

The US Government Survey on ‘Precarious’ Jobs

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Global Research, June 08, 2018

Region: [USA](#)

Theme: [Intelligence](#), [Poverty & Social Inequality](#)

The US Government’s Labor Department today, June 7, 2018, released a report on the condition of what’s called ‘precarious’ jobs in the US. The meaning of precarious is generally assumed to be contingent labor, alternative work arrangements, and, most recently, ‘gig’ work.

The Bureau of Labor Statistics’ survey concluded, however, that contingent-alternative work is not a serious problem in the US today; that its survey showed that only 3.8% of the US work force (5.9 million workers) were ‘contingent’ (meaning they didn’t have a permanent relationship of work with their employers). And only another 9.5% were in what’s called ‘alternative work’ arrangements, meaning independent contractors, on-call, or temp help agency employment (about 15.5 million). The BLS then further concluded these numbers showed a decline compared to its previous 2005 report on the topic. (There was no ‘gig’ work in 2005 and the BLS excluded ‘gig’ jobs from its just released report). So only 13-14% of the 165 million US work force were contingent-alternative (e.g. precarious) according to its (BLS) worst case estimate.

What follows is my initial criticism of the BLS supplement report just released today. My comments are in the form of a reply to a noted progressive radio show-blogger, **Doug Henwood**, who distributed his view on the Report earlier today as well. Doug basically agrees with the BLS report, that it shows precarious work is not a problem. To consider it is so is a distraction, according to Henwood, from the problems faced by the vast majority of US workers still in traditional forms of work.

In my comments below, I disagree with Henwood, and argue the BLS report represents a ‘low-balling’ of the problem of precarious work arrangements (contingent, alternative, gig) that is a consequence of a radical restructuring of labor markets in the US in recent decades–i.e. a restructuring that is destroying jobs, wages, benefits, and working conditions in general. The expansion and deepening of precarious employment is a serious symptom of that restructuring. Moreover, it reflects an intensification of exploitation of workers now accelerating–in both precarious and traditional work.

Here’s my comment-reply to Henwood:

“While I rarely comment on other blogs, I feel it is necessary to do so to Doug’s current commentary on the BLS contingent-alternative survey just released.

I certainly agree with Doug that US workers who are not employed in what’s called ‘precarious’ jobs are being exploited increasingly severely. But that fact is not a justification for arguing that addressing those in precarious employment is a distraction from the conditions of those still in traditional work, as Doug seems to suggest.

Nor do I think that just because the latest BLS supplement survey is not that different from the previously most recent 2005 survey, that it shows contingent-alternative work—which is almost always accompanied by lower pay, benefits, and working conditions—is not a critical issue. If non-contingent labor is being screwed more with every passing year, then contingent is being even more screwed. If American workers are being increasingly exploited (meaning wages stagnating, benefits being taken away or their costs shifting, employment security becoming even more tenuous, etc.) then workers in precarious jobs are super-exploited (wages even lower, benefits virtually non-existent for many, fired at any moment for any reason, exemption from rudimentary legal rights, etc.)

There are serious problems with the BLS supplement survey on contingency to which Henwood refers. One should not simply take the BLS 'at face value'. What's behind that 'appearance' is important. That's not to say there's a conspiracy by government to cook the numbers to reduce the magnitude of the precarious jobs growth problem. It's all in the definitions, assumptions (overt and hidden), and statistical methodologies that underlay the BLS report.

First of all, the gig economy is excluded by the BLS own admittance (see the BLS Technical note on their website). No Uber, Lyft, Taskrabbit, AirBNB, etc. jobs are included in the BLS survey. They may add it later, but not in these numbers. So we're talking about contingency and alternative work only. So what's the definition of these terms, and is the BLS's the best definition?

Moreover, according to the BLS study, all jobs (whether gig or contingent or alternative) that are second jobs are excluded. Only if the contingent-alternative jobs are the worker's primary job are they included in the tally. But shouldn't the BLS be estimating 'jobs' that are contingent-alternative, etc., whether primary or secondary, and not just if primary employment only?

