



The Daily Dish

Late, But Never Would Be Better

DOUGLAS HOLTZ-EAKIN | SEPTEMBER 8, 2022

One of the enduring mysteries of the Obama era was that administration's dedication to re-instilling the labor market of the 1950s. Forget those clever gig and multiple job arrangements. Everybody should have a single job with an employer. That employer should pay very well (regardless of productivity) and offer a rich set of fringe benefits. Union membership and overtime pay should be commonplace. It was a rigid, top-down vision completely at odds with the flexibility and fluidity demanded in a 21st century economy.

At the beginning of the Biden Administration, Eakinomics thought it was a sure-fire bet that the administration would quickly put back in place these Obama-era labor regulations, but as the months passed, little happened. Well, the wait is over. As detailed by Isabella Hindley in her [new piece](#), the National Labor Relations Board (NLRB) published a Notice of Proposed Rulemaking (NPRM) intended to rescind and replace the current Joint Employer Standard.

“Joint employment” occurs when two or more entities share responsibility for the terms of employment. When identified as a joint employer, an entity is exposed to union negotiations, defending against unfair labor practice claims filed on the other employers and the possibility of accretion – the addition of employees to existing unions without an election.

Replacing the Trump-era standard would make it easier to be identified as a joint employer, which is consistent with the administration's pro-union stances. It would also do tremendous economic damage by endangering the highly successful franchise business model. And this is just the beginning, as there is expected action on other regulations.

As Hindley summarizes the situation: “Policy experts expect the Biden Administration to accelerate its efforts to return to Obama-era standards for labor-related issues including apprenticeship programs and worker classification; such changes would have significant impacts on the labor market – both for employers and workers.”