The Good Jobs Strategy

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Abstract

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2019 ILO Employment Policy Research Symposium
THE FUTURE OF FULL EMPLOYMENT
Geneva, 12-13 December 2019

In developed and developing countries alike a combination of technological change and the economic forces associated with globalization is creating or exacerbating productive dualism. In both a segment of advanced production that thrives on the uncertainty of the knowledge economy co-exists with a mass of relatively less productive activities that neither contributes to nor benefits from innovation. A signature feature of this new dualism is the spread of bad jobs: precarious, badly paid, often unsafe, without the protection of public oversight or collective bargaining and leading nowhwere. The proliferation of these jobs leads to enormous negative externalities, manifest first as exclusion, inequality and the dimming of life prospects of whole communities; then, with growing desperation, as distrust of elites and populist backlash that threatens democracy itself.

Given the ruinous costs of the externalities of bad jobs what is needed is a bold program of collaboration between the public sector and the most productive segments of the private sector targeted at creating or expanding the availability of jobs whose features are the mirror image of precarious ones, and which facilitate participation in the dynamic sector of the economy: good jobs. The good jobs approach has three, mutually re-enforcing components: increasing the skill level and productivity of existing jobs and firms by provision of extension services to improve management or cooperative programs to advance technology; increasing the number of good jobs by supporting startups, the expansion of local firms or attracting outside investment; and active labor market policies or workforce development programs to help (at risk) workers master the skills required for good jobs.

But because the definition of a good job—seen both as an improvement on current employment possibilities and as a step towards inclusion in the dynamic sector—will vary from place to place, as will the obstacles to creating such employment, the good jobs strategy has to be customized to suit local context. A common theme in research in this area is that very few program elements work off the shelf and reliably across diverse settings; conversely, the (few) programs that do perform well under rigorous testing have a built in capacity for continuing adjustment work best. Put starkly, the program has to be created or recreated as it is executed. In a time as skeptical of the capacities of government as of the motives and methods of large corporations that is a lot to ask.

For that reason the focus here is not on programmatic details but rather on the design principles underpinning a (meta-) regime for generating good jobs in many different areas of economic activity by sustaining public-private collaborations under conditions of uncertainty and learning, through ongoing review and revision of objectives, instruments, and benchmarks. The principles for such collaboration do not have to be developed from scratch. They have emerged in new forms of contracting between jointly innovating firms, in programs aimed at filling in crucial "white spaces" in scientific/technical knowledge, and in regulation of the environment, food safety and pharmaceuticals; they can be adapted to structure a good jobs program.

The core idea is that, given the impossibility of specifying goals ex ante, the parties obligate themselves to regularly exchange ideas on what to do and how, using the responses to gauge the probity and capacity of potential partners and the viability of emerging projects. In the early, most tentative stages of collaboration these methods allow the parties to make competing proposals mutually informative, improving project selection; in later stages of the same methods allow for quick detection of failure and redirection of salvageable projects; throughout they make the actors accountable to each other and the public. Additionally and crucially this new governance makes it possible to begin with a thin consensus on goals and build, through joint problem solving, the larger coalition that will be required to make the good jobs program a success. The example of reform of community colleges in the US—makig the schools more responsive to the idiosyncratic needs of at risk students and better connecting study to work—will illustrate how these general principles are being brought to bear on workforce development as a key prong in the good jobs strategy. The example of reforms supporting the entry of Peruvian small holders into sophisticated supply chains in agriculture illustrates how the relevance of the same principles can inform capacity building in developing economies.

Keynesian demand stimulation and redistribution can, indeed must, complement the good jobs strategy; but neither is likely to achieve its ends without it. The contextualization of means and ends distinctive of any place-based program such as good jobs implies a contextualization of legal standards—but no more so than the kind of contextualization with which the ILO is well familiar with regard, for instance, to prohibitions on child employment. The good jobs strategy also raises more general questions about the place of labor in a regime of inclusive growth—but these questions too are of a now familiar kind, and they are best addressed in the context of the ongoing, separate discussion on the changing role of labor in modern economy.