Why Is the Right to Work So Hard to Secure?

Philip Harvey

INTRODUCTION

Despite the crucial role it plays in facilitating the realization of other economic and social human rights (Harvey 2007), even the wealthiest countries in the world seem unable to secure the right to work. This chapter attempts to identify the source of this failure through a review of the policies American progressives have promoted to secure the right to work since the 1930s.

The first portion of this review focuses on Franklin D. Roosevelt's seminal twelve-year presidency. American progressives developed two distinct strategies for securing the right to work during this period. The first was a social welfare strategy involving the use of direct job creation to provide decent work for those job seekers whom the private sector could not employ at a particular moment in time. The second was a macroeconomic strategy that relied on the use of deficit spending by the federal government to raise aggregate demand enough to achieve full employment. In this chapter, the former strategy shall be referred to as the direct job-creation strategy and the latter as the aggregate demand management (ADM) strategy.

Direct job-creation programs such as the Civilian Conservation Corps (CCC) and the Works Progress Administration (WPA) occupied a central role in the mature New Deal of the second half of the 1930s. Moreover, the social welfare thinking that inspired these initiatives also inspired President Roosevelt's vigorous advocacy during World War II of a broadened conception of human rights. Nevertheless, American progressives lost interest in the direct job-creation strategy as war-related employment—both military and civilian—finally brought the nation's lingering unemployment crisis to an end in the early 1940s. Impressed by both the
ease with which war-related spending achieved this goal and the persuasiveness of John Maynard Keynes's teaching, progressives were easily convinced that the Keynesian ADM strategy constituted both an easier and a more effective means of securing the right to work that President Roosevelt was talking about. It is hardly surprising, therefore, that it was the ADM strategy rather than the direct job-creation strategy that American progressives embraced as the cornerstone of their ongoing efforts to secure the right to work following the end of World War II.

Unfortunately, because of its inflationary tendencies at the top of the business cycle, the Keynesian ADM strategy proved incapable of achieving the full employment goal progressives had assigned it; and that failure, in turn, undermined the effectiveness of their efforts to secure other aspects of the right to work such as the achievement of equal employment opportunity and adequate job quality. The conclusion drawn from this analysis is that progressive efforts to secure the right to work will continue to fail until an effective means is found to accomplish the task the Keynesian ADM strategy proved incapable of accomplishing — the elimination of the economy's job gap.

Fortunately, an alternative strategy is available — one that draws its inspiration from the New Deal direct job-creation strategy abandoned by American progressives when they embraced the Keynesian ADM strategy in the early 1940s. The advantages of this New Deal strategy are only briefly identified in this chapter, but one worth special emphasis in that unlike other strategies for combating unemployment, it is designed to secure the right to work directly rather than indirectly through the pursuit of other economic policy goals. It is a human rights policy that produces desirable economic effects rather than an economic policy that, hopefully, will produce desirable human rights effects. For this reason, the direct job-creation strategy provides American progressives with more than a remedy for the shortcomings of the Keynesian ADM strategy. It furnishes them with the opportunity to reframe their efforts to combat unemployment — all types of unemployment — as a human rights struggle.

THE UNITED STATES' FAILURE TO SECURE THE RIGHT TO WORK

In other work, I have argued that the right to work has four aspects or dimensions (Harvey 2007). The qualitative aspect of the right requires that the number of jobs available in an economy be sufficient to provide freely chosen employment for everyone who wants to work. The qualitative aspect requires that these jobs satisfy minimum standards of decency in terms of their pay, benefits, hours of work, working conditions, workplace governance, employment security, and opportunities for individual development. The distributional aspect of the right requires that equal employment opportunity be guaranteed to all members of society. Finally, the scope of the right requires that persons engaged in socially useful work that is not organized in the form of wage employment be guaranteed material support, conditions of work, and opportunities for personal development that are consistent with those to which wage workers are entitled, even if these guarantees are secured by other means than those that apply to wage employment.

