

Vanishing workers

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Jobs being lost to technology, temporary help

By John Welbes

News-Tribune staff writer

If Jeremy Rifkin is right, workers around the globe have a lot to worry about.

Manufacturing workers have known for decades that automation is cutting the number of jobs available to them.

Now, they're no longer alone. Technological innovations are slicing through every part of the economy, affecting all workers and the future of their jobs.

Rifkin, president of the Foundation on Economic Trends and author of a recent bestseller, "The End of Work," says neither private business nor government has the answers to handle the structural changes threatening the country's economy.

"I don't ask, 'Am I optimistic or pessimistic,'" he said Tuesday during an interview. "I just ask how we can get the discussion going." On Tuesday evening, he spoke to a crowd of at least 600

at the College of St. Scholastica in Duluth.

The examples of technology and its effect on workers are endless. Voice mail is cutting out operators' and receptionists' jobs. Automatic teller machines are reducing the number of bank tellers.

One example Rifkin gives hits home in the Northland: USX is producing more steel now

with 20,000 workers than it did 16 years ago with 120,000. Workers at the company's steel plant in Gary-New Duluth started to feel the pinch back in 1973, when the plant closed.

Temporary workers are another piece of the new economy. According to a study by PaineWebber, more than 18 percent of the workforce in the steel industry is now made up of employees working for subcontractors. That allows employers to avoid unions and have the flexibility

to hire workers for a short period of time.

"An entire society of temporary or 'just-in-time' workers would not survive," he said. A strong community always precedes a strong economy, he said, except maybe in boom-towns. A temporary workforce would weaken workers' sense of community and ultimately hurt the economy.

While the changes have cut the numbers of many manufacturing jobs, things will get worse across all fields, he says.

Consider this line from Rifkin's 1995 book, "The End of Work:" "America's underclass, which is still largely black and urban, is likely to become increasingly white and suburban as the new thinking machines relentlessly make their way up the economic pyramid, absorbing more skilled jobs and tasks along the way."

As with any broad theory of the marketplace, there are economists who disagree with Rifkin. Many say that technology always creates more jobs than it destroys.

Locally, one manufacturing plant owner agrees with that idea, at least for the business he's in.

Jack Swanstrom, who owns Swanstrom Tools USA Inc. in Superior, says automation will continue to eliminate routine jobs. "But I also believe the worldwide demand for very good tools will accelerate at a greater pace than the job losses caused by automation," he said.

His company makes small hand tools — wire cutters and needle-nosed pliers — and has new computer equipment that helps the company's 80 employees maximize productivity.

"It does eliminate some of the labor content of the prod-

uct, but it's what manufacturing companies have to do to survive," he said. "If we didn't, someone else would."

To follow the reasons behind Rifkin's beliefs, you also have to understand what he doesn't believe. The U.S. government's unemployment statistics, for example, paint a distorted picture, he says.

While the national unemployment rate officially hovers around 6 percent, the government also knows there are 5 million to 6 million "missing" men who have dropped out of the labor market altogether, as well as other discouraged workers. Add to those the chronically under-employed — those who work a few days a month and don't show up on the unemployment rolls — and national unemployment is running closer to 13 or 14 percent, he said.

Amid all the gloom, Rifkin does see some potential solutions. He thinks of the economy in three broad sectors; the market sector, the government sector and the "civil society," or not-for-profit organizations. The workers left unemployed by the first two sectors could be put to work doing community work, the type of volunteer work that makes a city a nice place to live.

The new workforce would be paid by taxing a percentage of the wealth created by the new economy — computers, the online world and other high-tech endeavors. For that to happen, though, there would have to be more organization among nonprofits and a willingness to cooperate among all three sectors.

Rifkin also advocates a 30-hour workweek, allowing more workers to share the decreasing number of jobs.