Farewell to the Full-time Permanent Employee?:
Review of "The Contingent Economy: The Growth of the Temporary, Part-time and Sub-contracted Workforce" by Richard Belous

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FAREWELL TO THE FULL-TIME PERMANENT EMPLOYEE?


Many Texas Rural Legal Aid clients, especially farmworkers, have had to face the problem of losing benefits by being treated as independent contractors by employers who lower their costs by avoiding employment taxes and minimum wages. This book offers an analysis of some trends in the national and international economy and labor relations indicating that our clients' problems are not isolated phenomena restricted to the lowest-paid employees working for the most extreme chiseling employers. To be sure, our clients are dispossessed of their rights by unlawful and actionable acts, while contingent workers by and large remain the employees of some employer. Yet even the largest corporations are seeking a "flexibility" inconsistent with traditional labor-management relations.

This new approach is reflected in the significant increase in the number of temporary, part-time, subcontracted, and "leased" workers and the accompanying decline in the number of core long-term employees. Just as U.S. firms have begun to imitate the Japanese practice of "just-in-time" inventory systems to reduce the costs of stocking parts and materials, they have created just-in-time workforces in order to eliminate fringe benefits. Belous sees the origin of contingent employment patterns in the more intense price competition to which U.S. firms have become subject, especially in the wake of a more integrated world economy. As a result, wages have been much more closely tied to profits and unemployment in the 1980s than during the earlier post-World War II period.

The author expresses the hope that the rigors of the new flexible labor market can be humanized to some degree by making the social welfare system more flexible as well. In particular, he points to the need for prorating employee benefits and portable pensions for contingent workers.

As an alternative, it is submitted that movement towards a guaranteed annual income would create more flexibility for workers to resist succumbing to the necessity of accepting low-paid jobs with demeaning employers.

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