for political loyalty. These differences in the character of class compromises help to explain the assorted political responses to the demise of these settlements in the wake of economic crises.

Lee and Kofman highlight some of the salient ways in which precarious work in the United States differs from that in the Global South. First, precarious work in countries such as Tunisia and Egypt is not primarily a job or job quality issue, but rather a political concern that speaks to the crisis of social reproduction and the ability of people to manage their everyday lives. Hence, labor politics are intimately tied to state and national politics. This is seen clearly in the case of China, where the creation of a precarious labor force was expedited by government policies that encouraged the migration from rural to urban areas and then dispossessed these migrants, making them second-class or "partial" citizens (or "denizens" as Guy Standing [2001] refers to members of the "precariat" who are denied full citizenship rights).

Second, the expansion of precarious work in many countries of the Global South occurred not as a result of a corporate strategy to increase organizational flexibility but rather was an outcome of the actions of powerful agents such as the state and international financial institutions. As Lee and Kofman again vividly illustrate through their discussion of China, the creation of precarious workers was a deliberate strategy of development utilized by the state

as it sought to fuel its labor-intensive export industrialization model. (This recalls Madrick's discussion of the pervasiveness of the export-led model, discussed above.) China's success in creating a low-wage, precarious labor force—combined with its immense economic power as the world's fastest growing economy—pressured other Asian countries to adopt similar strategies. In other countries of the Global South, the state, often prompted by the dictates of international financial institutions such as the World Bank and the International Monetary Fund, adopted many features of the neoliberal economic model of deregulated markets, privatization, and labor flexibility.

Third, Lee and Kofman show that in many European countries, the growth of polarization and precarious work has been framed as a social and political issue and generated Polanyian-type counter-movements involving both cross-class and cross-citizenship based resistance (Polanyi, 1944). Antiprecarity resistance movements have been embraced by diverse groups in the population whose lives are threatened by the consequences of market deregulation, not just members of a particular class whose jobs are endangered. They speculate that such a cross-class coalition might also be emerging in the United States via the Occupy Wall Street and related movements, though the contours and strategies of these programs are not yet fully clarified.

These cross-class coalitions remind us that the negative consequences associated with precarious work have implications that go well beyond the job and workplace. Inequality and precarity emanating from work has far-reaching impacts on individuals' nonwork lives, their families and communities, and the larger society more generally. Ultimately, polarization and precarity are pressing issues because of these broader social consequences. Thus, policies that address the role and extent of social welfare and societal welfare regimes must supplement those related to labor markets (Esping-Andersen, 1999). A key objective of social policies is to insure the population against social risks; such social protection is necessary in order to encourage people to take entrepreneurial chances and to embrace technological innovations, the influx of immigrants, and other changes that may affect their jobs and job prospects.

Lee and Kofman also identify a range of alternative policy strategies that might be effective in addressing the problems created by polarization and precarious work, both in the United States and elsewhere. This helps to broaden our thinking beyond what is likely to be immediately possible or likely in the United States. This is important because, as Milton Friedman once commented in a different context (referring to the criticisms being levied at neoliberalism): "Our basic function is to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable" (Friedman, 1982, p. ix).

Strategies for Implementing a New Social Contract

There is no shortage of sources of ferment or of ideas about what is required to address the negative consequences of polarized and precarious work, and there is an emerging consensus on the need for and components of a new social contract to tackle them. What is more problematic is generating the countermovement to implement this new social contract.

A coordinated effort among government, business, and labor is needed to adopt a new social contract. The government is ultimately responsible for creating a safety net that provides all its citizens with basic protections and economic security, providing a strong infrastructure for job creation, setting standards and regulating markets, and making available greater opportunities for people to succeed. We need models of corporate governance that increase managerial accountability and empower employees, so as to encourage businesses to add social factors to their prevailing economic logic in designing jobs. There is nothing inevitable about the shareholder model, which has not necessarily enhanced corporate performance, returns to investors, or other touted benefits (e.g., Stout, 2012). And worker power is necessary to get governments and businesses to act on the new social contract and to ensure that gains in productivity and business profits are shared with workers.

There are a number of ideological, social, political and economic obstacles to the implementation of a new social contract, however. The United States is much bigger geographically and much more diverse and heterogeneous than the populations of European countries where flexicurity policies have been implemented. Moreover, substantial racial differences in unemployment in the United States and the greater integration of immigrants into the labor force create additional challenges for social solidarity and financing active labor market policies. And, as mentioned above, the current high unemployment tends to focus attention on the quantity rather than the quality of jobs.

In addition, the will to implement the components of the new social contract is hindered by the preference shared by many in the United States for letting private markets make economic decisions without interference from the constraints imposed by institutions such as the government, employment and labor laws, unions and other sources of market “imperfections.” Moreover, proposals for collective solutions to shared problems are inhibited by the dominance over the past three decades of the cultural ideology of individualism, holding that individuals and their families are responsible for managing their own risks and solving their own problems.

In addition, Americans at present have little confidence or trust in institutions, as big government, big business and big labor are all fairly discredited in the public eye in the first decade of the 21st century. The political process is mired in gridlock, as polarized political parties find it difficult to cooperate on even the most basic issues. The integrity and competence of the government has been eroded by its failures to cope with natural disasters, foreign policy challenges, and domestic economic turmoil. The growing power of lobbyists has put great pressure on politicians from both parties to raise money (and to do the bidding of their clients), further destroying trust in the sanctity of the political process. This distrust in the efficacy of government has contributed to the reluctance of citizens to pay taxes to fund public problems. Finally, the relative weakness of the labor movement undermines the ability of workers to have the power and collective voice needed to put pressure on governments and businesses to act on the new social contract and to ensure that gains in productivity and business profits are shared with workers.