The obligation of governments to respect, protect, and fulfill human rights applies to each of these aspects of the right to work, but the consequences of a failure to meet certain of these obligations can have a disproportionately negative effect on efforts to meet others among them. For reasons that will be explained later in this chapter, a failure to fulfill the quantitative aspect of the right to work tends to have a devastating effect on efforts to respect, protect, and fulfill other aspects of the right to work. This is not because ensuring that everyone has access to a job is inherently more important than ensuring that all job seekers have equal access to available jobs, that those jobs meet minimum standards of decency, and/or that nonwaged workers receive fair treatment and adequate support. Ensuring that everyone who wants paid employment has access to a job may even be less important than securing these other aspects of the right to work. What makes the obligation to respect, protect, and fulfill the quantitative aspect of the right to work so special is its functional role in efforts to adequately respect, protect and fulfill the other three aspects of the right to work — qualitative, distributional, and scope (Harvey 2007).

For this reason, rather than attempting to provide data that document the performance of the United States in meeting each of its obligations with respect to each aspect of the right to work, the following figures and table have been selected simply to highlight the overall failure of those efforts, with particular attention to the quantitative aspect of the right to work. Figure 6.1 illustrates the limitations of existing policies to secure the quantitative aspect of the right to work. The bottom line in the figure shows the number of vacant jobs employers in the United States have sought to fill from month to month over the past decade. The next line, labeled “Official Unemployment,” shows the number of individuals who
lacked jobs but were actively seeking work on a month-to-month basis over the same period of time. The next line adds “Involuntary Part-Time Workers” to official unemployment. These individuals are working part-time but want full-time jobs. Finally, the top line adds to these two groups jobless individuals who say they want a job but are not actively seeking work and hence are not counted as officially unemployed.

The distance between the bottom line in this figure and the three lines above it shows the size of the economy’s job gap — the number of additional jobs needed to provide employment for everyone who wants to work. As one would expect, the figure shows that the Great Recession caused the economy’s job gap to swell dramatically, to a peak of almost 28 million jobs in October 2009, based on the broadest measure of the job gap’s size. The figure also shows, however, that even when the unemployment rate dipped below 4.0% in December 2000, there were 8 million fewer jobs than were needed to provide work for everyone who wanted it.

The reason this last statistic is so interesting is because at that level of unemployment, the Federal Reserve Bank is likely to be taking active steps to prevent the unemployment rate from falling further. Why? The simple answer is because of inflationary fears, and although progressive economists might quarrel with whether it is necessary to put the brakes on the economy quite so soon to forestall unacceptable increases in the rate of inflation, there is no reason to believe the minimum level of unemployment they deem safe would ensure the availability of jobs for everyone who wants to work. Even if it did, Figure 6.1 makes it abundantly clear that the tool kit of macroeconomic policies on which economists rely is unable to maintain employment levels at whatever level they may deem acceptable. The economy’s dips may be moderated, but they cannot be entirely thwarted.

Figure 6.2 shows that the performance of the United States in securing the quantitative aspect of the right to work has actually diminished rather than increased since the end of World War II. This trend is especially disheartening in light of the assumption, widely embraced in international human rights declarations and agreements, that although economic and social human rights may not be immediately enforceable, governments acting in good faith can and should be able to realize them progressively over time. Something has gone seriously wrong.

Figure 6.3 is suggestive of the failure of the United States government to secure the qualitative aspect of the right to work. The figure shows the failure of average hourly wages to keep pace with the growing wealth of the country as a whole since the early 1970s. Analogous data show that in contrast to the period portrayed in Figure 6.3, average wages grew as rapidly as per capita GDP from 1950 through 1965.

By itself this does not conclusively demonstrate that U.S. wage levels are either unjust or insufficient to support an adequate standard of living — two requirements for the realization of the qualitative aspect of the right
to work. However, the fact that ordinary wage earners have shared none of the nation's growing wealth during the past four decades constitutes strong evidence that efforts to secure the qualitative aspect of the right to work have also stagnated in the United States.

