

*Technology and Structural Unemployment:  
Reemploying Displaced Adults*

February 1986

NTIS order #PB86-206174



TECHNOLOGY AND  
STRUCTURAL UNEMPLOYMENT:  
REEMPLOYING DISPLACED ADULTS



OFFICE OF THE UNITED STATES  
OFFICE OF TECHNOLOGY EVALUATION  
Washington, D.C. 20540

Recommended Citation:

U.S. Congress, Office of Technology Assessment, *Technology and Structural Unemployment: Reemploying Displaced Adults*, OTA-ITE-250 (Washington, DC: U.S. Government Printing Office, February 1986).

Library of Congress Catalog Card Number **85-600631**

For sale by the Superintendent of Documents  
U.S. Government Printing Office, Washington, DC *20402*

## Foreword

The problems of displaced adults have received increasing attention in the 1980s, as social, technological, and economic changes have changed the lifestyles of millions of Americans. Displaced adults are workers who have lost jobs through no fault of their own, or homemakers who have lost their major source of financial support.

In October 1983 OTA was asked by the Senate Committee on Finance and the Senate Committee on Labor and Human Resources to assess the reasons and outlook for adult displacement, to evaluate the performance of existing programs to serve displaced adults, and to identify options to improve service. In June 1984, the House Committee on Small Business asked OTA to include in the study an examination of trends in international trade and their effects on worker displacement.

Worker displacement will continue to be an important issue for the remainder of the decade and beyond, as the U.S. economy adapts to rapid changes in international competition, trade, and technology. While increasing automation and other industry adjustments to new competitive forces benefit the Nation as a whole, they do mean that millions of workers are displaced. The report shows that changes occurring in trade and technology mean that people whose work involves mainly routine manual and mental tasks, particularly in manufacturing, are vulnerable to displacement. Tasks, jobs, and processes that are highly dependent on semiskilled labor are those most likely to be moved offshore, lost to import penetration, or automated. As a result, less educated and less skilled workers are overrepresented among the displaced, and are unlikely to qualify for highly skilled technical, professional, or managerial positions which are less vulnerable to displacement.

This report concentrates on the problems of displaced blue-collar and nonprofessional white-collar workers. These workers are likely to face extended periods of unemployment, loss of health insurance and retirement benefits, and reemployment only in a new job with lower pay. For many semiskilled blue-collar workers the best route back to a good job is retraining, although even with retraining, initial wages are often lower than on the old jobs. Most displaced workers can benefit substantially from other reemployment services, such as job search assistance, counseling, and job development. Relocation assistance is appropriate for some. This report gives an overview of Federal programs that provide such services, and evaluates the extent to which both private and public programs are meeting the needs of displaced workers. It also includes an assessment of the extent to which adult educational systems and new educational technologies can help displaced workers and homemakers prepare for new jobs. In many cases, this preparation involves basic education, an area where technologies such as Computer Aided Instruction and interactive videodisks are especially promising.

OTA thanks the many people—advisory panel members, government officials, reviewers, and consultants—for their assistance. As with all OTA studies, the information, analyses, and findings of this report are solely those of OTA.

*Director*

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NOTE: The Advisory Panel provided advice and comment throughout the assessment, but the members do not necessarily approve, disapprove, or endorse the report for which OTA assumes full responsibility.

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## Acknowledgments

This report was prepared by the staff of the Industry, Technology, and Employment Program of the Office of Technology Assessment. The staff wishes to acknowledge the contribution of OTA'S contractors in the collection, analysis, and preparation of material for the report, and to thank the following individuals, organizations, and government agencies for their generous assistance:

Abt Associates Inc.  
Hal Axtell, Ford Motor Co.  
William L. Batt, U.S. Department of Labor  
Business Council for Effective Literacy  
California Employment Training Panel  
Congressional Research Service  
Paul Delker, U.S. Department of Education  
Displaced Homemakers Network  
Employment and Immigration Canada  
Ford Motor Co.  
Francis Fisher, The Urban Institute  
General Electric Co.  
General Motors Corp.  
H. Peter Gray, Rutgers University  
John Hartmann, International Trade  
Administration  
Industrial Adjustment Service, Canada  
Interstate Conference of Employment Security  
Agencies  
Allan Jacques, Employment and Immigration  
Canada  
Stan Jones, United Auto Workers of America  
Mainstream Access Inc.

Mathematical Policy Research Inc.  
National Commission for Employment Policy  
National Governors Association  
S.D. Warren Co.  
The Boeing Co.  
United Auto Workers  
U.S. Department of Defense:  
Department of the Army  
Department of the Navy  
Office of the Secretary of Defense  
U.S. Department of Education:  
Office of Educational Research and  
Improvement  
Office of Vocational and Adult Education  
U.S. Department of Labor:  
Bureau of International Labor Affairs  
Bureau of Labor Statistics  
Bureau of Labor-Management Relations and  
Cooperative Services  
Employment and Training Administration  
U.S. General Accounting Office  
Westat Inc.  
Weyerhaeuser Co.