

# CHANGING CLASSES

## Stratification and Mobility in Post-industrial Societies

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8

Careers in the US Service Economy

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The emergence of post-industrial society has raised important issues throughout the social sciences and humanities. What is distinctive about post-industrial political movements (Touraine, 1971; Offe, 1985; Melucci, 1989)? What can account for the development of postmodern architecture (Jencks, 1987) and deconstructionist literary analysis (Connor, 1989)? Do social and economic frameworks developed to account for industrial society provide sound guidance for understanding the nature and trajectory of post-industrial society (Bell, 1976; Block, 1990)?

In keeping with the theme of this volume, the organizing question for this chapter is whether an increasingly closed group of workers is developing at the low end of the service economy, possibly facing a deteriorating social position (Esping-Andersen, 1991). We attempt to answer this question for the United States in the period 1969-87 by addressing four specific subsidiary questions. (1) Did employment levels increase in this group of relatively undesirable jobs? (2) Did incomes of workers in these occupations decline, either absolutely or relative to those of other workers? (3) Did the age-earnings profile of this group level out? And (4) did career mobility out of such jobs become more difficult? Despite the extensive debate regarding the growth of inequality in the United States labor market (Levy, 1988; Burtless, 1990; Harrison and Bluestone, 1988; Jencks and Peterson, 1991), little attention has been paid to the basic question of whether the same individuals stay in the same occupations for long or short spells.

To foreshadow the results presented in more detail below, if the group in question is defined as workers in unskilled service occupations, the answer to three of these four questions in the United States is clearly negative.

First, employment in unskilled service occupations did not increase substantially. The proportion of the labor force employed in unskilled service occupations inched up between 1969 and 1987,

Table 8.1 Occupational distribution of employment by industry, USA, 1969-87 (percent)

	Consumer service	Retail sales	Social service	Public admin.	Business service	Manuf. turing	Whole-sale	Utility/Transport	Agri-culture/other	Mining	Total
Managers											
1987	9.19	5.83	7.73	11.22	16.47	9.18	7.10	8.67	2.40	9.19	8.94
1969	6.08	6.43	4.97	7.77	13.38	5.27	9.54	4.60	0.66	5.40	6.13
Change	+3.11	-0.60	+2.76	+3.45	+3.09	+3.91	-2.44	+4.07	+1.74	+3.79	+2.81
Professions - high											
1987	5.01	1.93	11.30	14.07	14.16	7.66	2.26	7.93	2.30	14.38	7.88
1969	3.62	2.03	10.52	12.49	11.97	6.08	2.66	5.51	2.36	8.90	6.40
Change	+1.39	-0.10	+0.78	+1.58	+2.19	+1.58	-0.40	+2.42	-0.06	+5.48	+1.48
Technicians											
1987	0.42	0.23	3.96	3.82	3.54	3.26	0.86	2.95	0.76	5.41	2.53
1969	0.24	0.09	2.95	3.40	3.24	2.99	0.61	1.57	0.31	2.80	2.07
Change	+0.18	+0.14	+1.01	+0.42	+0.30	+0.27	+0.25	+1.38	+0.45	+2.61	+0.46
Professions											
1987	7.95	0.09	33.89	2.90	0.86	0.19	0.14	0.30	0.00	0.00	7.60
1969	7.34	0.12	38.24	1.51	0.73	0.14	0.09	0.27	0.02	0.10	7.03
Change	+0.61	-0.03	-4.35	+1.39	+0.13	+0.05	+0.05	+0.03	-0.02	-0.10	+0.57
Skilled services											
1987	24.65	10.10	5.65	24.16	1.03	1.14	1.87	8.05	0.89	4.08	6.72
1969	24.04	7.07	3.90	25.04	0.95	1.00	2.18	9.58	0.96	4.50	5.59
Change	+0.61	+3.03	+1.75	-0.88	+0.08	+0.14	-0.31	-1.53	-0.07	-0.42	+1.13