Finally, Table 6.1 shows that disadvantaged workers bear a disproportionate share of the joblessness caused by the overall job gap in the United States, thus evidencing a failure to secure the distributive aspect of

TABLE 6.1. Comparative unemployment rates, November 2010

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Average Unemployment Rate</td>
<td>9.8%</td>
</tr>
<tr>
<td>Youths Aged 16-19</td>
<td>46.5%</td>
</tr>
<tr>
<td>Black Aged 16-19</td>
<td>20.5%</td>
</tr>
<tr>
<td>White Aged 16-19</td>
<td>16.0%</td>
</tr>
<tr>
<td>All Persons Aged 16 &amp; over</td>
<td>16.0%</td>
</tr>
<tr>
<td>Black</td>
<td>13.2%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>8.5%</td>
</tr>
<tr>
<td>All Persons Aged 25 and Older</td>
<td></td>
</tr>
<tr>
<td>Less Than High School Diploma</td>
<td>15.7%</td>
</tr>
<tr>
<td>High School Graduates, No College</td>
<td>10.0%</td>
</tr>
<tr>
<td>Some College or Associates Degree</td>
<td>8.7%</td>
</tr>
<tr>
<td>Bachelors Degree and Higher</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Source: BLS.

Why Is the Right to Work So Hard to Secure?

When Franklin D. Roosevelt was sworn into office in March 1933, the U.S. economy had been contracting for more than three and a half years. Real per capita GDP had declined by almost 29%, and the nation's unemployment rate had increased from 3.2% to 25.2%. Almost 13 million workers were jobless in a labor force of just more than 50 million, and it was among those 13 million and their families (which at that time often included elderly parents as well as children) that the economy's loss of real income was concentrated. The Roosevelt Administration's response to the economic insecurity laid bare by this experience included a concerted effort both to provide aid to those who needed it and to create institutions that would reduce the economic insecurity to which people were exposed as a result of a variety of "hazards" in addition to unemployment.

The strategy devised by the New Dealers for addressing the needs of unemployed workers was conceived and developed not by economists, but by two social workers - Harry Hopkins and Aubrey Williams. Hopkins and Williams were the director and deputy director respectively of the New Deal agency created by Congress in the spring of 1933 to distribute federal dollars to shore up the nation's state-based public relief system. The philosophical underpinnings and legal structure of this system were based on the centuries old "poor law" regime the American colonies imported from Britain and retained following independence (Harvey 1999). Dissatisfied with the narrow range of reforms their agency
was empowered to make in this antiquated system, Hopkins and Williams spent the summer and early fall of 1933 developing an alternative model for the delivery of public aid to the unemployed.

In a conceptual memo to Hopkins, Williams wrote that, “[R]elief as such should be abolished.” Instead, the unemployed should be offered real jobs paying good daily wages, doing useful work suited to their individual skills. In other words, instead of offering public relief to the unemployed, they should be offered quality employment of the sort normally associated with contracted public works. However, to minimize both the cost of the undertaking and the amount of time needed to launch it, the government should serve as its own contractor, and the projects undertaken should be both less elaborate and more labor intensive than conventional public works (Schwartz 1984, 48–50).

In late October, as winter approached and the New Deal’s conventional public works program, the Public Works Administration (PWA), had yet to stick a shovel in the ground, Hopkins pitched a job-creation proposal to President Roosevelt based on the model he and Williams had devised. Concerned about the PWA’s slow start-up and rising levels of social unrest among the nation’s jobless as the nation’s fifth winter of depression approached, Roosevelt accepted Hopkins’s proposal on the spot. A week later, the Civil Works Administration (CWA) was formally established by executive order, with Hopkins at its head and an initial budget allocation of $400 million diverted from the PWA.

The CWA was funded only through the winter of 1933–1934, but two months after the program was formally terminated, Hopkins was appointed to a presidential task force, the Committee on Economic Security (CES), which was charged with developing a series of legislative proposals to “promote greater economic security” for the American people (Roosevelt, 1934). Chaired by Secretary of Labor Frances Perkins,1 the report submitted by the CES to the President in January 1935 described the goal of its proposals in the following terms:

The one almost all-embracing measure of security is an assured income. A program of economic security, as we vision it, must have as its primary aim the assurance of an adequate income to each human being in childhood, youth, middle age, or old age—in sickness or in health. It must provide safeguards against all of the hazards leading to destitution and dependency (Committee on Economic Security, 1935).

