

COMMENTARY**Nice Work If You Can Get It***By Robert B. Reich*

It's hard to listen to a politician or pundit these days without hearing that America is "losing jobs" to poorer nations — manufacturing jobs to China, back-office work to India, just about every job to Latin America. This lament distracts our attention from the larger challenge of preparing more Americans for better jobs.

Most job losses over the last three years haven't been due to American jobs "moving" anywhere. They've resulted from an unusually long jobs recession which, hopefully, is coming to an end. We can debate whether the Bush administration has done enough, or the right things, to accelerate a jobs recovery. But job growth eventually will resume, as aggregate demand bounces back.

It's true that U.S. manufacturing employment has been dropping for many years, but that's not primarily due to foreigners taking these jobs. Factory jobs are vanishing all over the world. Economists at Alliance Capital Management took a look at employment trends in 20 large economies and found that between 1995 and 2002, 22 million factory jobs had disappeared. The U.S. wasn't even the biggest loser. We lost about 11% of our manufacturing jobs in that period, but the Japanese lost 16% of theirs. Even developing nations lost factory jobs: Brazil suffered a 20% decline, China a 15% drop. What happened to factory jobs? In two words, higher productivity. I recently toured a U.S. factory containing two employees and 400 computerized robots. The two live people sat in front of computer screens and instructed the robots. In a few years this factory won't have a single employee on site, except for an occasional visiting technician who repairs and upgrades the robots, like the gas man changing your meter.

Manufacturing is following the same trend as agriculture. As productivity rises, employment falls because fewer people are needed. In 1910, a third of adult Americans worked on farms. Now, fewer than 3% do. Since 1995, even as manufacturing employment has dropped around the world, global industrial output has risen more than 30%. In China, modern factories are replacing inefficient state-sector plants. China produces more goods than ever before, but millions of Chinese factory workers have lost their jobs.

We should stop pining after the days when millions of Americans stood along assembly lines and continuously bolted, fit, soldered or clamped what went by. Those days are over. And stop blaming poor nations whose workers get very low wages. Of course their wages are low; these nations are poor. They can become more prosperous only by exporting to rich nations. When America blocks their exports by erecting tariffs and subsidizing our domestic industries, we prevent them from doing better. Helping poorer nations become more prosperous is not only in the interest of humanity but also politically wise because it lessens global instability.

Want to blame something? Blame new knowledge. Knowledge created the electronic gadgets and software that can now do almost any routine task. This goes well beyond the factory floor. America also used to have lots of elevator operators, telephone operators, bank tellers and service-station attendants. Most have been replaced by technology. Supermarket check-out clerks are being replaced by automatic scanners. The Internet has taken over the routine tasks of travel agents, real-estate brokers, stock brokers and accountants. With digitization, high-speed data networks and improved global bandwidth, a lot of back-office work can now be done more cheaply abroad. Last year, companies headquartered in the U.S. paid workers in India, China and the Philippines almost \$10 billion to handle customer service and paperwork.

Any job that's even slightly routine is disappearing from the U.S. But this doesn't mean we are left with fewer jobs. It means only that we have fewer routine jobs. When the U.S. economy gets back on track, many routine jobs won't be returning — but new jobs will take their place. A quarter of all Americans now

work in jobs that weren't listed in the Census Bureau's occupation codes in 1967. Technophobes, neo-Luddites, and antiglobalists be warned: You're on the wrong side of history. You see only the loss of old jobs. You're overlooking all the new ones.

The problem isn't the number of jobs in America; it's the quality of jobs. Look closely at the economy today and you find two growing categories of work — but only the first is commanding better pay and benefits. This category involves identifying and solving new problems. Here, workers do R&D, design and engineering. Or they're responsible for high-level sales, marketing and advertising. They're composers, writers and producers. They're lawyers, bankers, financiers, journalists, doctors and management consultants. I call this "symbolic analytic" work because most of it has to do with analyzing, manipulating and communicating through numbers, shapes, words, ideas. This kind of work usually requires a college degree.

Over the long term, symbolic analysts will do just fine, as long as they stay away from job functions that are becoming routinized. They will continue to benefit from economic change. Computer technology gives them more tools for thinking, creating and communicating. The global market gives them more potential customers for their insights. To be sure, symbolic analysts are popping up all over the world. More than half of all Fortune 500 companies say they're outsourcing some software development or expanding their own development centers outside the U.S. But apart from recessions, demand for symbolic analysts in the U.S. will continue to grow faster than the supply.

No other country does a better job preparing its citizens for symbolic analysis. Our universities are the envy of the world. And no other nation surpasses us in providing on-the-job experience within entire regions specializing in one or another kind of symbolic analytic work (New York for finance, LA for music and film, Silicon Valley and greater Boston for science and bio-med engineering, and so on). Besides, there's no necessary limit to the number of symbolic analytic jobs because there's no finite limit to the ingenuity of the mind or to human needs.

The second growing category of work in America involves personal services. Computers and robots can't do these jobs because they require care or attentiveness. Workers in other nations can't do them because they must be done in person. Some personal-service workers need education beyond high school — nurses, physical therapists and medical technicians, for example. But most don't, such as restaurant workers, cabbies, retail workers, security guards and hospital attendants. In contrast to that of symbolic analysts, the pay of most personal-service workers in the U.S. is stagnant or declining. That's because the supply of personal-service workers is growing quickly, as more and more people who'd otherwise have factory or routine service jobs join their ranks. Legal and undocumented immigrants are also pouring into this sector.

But America's long-term problem isn't too few jobs. It's the widening income gap between personal-service workers and symbolic analysts. The long-term solution is to help spur upward mobility by getting more Americans a good education, including access to college. Unfortunately, just the opposite is occurring. There will be plenty of good jobs to go around. But too few of our citizens are being prepared for them. Rather than fret about "losing jobs" to others, we ought to be fretting about the growing number of our young people who are losing their footing in the emerging economy.

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