Table 8.1 continued

	Consumer service	Retail sales	Social service	Public admin.	Business service	Manuf. turing	Whole-sale	Utility/Transport	Agri-culture/other	Mining	Total
Unskilled service											
1987	30.65	17.85	15.34	5.51	9.99	3.79	5.20	9.02	12.96	2.76	12.08
1969	38.47	17.73	18.06	7.50	7.09	4.32	6.17	8.73	5.92	2.40	11.77
Change	-7.82	+0.12	-2.72	-1.99	+2.90	-0.53	-0.97	+0.29	+7.04	+0.36	+0.31
Clerical											
1987	7.82	7.24	19.05	32.45	33.82	9.17	17.44	27.47	3.84	14.72	15.97
1969	6.22	8.89	18.02	33.33	41.50	9.96	20.50	31.97	1.16	9.80	15.94
Change	+1.60	-1.65	+1.03	-0.88	-7.68	-0.79	-3.06	-4.50	+2.68	+4.92	+0.03
Sales											
1987	4.97	42.48	0.68	0.85	15.44	3.19	40.60	4.23	0.43	1.91	12.70
1969	4.77	40.02	0.80	1.08	16.13	3.22	30.11	2.00	0.48	0.80	10.58
Change	+0.20	+2.46	-0.12	-0.23	-0.69	-0.03	+10.49	+2.23	-0.05	+1.11	+2.12
Skilled manual											
1987	4.09	2.62	1.16	2.89	2.37	28.47	4.25	8.63	0.62	13.08	9.25
1969	4.40	3.19	1.52	3.97	2.91	26.85	7.62	10.62	0.41	18.40	11.66
Change	-0.31	-0.57	-0.36	-1.08	-0.54	+1.62	-3.37	-1.99	+0.21	-5.32	-2.41
Unskilled manual											
1987	5.05	11.60	1.22	2.11	2.27	33.69	20.04	22.76	2.88	34.45	13.93
1969	4.70	14.41	0.90	3.87	2.00	39.70	20.41	25.15	2.75	46.90	19.53
Change	+0.35	-2.81	-0.32	-1.76	+0.27	-6.01	-0.37	-2.39	+0.13	-12.45	-5.60
Agriculture/other											
1987	0.20	0.02	0.03	0.02	0.06	0.27	0.24	0.00	0.00	0.00	2.40
1969	0.13	0.02	0.12	0.04	0.12	0.48	0.11	0.01	0.01	0.00	3.30
Change	+0.07	+0.00	-0.09	-0.02	-0.06	-0.21	+0.13	-0.01	-13.05	+0.00	-0.90

pational structure will permit continued upward inter-generation and career mobility to overshadow downward mobility. The patterns of industry growth suggest a more mixed picture, since growth is evident in services at both the low end (consumer service and retail sales industries) and the high end (social and business services). A third, more pessimistic view of the changing opportunity structure focuses on the stagnant earnings opportunities, which I examine below. A complete appraisal of the dynamics of opportunity should ideally incorporate these partially disparate trends.

### The Changing Demographics of Unskilled Service Employment

Table 8.2 documents the demographic composition of unskilled service workers for 1969 and 1987. Data for the labor force as a whole are provided as a convenient reference point. Unskilled service workers are disproportionately female, yet women's over-

Table 8.2 *Attributes of incumbents by occupation, USA, 1969-87 (percent)*

	Unskilled service workers		Total labor force	
	1987	1969	1987	1969
N	10,045	14,674	81,004	125,509
Female	51.0	48.6	46.8	37.9
Black	14.0	20.1	8.4	9.0
Education				
Mean (years)	(11.5)	(10.1)	(12.8)	(11.6)
Less than high school	35.3	60.4	18.5	38.2
High school graduates	42.7	30.6	39.7	35.6
Some college	16.9	7.7	20.4	13.4
4+ years college	5.0	1.2	21.5	12.9
Age				
Mean (years)	(36.0)	(40.7)	(37.6)	(39.8)
16-24	30.0	22.7	19.1	18.9
25-34	23.9	15.8	27.8	21.1
35-44	17.6	18.0	23.8	20.8
45-54	12.7	20.3	15.4	21.2
55-64	10.8	16.8	10.3	14.1
65+	5.0	6.4	3.6	4.0
Full time	60.0	69.7	78.1	81.6
Full year worked	55.7	58.3	68.8	66.9

representation in unskilled service work did not increase between 1969 and 1987. In 1987, the proportion of females in unskilled service work exceeded the labor force as a whole by just over 4 percent, whereas in 1969 the differential was just over 10 percent. Indeed, the level of sex segregation across occupations declined slightly, whether measured across broad or narrow occupational groups or across industries.<sup>2</sup>