The CES proposed a two-legged social-welfare strategy to provide Americans this assured income. The first leg of the strategy adopted the plan Hopkins and Williams had developed and tested (via the CWA) for addressing the income security needs of unemployed workers. This part of the CES’s social welfare strategy called for a commitment on the part of the federal government to provide unemployed workers with employment assurance by (a) doing what it could to stimulate private employment, and (b) providing employment itself for any workers the private sector was unable to employ at a particular time or in a particular place. Moreover, the CES made it clear that it was proposing its employment assurance strategy for use in “normal times” as well as during economic contractions:

Since most people must live by work, the first objective in a program of economic security must be maximum employment. As the major contribution of the Federal Government in providing a safeguard against unemployment we suggest employment assurance—the stimulation of private employment and the provision of public employment for those able-bodied workers whom industry cannot employ at a given time. Public-work programs are most necessary in periods of severe depression, but may be needed in normal times, as well, to help meet the problems of stranded communities and over-manned or declining industries (Committee on Economic Security, 1935).

The second leg of the CES’s assured income strategy was designed to meet the needs of people who were temporarily or permanently unable to support themselves and who lacked the support of someone who could. The best known of the programs proposed by the CES to perform this function is the nation’s present Social Security system, but the CES’s report included proposals addressing other income security needs as well.2

To supplement Social Security until its pension entitlements matured, the CES proposed the establishment of a means-tested Old Age Assistance program. This latter program was larger and more important than Social Security for many years and still survives today as an important component of the Supplemental Security Income program. In addition to these programs targeting the elderly, the CES proposed a short-term Unemployment Insurance program to support unemployed workers until they were either recalled to their old jobs, found a new job, or went to work in the government’s direct job-creation program. It also proposed the establishment of an income support program for needy children who had lost their father’s support due to death or abandonment. This program, originally called Aid for Dependent Children, was later renamed Aid for Families with Dependent Children. For disabled persons, the CES proposed that the states should continue to bear responsibility for providing income support, but that those state-based programs should operate in accord with federal guidelines. Finally, the CES developed proposals for a range of public health initiatives, including the

1 Hopkins was the only non-Cabinet Secretary appointed to the Committee. In addition to Perkins, the other members were Secretary of the Treasury Henry Morgenthau, Jr., Attorney General Homer Cummings, and Secretary of Agriculture Henry A. Wallace.

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The striking thing about the CES's recommendations is how closely they are mirrored by the economic and social rights recognized in the Universal Declaration. Except for the fact that the CES did not invoke the language of human rights to describe its proposals, its strategy for guaranteeing everyone an assured income is the same as that mandated by the Universal Declaration to secure everyone's right to an adequate standard of living. Both rely on an employment guarantee for those who can work and an income assistance guarantee for those who cannot.

All of the CES's published recommendations were implemented by Congress, to some degree or another, in the first half of 1935. The Social Security Act of 1935 was the vehicle used to implement the income security leg of the CES strategy, whereas the employment assurance leg was implemented by an Executive Order establishing the WPA accompanied by a legislated budget authorization to pay for the program.

Significantly, the president did not propose to fund the WPA at the level required to achieve the CES's goal of furnishing employment assurance to all workers. Instead, he requested only enough funding for the WPA to provide jobs for those unemployed workers who qualified as needy. This decision was consistent with the president's ingrained fiscal conservatism. He believed in balancing the federal government budget, with the caveat that deficits were justified when required to help people in need. What is puzzling, however, is why he allowed the CES to advocate a direct job-creation commitment that would have cost far more than he was willing to spend. His intervention to quash the CES's health insurance proposal shows that he was perfectly willing to limit the committee's proposals to those he thought he could get through Congress. Why, then, did he allow the CES to publish a proposal that would have cost three times as much as he was willing to spend?