A number of authors in this Special Issue have made valuable suggestions as to the kinds of political strategies that might encourage the adoption of elements of a new social contract. Their ideas underscore the need for a combination of local and regional strategies that emanate from the bottom-up (such as the weatherization program in Boston studied by Osterman and Chimienti) as well as from national, top-down politics (such as those emphasized by Marshall). A mixture of approaches at both of these levels is likely to be most effective in addressing the consequences of polarized and precarious employment systems.

Local and regional solutions provide opportunities for experimentation with alternative approaches to adopting flexicurity principles and for demonstrating their feasibility. Various levels of government provide support for local networks of employer and educational institutions in specific regions or industries (see the examples of these networks in the case studies in Appelbaum, Bernhardt, & Murnane 2003). Private–public partnerships can utilize local networks whereby businesses are able to access existing resources for worker training, partner with community colleges, develop voluntary quality standards for members, benchmark technology, and seek out new niche and export markets.

Community colleges are an especially important institutional venue for training programs that offer great potential for preparing workers in local areas for the kinds of jobs that are created there. In the biotechnology industry, for example, which is a core enabling technology of the future, community colleges are trying to meet demand for skilled workers. The Hosiery

Technology Center at Catawba Valley Community College in North Carolina illustrates a cooperative effort among employers' groups, local governments, and community colleges that has helped the hosiery industry to survive in North Carolina.

Local initiatives need to be supplemented by national approaches, however, so as to prevent employers from "venue shopping" by moving to other local areas that have more lax standards or policies." National elites and other institutional centers of power need to be convinced of the importance and desirability of adopting the new social contract.

A promising national strategy is that of institutional layering, whereby an existing law is expanded to cover new groups. For example, the labor market transition mechanism within the Trade Adjustment Assistance (TAA) legislation could be replicated and expanded beyond manufacturing to service industries and be extended to cover reasons for job displacement in addition to import competition. The TAA originated in the early 1960s and was designed to protect workers in manufacturing industries from job displacement produced by import competition, though it is often difficult or impossible to distinguish job losses due to import competition from other forms of competition that reduce the prices of goods, or to other reasons for job displacement. TAA emphasizes the importance of establishing a reemployment system to help workers transition from unemployment to employment by providing support for retraining, among other benefits.

At both local and national levels, it is both desirable and necessary to connect struggles over work and jobs to larger and more comprehensive social issues in order to engage a variety of stakeholders, as Osterman and Chimienti show through their example of linking green jobs to energy policy. Other such promising "bridging" issues include: The promotion of greater work-family balance, which equates good jobs with family friendly policies that enable working families to better balance their work and family lives; the provision of portable and universal health care, which is an investment that benefits government, business, and labor since it is likely to lead to greater productivity and a higher capability labor force; and the encouragement and provision of opportunities for lifelong learning, which enables workers to be retrained for new jobs and helps businesses to overcome skills shortages.

Conclusions

The growth of polarized and precarious employment systems in the United States and in many other countries has increased inequality between good and bad jobs and led to greater precarity for all. These dynamics reflect

structural transformations in employment systems that are rooted in changes in the structure of work and the political economy, as well as shifts in the composition of the labor force. These developments raise several pressing priorities for social researchers.

First, we need to understand better the range of new workplace arrangements that have been adopted in the United States and elsewhere. The growing availability of large, quantitative data sets on trends in the labor force, labor markets and firms (such as the U.S. Census' Longitudinal Employer-Household Dynamics program) offer great potential for analyzing the sources of inequality, labor mobility, and careers, especially when they can be combined with information on occupations from the Current Population Surveys and other sources. Such large quantitative data sets should be supplemented by qualitative case studies of particular cases that illuminate the nature of polarized and precarious work.

Second, the concept of polarization needs more careful specification and systematic analysis. This is a valuable idea that has considerable potential for describing the growing diversity in employment systems, job rewards and individuals' experiences. But we need to develop conceptualizations that will identify more precisely the various types of polarization, show theoretically how these forms are related to each other, and assess rigorously hypotheses about trends in polarization empirically, using both quantitative and qualitative data.

Third, it is important to study in greater depth the links between polarized and precarious employment systems, on the one hand, and nonwork phenomena, on the other. The centrality of work to peoples' lives strongly suggests that insecurity at work will have pervasive consequences for workers' health and well-being, for family-related decisions such as the timing of marriage and fertility, for decisions to invest in particular communities, and so on. Explicating more clearly these links highlights the broader social implications of inequality and precarious work.

Fourth, we need to develop comparative theories and examine the relationships between employment systems and welfare regimes in diverse countries. Such research will help us understand better how similar economic crises have produced dissimilar social consequences and political responses. Comparative knowledge of this kind is essential for enhancing our appreciation of the role of institutions and cultures in shaping the quality of work and its consequences.

Finally, we need to provide concrete guidance on public policies—and strategies to implement them—that is based on solid social science evidence about the nature and consequences of polarized and precarious employment

systems. Policy makers, like managers, often fail to base their practices on the best social science evidence, relying instead on assumptions and conventional wisdoms that are often wrong (Rousseau, 2006). The challenges—and opportunities—for sociologists and economists are to explain how various kinds of employment relations are created and maintained, and what mechanisms (which are amenable to policy interventions in varying degrees) are consistent with public policies.

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1. The Bureau of Labor Statistics defines green jobs as those that are either in businesses that produce goods or provide services that benefit the environment or conserve natural resources; or those in which workers' duties involve making their establishment's production processes more environmentally friendly or use fewer natural resources (see <http://www.bls.gov/green>).

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Bio

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