Blacks were slightly over-represented in unskilled service employment in 1987, but for Blacks as well as women the concentration in this area declined. Racial segregation fell for the labor force as a whole at a modest rate between 1969 and 1987, with an especially rapid decline in segregation among part-time workers.<sup>3</sup> These patterns held for both Black men and Black women. The principal sex difference among Blacks is that Black women were under-represented among part-time workers (in both 1969 and 1987) while Black men remained slightly over-represented among part-time workers (see Jacobs, 1991, for a more detailed discussion of race and gender issues).

Although the educational credentials of unskilled service workers rose between 1969 and 1987, they remained over a year behind the rest of the labor force in years of schooling completed. Unskilled service workers were almost twice as likely to be high school dropouts as the rest of the labor force by 1987, compared with 1.6 times as likely in 1969. Employees with no more education than a high school diploma comprised a much smaller portion of the US labor force in 1987 than in 1969, due to the retirement of earlier cohorts with less education. Yet those with limited educational credentials became relatively worse-off, as they were increasingly concentrated in low-end service jobs, jobs whose incomes fell during this period (Blackburn et al., 1990).

The United States resembles Canada and the Scandinavian countries in the youthfulness of unskilled service workers, in sharp contrast to their middle-aged counterparts in Germany and Britain. New entrants to the labor force (those aged 16-24) were increasingly over-represented in unskilled service work in the United States by 1987. Whereas in 1969, unskilled service workers were slightly older than the labor force as a whole, by 1987 they were slightly younger. Young workers' over-representation in unskilled service employment increased substantially between 1969 and 1987. In 1987, 30 percent of unskilled service workers were under age 25, compared with less than 20 percent of the labor force as a whole. Unskilled service workers were also over-represented at the other extreme of the age distribution, those aged 65 and over.

The increasing concentration of the young in low-end service

service workers are paid less than otherwise similarly situated workers, although we do not know whether the trend is the same in Sweden as in the United States.)

Unskilled manual workers fared somewhat better than unskilled service workers; indeed, their earnings growth exceeded that for the labor force as a whole. This is due to the more limited reliance on part-time workers in unskilled manual employment. Once employees are divided according to sex and full-time versus part-time work, the earnings trends for unskilled manual work resemble those found for unskilled service work.

A broader picture of the rewards of work indicates further problems with low-end service jobs (see Jacobs, 1991, for details). Their unemployment rates exceed the economy-wide average (although they were lower than manufacturing in 1987), and they are more likely than other workers to report they are underemployed. Such jobs have low levels of health and pension coverage, especially among part-time employees. This sector of the economy is characterized by high rates of employer turnover, and occupational and industrial mobility. Thus, there can be little doubt that unskilled service jobs offer unattractive wage and fringe benefit packages when compared with other occupational groups.

Table 8.4 presents the results of a series of regression equations which predict the earnings of labor force incumbents for a combined 1969–87 sample. The strategy of these equations is to compare gross and net occupational differentials, and to examine whether the relative earnings position of different occupations remained constant over time. In our initial equation, the gross earnings differentials between unskilled service workers and other occupations are documented, along with a time-trend interaction. This term indicates the extent of positive or negative earnings change in unskilled service work relative to the rest of the labor force. Basic demographic characteristics – sex and race – are included in this baseline model. In subsequent equations, I explore the extent to which these differentials can be attributed to various factors which differ across occupations. Model 2 indicates the extent to which earnings differences between unskilled service work and other occupations are due to differences in industry distribution. Model 3 adds education and experience, and finally Model 4 adds hours and weeks worked.