One reason may be that the CES's employment assurance proposal so closely reflected his sense of the obligations of government in a market society — the moral grounding of his subsequent embrace of the language of human rights to describe the social welfare obligations of governments. In a widely reported campaign address delivered to the Commonwealth Club of California in the fall of 1932, presidential candidate Roosevelt opined that everyone has the “right to make a comfortable living... through his own work”:

> Every man has a right to life; and this means that he has also a right to make a comfortable living. He may by sloth or crime decline to exercise that right; but it may not be denied him. We have no actual famine or death; our industrial and agricultural mechanism can produce enough and to spare. Our government formal and informal, political and economic, owes to every one an avenue to possess himself of a portion of that plenty sufficient for his needs, through his own work (Roosevelt, 1938, Vol. 1, 754).

Roosevelt made it clear in the same speech that he assigned primary responsibility for securing this right to the “princes of property” who “claim and hold control of the great industrial and financial combinations which dominate so large a part of our industrial life.” Only if they failed to fulfill their responsibility, he continued, would it fall upon government to “assume the function of economic regulation... as a last resort.” He also made it clear that he had not yet given up on the princes of property to fulfill their duty in this regard. “As yet there has been no final failure, because there has been no attempt, and I decline to assume that this nation is unable to meet the situation” (Roosevelt, 1938, Vol. 1, 754–755).

Four years later, in his acceptance speech to the Democratic National Convention after it nominated him to run for reelection, Roosevelt made it clear that the princes of property — whom he now referred to as “the royalists of the economic order” — had failed the test he set them four years earlier. In doing so, he once again referred to the right to work as the touchstone by which the legitimacy of their power should be judged:

> The royalists of the economic order have conceded that political freedom was the business of the government, but they have maintained that economic slavery was nobody's business. They granted that the government could protect the citizen in his right to vote, but they denied that the government could do anything to protect the citizen in his right to work and his right to live (Roosevelt, 1938, Vol. 5, 233–234).

In short, the CES's assertion that government should assume the duty of providing jobs for workers whom the private sector could not employ was an article of faith for Roosevelt, even if, as “Politician in Chief” he knew better than to ask Congress to authorize him to do it, and as “Fiscal Officer in Chief” he thought it was not something he could justify funding with additional deficit spending. Providing jobs for unemployed workers who were needy fell within his exception for justifying deficit spending.
The rest of the unemployed would have to wait. Still, the broader commitment the CES advocated was close enough to his heart that he was willing to let the committee leave its employment assurance proposal in their report.

It is also important to note that even with the limited funding they were provided, the direct job-creation programs operated by the Roosevelt administration during this period made a far greater dent in the nation’s unemployment problem than is generally recognized. Together, the WPA, CCC, and National Youth Administration (NYA) provided jobs for an average of about one-third of all unemployed individuals during the second half of the 1930s. This accomplishment is obscured by the unemployment statistics commonly reported for the New Deal period, which count workers employed in these programs as unemployed rather than employed. If workers employed in direct job-creation programs are counted as employed (as they are in unemployment statistics today), we see that the nation’s unemployment rate dropped from 20.3% to 10.8% from 1935 to 1936 (the first full year of operations for the WPA) rather than to the 17.0% level commonly reported.

Figure 6.4 shows both the commonly reported and actual unemployment rate in the United States from 1933 through 1939 — with the difference between the two time series depending on nothing more than whether persons employed in the CCC, WPA, and NYA are counted as unemployed or employed. It should also be noted in this regard that the decline in private-sector unemployment portrayed by the top line in Figure 6.4 is at least partly attributable to the multiplier effect of the federal government’s deficit spending on the CCC, WPA, and NYA (Brown 1956). Evidence of this latter effect can be seen in the upward spike in unemployment that occurred in 1937 when President Roosevelt cut back on federal government spending — including spending on its direct job-creation programs — in an ill-conceived attempt to balance the federal budget. Thus, the overall job-creation effect of the New Deal’s direct job-creation programs includes part of the decline shown in the top line of Figure 6.4 as well as the additional decline shown in the bottom line of the figure (Harvey, 2011).