Here's another problem: Contingency refers to a condition that is not permanent in some way. The BLS defines lack of permanency by referring to time—i.e. hours of work and conditions of employment a year or less. A worker is contingent-alternative only if he expects to be employed less than a year. What about those who have been temp or on call or whatever for more than a year? But why the BLS definition based on a time limit? Shouldn't contingency refer to the existence of a different set of conditions of work—i.e. a different wage structure, a second tiered benefits provisioning, restricted legal rights, other working conditions, or whatever may create a group of workers' relationship to the employer that is second tier or 'second class'? Why just time as the key definition; why not working conditions as the basis for defining contingent?

Given the BLS's actual assumptions and definitions, there are significant problems in what the BLS includes and excludes. Here's just a few:

First, BLS defines 'temp' workers as those employed by Temp Agencies. But there are hundreds of thousands, perhaps millions, who are hired direct by employers on a temp basis, not through agencies. The CPS has always ignored temps direct hired. Check out the auto industry where their numbers have been expanding for years.

What about public workers and higher ed teachers? I could not find any verification in the BLS study that they interviewed this sector? Many studies show that 70% of higher ed

college teachers are now lecturers. (Check out the SEIU study). I suspect they aren't adequately weighted in the BLS survey if at all. What about, as well, public home health workers, and the growing number of K-12 part timers, especially in charter schools.

And what about the company practice of hiring interns without pay for 3 to 6 months, then let them go and hire another cohort without pay. That's a growing practice in tech. Aren't they 'super-contingent'? One could add the general practice in Tech of requiring skilled tech job candidates to solve a company problem, for which they aren't paid, and then not hire them. Or the exploitation of young workers in so-called 'coding academies', where they do projects for companies in the hope of being hired, and then aren't.

Another big problem with the BLS survey is it was conducted in May. That's a big seasonality problem. Other studies, that Doug dismisses, were conducted in October-November. Obviously there would be far more 'contingent' workers in retail, wholesale, warehousing, etc. that would show up in November than in May. Remember, BLS findings are 'statistics', not raw data. They aren't actual real numbers but estimates of real numbers (as is all BLS data). Seasonality issues are an important problem in the latest BLS survey.

And what about farm labor. They are certainly contingent. Many are undocumented and are not accurately surveyed (their numbers are plugged in based on assumptions about their numbers and employment). The same could be said for the huge underground economy in the US, now at least 12% of US GDP. Millions of inner city youth are not accurately weighted in CPS surveys in general. The CPS does a phone survey. That survey is biased toward workers who are not transient, who have a landline phone (and only most recently has the BLS been adding cell phones to that phone survey). Inner city youth and undocumented workers do not respond to government phone surveys, if they are even called upon in the first place. These are problems with the BLS-CPS general employment and wage surveys, which they 'resolve' by simply assuming an adjustment factor.

The BLS admits it excludes day labor. Does that mean also that the majority of longshore 'B Men', casual workers (who fit the BLS definition of contingent) are also not included? And why shouldn't students working also be considered contingent? It fits the BLS definition. Why exclude that arbitrarily?

In short, there's a lot of problems with the BLS survey, that in general results in a low balling of the magnitude and growth rate of contingent-alternative work. That low balling is baked into the definitions, assumptions, and methodologies it uses. (And of course the many important occupation categories it excludes). The truth is probably somewhere between the Princeton academics' and freelancers' union estimates, and the BLS study. But whatever the numbers, it makes no sense to say that precarious employment is not a growing problem in the US (and elsewhere in the advanced economies). Or that we should ignore it and focus on the 'real problem' with noncontingent work. They're both a problem. We should not ignore the growing exploitation and destruction of noncontingent work; nor should we fall in line with government estimates of the precariate world by simply taking their (BLS) report at 'face value'.

It's no service to the US working classes, that have been beaten down in countless ways for more than three decades now, to say that the accelerating capitalist restructuring of labor markets creating gig, contingent, and alternative work (with less pay and benefits) is not a problem. The US government is minimizing the problem. Those who call themselves progressives should not join in."

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Dr. Jack Rasmus is a frequent contributor to Global Research.

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