The results in Model 1 document the earnings disadvantage of unskilled service workers relative to workers in the rest of the economy, and the declining trend for service workers relative to the rest of the labor force between 1969 and 1987. Thus, not only are these workers poorly paid, but they fell behind in terms of earnings compared to the rest of the labor force.

In Model 2 industry characteristics are added. The reference category here is the manufacturing sector (mining and agriculture are excluded from the earnings analysis). The addition of industry characteristics does not significantly change the time trend for unskilled service workers. Thus, the unfavorable earnings trend for unskilled service work is not due to the changing industrial composition of this group of occupations. Nonetheless, it should be noted that the earnings of workers in the consumer service and retail sales industries are substantially below those garnered by workers in other industries, even after membership in major occupational groups is controlled.

In Model 3, the addition of education and experience substantially reduces both the cross-sectional and longitudinal effects associated with unskilled service occupations. In other words, the economic 'cost' associated with being employed in unskilled service work is partly due to the relatively low education and limited labor market experience of workers in this group of occupations. Further, much of the downward time trend is due to the decline in education and experience of these workers, relative to the labor force as a whole. During the 1970s and 1980s, the earnings of those with limited educational credentials fell behind those of college graduates, and the earnings of recent entrants into the labor market have fallen behind those of experienced workers (Blackburn et al., 1990). The results in Model 3 indicate that these trends are responsible for about half of the decline in earnings of unskilled service workers relative to the rest of the labor force.

In Model 4, the addition of hours worked and weeks worked explains virtually all of the remaining decline in earnings of unskilled service workers. In other words, the earnings trends of unskilled workers would not have changed had they worked the same number of hours per week and weeks per year as other occupations. As noted above, the presence of large numbers of part-time workers depresses the position of unskilled service work relative to other occupations, and explains the lower earnings growth in this group of occupations.

It should be noted that there is still a significant negative cross-sectional effect of employment in unskilled service work. In other words, even after controlling for formal education, labor market experience and hours and weeks worked, workers employed in unskilled service occupations continue to be paid less than comparable individuals in other occupations. Further, wage 'penalties' associated with the consumer services, retail sales and social service industries persist after these controls are introduced.

The problem with low-end service employment, then, is not only



of the four types of exits from unskilled service occupations for the 1971–2 period and the 1987–8 period. The design of this analysis tests whether the overall rate of exit changed during this period, and examines whether the impact of industrial and individual variables changed over time.

The 'year' term is significantly positive for mobility into white-collar jobs and for mobility into managerial, professional and technical jobs. This finding indicates that these rates of mobility increased, net of changes in the attributes of workers in these jobs and net of changes in the effect of independent variables on the process of mobility.

None of the industry interaction terms is significant for any of the four types of exits. Consequently, we can conclude that any industry-specific changes in rates were due to changes in the attributes of incumbents in these industries.

The changes in the impact of two demographic factors was somewhat surprising. While the increase in the exit rates of Blacks seems plausible, the declining rate of exit of women, particularly into managerial, professional and technical occupations, was unexpected, given the general improvement in managerial employment opportunities for women in the United States (Jacobs, 1992). Also intriguing is the decline in mobility rates for full-time workers. By 1987–8, part-time and part-year workers had higher exit rates than full-time and full-year workers with similar attributes. As I suggested above, this pattern may reflect differences in attributes and strategies between those who rely on employment in unskilled service jobs versus those who use such jobs in more of a 'stop-gap' manner.

The age group interaction terms which are significant are generally negative. This indicates an increase in the mobility rate of the reference group, 16- to 24-year-olds, relative to those at older ages. These changes are most evident in overall exits and in mobility into managerial, professional and technical jobs.

The results in Table 8.8 on trends in exit rates are difficult to reconcile with an image of an increasingly trapped group of unskilled service workers. To be sure, most of the 'upward' mobility is into sales and clerical occupations. While one may question the extent to which these moves truly represent upward mobility, it is nonetheless hard to maintain that unskilled service workers represent a fixed strata with extremely circumscribed mobility prospects.

