

A BRIEF HISTORY of CONTINGENT LABOR in the US

Contingent Period #1

Pre-1880 or so (in U.S.)

- Most of the population in agriculture
- Small, more local firms produce for local and regional markets
- Craft production dominates manufacturing
 - Highly skilled workers direct their own work
 - Workers use their skills and solidarity to improve wages and maintain control of production process and labor market
- Union organizing generally outlawed, though craft unions form

1880 to 1920/1930

- Rise of mass production industries, decline of smaller firms
 - Giant, vertically integrated companies
- Fewer and fewer people in agriculture
- Rise of scientific management on the shop-floor
 - Expansion of management and technical classes that control production
 - Breakdown of production into relatively simple tasks that are repeated endlessly. Use of assembly line
- Craft unions contemptuous of unskilled/semi-skilled workers; won't organize them
- Lots of contingent workers, often working day to day; a large % of them immigrants
- High-turnover even in good-paying jobs (Ford Motor Company)

Era of the Steady Job

1930s/40s to 1970s

- Social unrest in 1930s leads to legalization of unions and mass unionization efforts
- Simultaneously, employers acknowledge inefficiency of high worker turnover and become interested in loyalty and stability
- Establishment of job classifications and internal job ladders
- Unions win seniority systems
- Companies establish benefit plans (health care, retirement)
- Use of grievance procedures & arbitration in unionized companies
- Unions 35% of workforce by 1953

The Return of Contingent Work on Large-Scale

1970 to Present

- 1970s decline in economic growth and falling profits
- Rebuilding of Japanese and European industries after WWII
- Weakening of unions thru anti-communism and union narrow-mindedness
- Computerization & other technological changes eliminate jobs
- Companies look for cheaper labor in U.S. south and across the border/ overseas
- Increasing contracting out of work
- Increasing use of contingent workers (part-timers, temps, contract workers, day laborers, etc.)
 - Can be laid off when there are downturns, paid lower wages, often get few or no benefits
 - Fewer opportunities for advancement in companies; layoffs affect white-collar as blue and pink collar workers
- Far lower % of workers in manufacturing; increasing numbers in retail and services
- Unions now 13% of workforce (8% in private sector)