

## The Economy in Perspective

*Between labor and play stands work. A man is a worker if he is personally interested in the job which society pays him to do; what from the point of view of society is necessary labor is from his point of view voluntary play. Whether a job is to be classified as labor or work depends, not on the job itself, but on the tastes of the individual who undertakes it. The difference does not, for example, coincide with the difference between a manual and a mental job; a gardener or a cobbler may be a worker; a bank clerk a laborer.*

—W.H. Auden, “Work, Labor, and Play,”  
in *A Certain World: A Commonplace Book* (1970).

As we discuss elsewhere in this issue, nonfarm payrolls increased by 144,000 jobs in August, and employment gains were revised upward in both June and July. Depending on how one looks at it, the glass is either half full or half empty—payroll employment has expanded by 1.4 million jobs since the beginning of the year, or about half the 2.7 million total jobs lost since March 2001.

Labor market conditions have become a focal point during this election season, but in fact, they have been central to public discourse for quite some time, and for good cause: In democracies, political parties regularly address workers’ issues for the simple reason that working people make up such a significant share of the voting population. And yet, because people’s work lives are so varied, and their motivations for working are so different, no one is able to speak for everyone. Times change, and issues change.

As the United States became industrialized and many people moved from farms and small shops into jobs in larger establishments, more aspects of working life became subject to state and federal laws and regulations. During the past 50 years, there have been dramatic changes in the makeup of the labor force as well. Women’s participation rates have nearly doubled, from about 35 percent to 60 percent, while men’s have drifted down from roughly 85 percent to 75 percent; teenagers’ rates have hovered around the 50 percent mark. As a result, women have gone from representing one-third of those employed to just shy of half.

The nature of the work itself has changed dramatically over time, with service-sector employment expanding over the last 50 years, while the number of manufacturing jobs held more or less

steady. As service employment expanded, jobs in many traditional occupations withered away, and employment in newly created occupations—think of computer programming—blossomed. Part-time work became much more common, based on a match-up between employers and employees who found that it fit their needs. Labor unions, which represented 20 percent of the workforce in 1983, represent 13 percent today; fewer than one in 10 private industry workers now belong to a union.

In this nation, at least, the laws and institutions that govern workers and the workplace seem to have adapted over time to meet citizens’ practical concerns. Perhaps this is because even 150 years ago, social philosophers like Ralph Waldo Emerson recognized the inexorable forces that could, if accepted and utilized, bring greater wealth to nations:

*Cultivated labor drives out brute labor. An infinite number of shrewd men, in infinite years, have arrived at certain best and shortest ways of doing, and this accumulated skill in arts, cultures, harvestings, curings, manufactures, navigations, exchanges, constitutes the worth of our world to-day.*

—Ralph Waldo Emerson,  
“Wealth,” in *The Conduct of Life* (1860).

Job creation in the United States today seems to be on a slower track than most forecasters anticipated, and the nation’s unemployment rate stands at 5.4%. During the 1990s, a decade we remember as a prosperous one, the unemployment rate averaged 5.75%. In fact, unemployment has averaged almost the same rate over the last 50 years.

But ironically, as we contemplate the possibility that there are not enough good jobs to go around today, demographers project labor shortages in the decades ahead as the population ages and so many current employees retire. These concerns may well prove to be overblown because innovative people adapt to the circumstances. Among other changes, employees should expect their real earnings to rise as labor becomes relatively scarce, a development that, in turn, will induce more people to enter the labor force.

According to a recent Gallup poll, the proportion of Americans who are completely satisfied with their jobs has been increasing steadily since 1989, to 50 percent this year; that is something to keep in mind as work and the workplace evolve. Times change, and issues change—often for the better.