The analysis of mobility into unskilled service occupations for the 1971–2 and 1987–8 periods (data not shown) indicates that entry into unskilled service occupations declines sharply with age, education and employment in professional, technical, sales and clerical

jobs. Employment in consumer services and retail sales increased one's chances of moving into unskilled service occupations between 1987 and 1988, while manufacturing employment reduced one's chances. Women, Blacks and part-year workers were more likely to move into unskilled service occupations between 1987 and 1988. The patterns are similar during the 1971–2 period, except that industry differentials grew and the chances of managers and sales workers moving into unskilled service occupations declined.

### Conclusions

In the United States employment in unskilled service occupations edged up only slightly between 1969 and 1987. These jobs were disproportionately filled by young employees with limited educational credentials. Blacks and women were over-represented in unskilled service jobs, but their concentration in these jobs declined during this period.

Unskilled service jobs paid far less than the economy-wide average. This earnings deficit persisted after basic productivity-related attributes (education, experience, hours and weeks worked) were controlled. Further, the earnings gap between low-end service industries and the rest of the economy grew substantially between 1969 and 1987. This lag was due to the concentration of part-time workers in unskilled service jobs, whose earnings fell dramatically behind the rest of the labor force. Exit rates were very high for young employees in unskilled service jobs, and relatively few individuals entered such jobs from other types of employment after age 25.

Our analysis of the employment prospects of unskilled service workers indicates that this group is not growing rapidly nor is it becoming increasingly disconnected from other career opportunities. Our results suggest that sales and clerical occupations might be combined with unskilled service occupations in a broader analysis of the emerging post-industrial disadvantaged. Yet sales and clerical workers appear increasingly reluctant to switch into unskilled service jobs, which suggests that these occupations continue to be perceived as more desirable than unskilled service jobs. The data indicate much higher levels of early career mobility for unskilled service workers in the United States than is evident in Germany. In this respect there is greater similarity with the Scandinavian countries and Canada.

In the introduction I outlined several distinctive features of the US labor market that might be responsible for these patterns. The

United States reduces the documented rate of mobility compared with the Canadian data because of under-reporting of change, while comparing panels across time tends to increase reports of mobility due to incomplete matching. Further, the Canadian analysis indicates the extent of occupational change, including changes within unskilled service work, while the US analysis counts as change only movements between major occupational groups.

## Mobility Regimes and Class Formation

*Gøsta Esping-Andersen*

Should the concept of social classes still be regarded as an indispensable tool for understanding our society? In a sense, the answer to this question depends on how we interpret historical evolution. One view holds that the class-divided society was but a historical aberration, a pathology peculiar to the early stages of capitalist industrialization. Its salience diminished with the advent of welfare capitalism and the rise of the new middle classes; and, as we march towards the post-industrial society, we shall be leaving the world of classes behind us entirely. Post-industrial theorists, like Daniel Bell, prefer to speak of *situs* groups.

There is little doubt that the kind of polarization depicted by traditional class theory has lost much of its face validity. But in its place novel social cleavages are being identified. The neo-Marxists insist that the long-run trend towards proletarianization now also encompasses the broad white-collar strata; others note the emergence of new sources of division, such as the crystallization of a new scientific ruling class, the institutionalization of labor market and other dualisms, insider and outsider classes, or the consolidation of a new underclass. Still, are these phenomena real, and, if so, do they legitimately warrant the concept of class?

The empirical case against the neo-Marxist degradation cum white-collar proletarianization thesis is overwhelmingly strong (Erikson and Goldthorpe, 1992). Sørensen (1991) has a point when he maintains that the relevant social inequalities that sociologists seek to explain with the new theories of dualism and segmentation are, in reality, reducible to neoclassical economic theory. In this view, too, class can make no legitimate claim to theoretical primacy.

Sørensen's dismissal is, however, grounded in an essentially *static* analysis of the relations of exploitation and inequality. It ignores the case for a class theory based on a dynamic class-formative approach. Thus, following Goldthorpe (1987) and Erikson and Goldthorpe (1992), the question of class depends on whether, and to what