

*Technology and Structural Unemployment:  
Reemploying Displaced Adults*

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**TECHNOLOGY AND  
STRUCTURAL UNEMPLOYMENT:  
REEMPLOYING DISPLACED ADULTS**



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## 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.

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*Director*

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