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The recent announcement by General Motors that it intends to eliminate 25,000 jobs and close many plants in the next three years is only the latest in a long series of blows to the people of the United States and Canada and many Western European countries. Major transnational corporations such as GM, Ford, Chrysler, US Steel, International Harvester and Caterpillar have been shedding employees since the early 1980s. What is new in the last five years is that the cutting edge technology corporations—IBM, Kodak, Apple and many PC manufacturers as well as software producers have taken similar steps. Their common watchword is that the best ways to meet the global competition is to outsource jobs to low wage areas and as for the rest, to eliminate as many as possible by technologically-based job destruction.

We live in a time of globalization which means that almost any product can be outsourced. Not only that goods such as clothing, cameras and autos can be made anywhere, especially in Latin America and East Asia, at a fraction of the labor costs in more advanced industrial countries. Now India and China—whose scientific and technical establishment rivals those in Western Europe and North America-- have trained computer programmers, engineers and skilled technicians who are paid a fifth to a tenth of their North American counterparts. For example. Consult technical support if your computer or internet connection needs repair. The person on the other end is likely to be Indian or Thai or Chinese and they perform their jobs well.

Many years ago, Gary Becker, an American economist, argued that education was the key to economic growth and high living standards. For the post-World War Two generation of workers, the strategy of expanding publicly financed technical and scientific
training, and making post-secondary schooling available to working class kids proved successful because the economy ws expanding: Europe was devastated, Asia and Latin America were still largely agricultural societies and except for oil and other natural resources and then only South Africa, Nigeria and a few other countries, Africa was not even in the equation.

But Europe revived and China, India and especially Japan, made significant strides towards industrialization at the highest technical levels. Their education systems were oriented to training; education—defined as the development not of “skills” but of critical capacities-- played only a small part in their program, and in China, almost none. By the 1980s, it had become clear that North Americans were in the throes of a serious crisis. Industrial jobs began bleeding at alarming rates. It took time but by the 1990s few doubted that the old myths about Asia and Latin America were dying. At the turn of the 21st century, the countries of these regions can produce goods but also were world-class knowledge producers.

In the near future, North America and Europe will continue to lose industrial jobs and employment in the knowledge industries, although fated to grow, will not match the buoyant rates of the 1980s and 1990s. After all, everyone is familiar with the dot-com bust of the early 2000s. While some high-tech firms have revived, many continue to lay off workers and outsource consider pieces of their businesses. Jobs in health and education—largely in the non-profit or public sectors will grow, but more slowly than in the past. The big growth remains in the retail sectors, and these are so-called McJobs-- low wage, relatively semi-skilled and, in both the US and Canada, largely non-union. Even in Canada where unions have grown in the last decade, even as their United States counterparts have slipped badly. Wal-Martization remains a major threat to living standards.
And many workers have been relegated to temporary, part-time and contingent jobs. Yes, labor force participation has grown in our countries, but much of it reflects the fact that a single wage can no longer support a family. Women have entered the labor force in great numbers and more young people are seeking employment or labor in part-time retail jobs even as they try to finish their degrees. But these are reflections of a sharply restructured labor market rather than opportunity expansion.

Globalization, technological change, economic stagnation in real terms. These conditions have reduced the value of credentials in a labor market which offers an ever diminishing number of good jobs. In the United States, to be sure, there is plenty of work in many regions, but few real jobs. By real jobs we mean that the worker has a living wage commensurate with their education and training; enjoys an array of benefits such as paid holidays and vacations and a decent pension when they retire. In the United States we do not even have national health insurance and our workweek is growing even as real jobs have declined. I want to remind my viewers that as long as the doctrine of private health and education plans remains dominant in the United States, still the goliath of world economies, no public health and education schemes are safe.

Let’s be frank. There are few new real jobs in the restructured economy. Industrial workers who were told they would be retrained to become computer professionals have discovered that this was an optimistic tale with many pitfalls. Learning a whole new occupation is difficult enough: what do you do when the jobs disappear and those that are still around are offered to younger people. While those with education and training have an advantage over those who lack degrees, the situation is not good even for them. Highly qualified workers are being offered “contracts” of limited duration in some high tech firms rather than jobs. Microsoft the largest and most successful software company
in North America has a two-tier employment system. For a minority, real jobs and decent benefits. For the majority, temporary contracts at higher salaries but no benefits. Older workers who were victims of de-industrialization or dot.com bust often spend years looking for work and when they catch on, its often at lower pay with fewer benefits.

The fabled American Dream has proven to be a nightmare for many and the story that lifelong learning of new skills to match new business requirements works for fewer and fewer people.

So what should we do? First we must recognize that jobs have become delinked from economic growth, even some highly skilled professional and technical jobs. Firms can do very well with fewer workers because technologies and outsourcing have provided the key to maintaining profits in a highly competitive global economy. And learning “skills” will help some, but not the majority.

If the market will inevitably fail to provide jobs and maintain decent living standards, we must restore the role of the public sector for insuring the general welfare. This might begin with raising minimum wages and reducing working hours to spread the available work more evenly. And our countries urgently require a guaranteed income to undergird living standards. An American congressperson Barney Frank of Massachusetts has recently called for a “new new deal” for the United States. He argued on the floor of congress for a job creation program in education, health, transportation, housing to which I would add environmental protection and recreation services for young people.

What role for education. Here I want to make a distinction between education and training. Surely, I am not opposed to schools that train medical, law, engineering, teaching and other professionals. The problem is what should be the focus of schooling. But I confess to being a traditionalist. Schools can be places for
education, for developing the student’s critical capacities, for expanding her self-knowledge and her understanding of society, its political and cultural life. Young people need to understand science and technology, not chiefly to be better workers, but so they can play a role in how we make public decisions and these things. They need to understand science in order to intervene in the process of addressing the ecological disasters that are just around the corner. They need to understand technology so they can use it for making their lives better, not merely to make themselves good technicians. In short, education is for pleasure, the pleasure of having knowledge that can enrich our lives; education is for citizenship so students can mature to active participation in governance and other decisions that affect their lives; and education can lay the basis for helping some students become critical and self-aware professionals.

If we expect the whole population to engage in life-long learning, clearly we need more funds. Schools need money to reduce class size, to pay teachers salaries that are commensurate with their tasks, to provide educational facilities for working adults as well as younger school-age kids.

This program becomes more urgent because we are destined to face a jobless future—and its not a far distant horizon. Paid, necessary work need occupy us for a small fraction of our waking time. The fact that working hours have not fallen is not a natural fact, it’s the result of the lack of political will in both of our countries to share the benefits of technology and the huge accumulation of wealth. What to do with free time?. I agree that education for life can be attractive for many. But education is not a means to provide labor for employers. Employers should contribute to the training of their employees and not rely on the public sector to foot the bill. In contrast to training education is a means to help people determine their own priorities, to gain the
power of knowledge which will enable them to gain greater autonomy in choosing what to do with their lives.