

Blue-collar America

Down, but not necessarily out.



Illustration by KAL

There is nothing unusual about companies becoming symbols. The name Harley-Davidson automatically suggests the open road and live-free-or-die machismo; FedEx instantly evokes just-in-time delivery and global linkages. But few companies become symbols, as General Motors did, not just of a mood or a business concept but of an entire way of life.

At the height of its success, GM was proof of capitalism's ability to deliver the American dream to the average Joe. Young men could walk onto the assembly line fresh from high school and live a life that was the envy of most of the world. They earned enough to support a wife and family; the company provided them with top-notch medical care; they could retire with full benefits after just 30 years of work. In the mid-1950s Detroit had the highest median income and the highest rate of home-ownership of any American city.

Today GM's bankruptcy is a symbol of the travails of those same workers. Few working men can support their families without their wives working. Even fewer can expect to retire after just 30 years on the job. Detroit has seen its population collapse from 1.85m in 1950 to 917,000 today. That number will surely shrink further as GM implements its plans to close down another half-a-dozen factories and sack another 20,000 workers. A city that was once a symbol of working-class home-ownership is already full of boarded-up houses and abandoned lots.

The current recession is hitting blue-collar Americans much harder than the masters of the universe on Wall Street who have grabbed so many of the headlines. Almost 6m jobs have been lost since the recession began in late 2007. About 70% of those job losses are accounted for by blue-collar Americans, and most of them are men. The unemployment rate in construction, for example, is around 19%.

This comes on the heels of 30 dismal years. Blue-collar wages have been almost stagnant since the days of Jimmy Carter; and for men they have declined. Julia Isaacs of the Brookings Institution calculates that, between 1974 and 2004, median wages for men in their 30s, adjusted for inflation, fell by 12% from \$40,000 to \$35,000, at a time when median female wages were rising.

Blue-collar man has also seen his political influence wither. Back in the 1930s and 1940s, the Roosevelt coalition rested on a powerful alliance of workers by hand and brain. Ronald Reagan's successful appeal to working-class Democrats from the 1980s onwards for a while restored the clout of blue-collar voters, as both parties battled to secure their loyalty. Those blue-collar folk turned out to hold the balance of electoral power.

But the 2008 election revealed that this competition had become a charade. Sarah Palin, the hockey-mom candidate, issued repeated appeals to Joe Six-pack. Hillary Clinton presented herself as the candidate of "hard-working Americans" against Barack Obama and his army of eggheads. But Joe Six-pack concluded that he had been given little by the Republicans other than an endless culture war. And Mr Obama triumphed where previous pointy-headed candidates such as George McGovern had failed. The truth is that the Democratic Party is now much more a party of educated professionals than a party promoting the interests of the working class.

It is hard to relate this story without feeling sympathy for blue-collar America, and hard not to hope that Mr Obama will do something to improve the lot of those voters with whom he found it so tricky to communicate during the election. He certainly claims that reducing income inequalities and filling the gaps in America's health-care system are at the heart of his domestic agenda, though these will be of more benefit to poor people than to blue-collar ones. But it is worth keeping two things in mind.

The first is that the foundations of blue-collar America have all crumbled. Global competition, first from Japan and now from almost everywhere, has transformed manufacturing. Even shop-floor workers are expected to work with their brains as well as their hands, as flexible production replaces mass production. And a growing number of women expect to work. In fact, the golden age of blue-collar man was the product of a peculiar set of circumstances, when Europe and Japan were on their backs, mass-production ruled in the factories and a small number of companies could dominate the American economy.

More than scraps

The second is that those blue-collar workers bear much of the responsibility for their own fate. This is particularly true in the car industry, which tended to set the pattern for much of the rest of the American economy. Trade unions frequently hampered their industries with rules that blocked more flexible and productivity-boosting manufacturing techniques (the United Auto Workers' book of work rules ran to 5,000 pages). They also imposed unsustainable costs on their industries. In 1970 400,000 car workers—one in every 200 workers in America—went on strike for two months in order to wring job-destroying concessions out of GM. John Updike's Harry Angstrom passed a hard verdict on this sort of self-indulgence in "Rabbit is Rich": "Seems funny to say it, but I'm glad I lived when I did. These kids coming up, they'll be living on table scraps. We had the meal."

But there is still hope for blue-collar workers as long as they are willing to learn from the calamity that is General Motors. Plenty of manufacturing companies, even carmakers, have flourished at a time when General Motors has floundered. And plenty of women today enjoy opportunities that were denied to their mothers and grandmothers. Blue-collar Americans may not be able to gorge themselves as their predecessors did. But that does not mean that they will be doomed to live on scraps.

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