Given what we now understand about the virtues of deficit spending during a recession, we can see the error not only in President Roosevelt’s decision to reduce federal spending in 1937, but also in his broader decision to only partially implement the CES’s employment assurance proposal. The federal government spent 2.2% of GDP on the WPA, NYA, and CCC combined in 1936. If it had increased that spending to 5.3% of GDP (the equivalent of about $750 billion in 2009), the nation’s unemployment rate could have been reduced from more than 20% to less than 2% immediately; and due to the multiplier effect of that additional spending, the private sector’s full recovery from the Great Depression probably would have been accelerated by several years. In short, we can see in retrospect that the CES’s employment assurance plan was more than just a visionary social welfare proposal that anticipated the Universal Declaration. It also constituted a visionary economic policy that anticipated Keynes’s advice for combating recessions. In fact, further on in this chapter, I shall argue that the CES’s employment assurance proposal constitutes a better strategy for implementing Keynes’s advice than the policies advocated by Keynesian economists over the past seventy-plus years.

**THE NEW DEAL HUMAN RIGHTS VISION**

Given Roosevelt’s inclination to think of the right to live and the right to work as entitlements society has a duty to secure for its members, it required no great conceptual leap on his part to describe the New Deal’s employment and social welfare goals in similar terms; and once the President started using that language, other New Dealers were quick to follow suit. The rhetorical turning point came in the President’s “Four Freedoms Speech,” which was delivered as a “fireside chat” with the American people, although it was formally his 1941 State of the Union Message to Congress (Roosevelt 1950). The four freedoms language Roosevelt used in this address resonated not only with the American public but with
people around the world, and for that reason it was probably the most influential speech Roosevelt ever delivered.

The immediate goal of the speech (which followed Germany’s conquest of France and its aerial bombardment of the United Kingdom – dubbed the Battle of Britain by Winston Churchill) was to encourage Congress to pass the Lend-Lease Act. However, despite its short-run political purpose and the fact that it was delivered eleven months before the United States formally entered the war, the speech came to serve as a kind of manifesto of the Allies’s political objectives in their struggle with the Axis powers. It is also worth noting that the speech subsequently proved embarrassing to the allies when their colonial subjects sought to apply its principles in their own countries.

That an American president should talk about freedom and rights in a speech justifying a war is hardly surprising. What distinguished Roosevelt’s speech was his insistence that the social welfare entitlements the New Deal had been seeking to secure were not only vital to maintain the morale of the defenders of democracy, but were constitutive of democracy itself – and therefore were among the rights the war was being fought to preserve at home and to extend to all the world’s peoples (see Box 6.1).

Box 6.1. Excerpts from President Roosevelt’s “Four Freedoms Speech” January 6, 1941

As men do not live by bread alone, they do not fight by armaments alone. Those who man our defenses, and those behind them who build our defenses, must have the stamina and the courage which come from unshakable belief in the manner of life which they are defending.

Certainly this is no time for any of us to stop thinking about the social and economic problems which are the root cause of the social revolution which is today a supreme factor in the world.

For there is nothing mysterious about the foundations of a healthy and strong democracy. The basic things expected by our people of their political and economic systems are simple. They are:

- Equality of opportunity for youth and for others.
- Jobs for those who can work.
- Security for those who need it.
- The ending of special privilege for the few.
- The preservation of civil liberties for all.

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- The enjoyment of the fruits of scientific progress in a wider and constantly rising standard of living.

These are the simple, basic things that must never be lost sight of in the turmoil and unbelievable complexity of our modern world. The inner and abiding strength of our economic and political systems is dependent upon the degree to which they fulfill these expectations.

In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms.

- The first is freedom of speech and expression – everywhere in the world.
- The second is freedom of every person to worship God in his own way – everywhere in the world.
- The third is freedom from want – which, translated into world terms, means economic understandings that secure to every nation a healthy peacetime life for its inhabitants – everywhere in the world.
- The fourth is freedom from fear – which, translated into world terms, means a world-wide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor – anywhere in the world.

That is no vision of a distant millennium. It is a definite basis for a kind of world attainable in our own time and generation.

Freedom means the supremacy of human rights everywhere. Our support goes to those who struggle to gain those rights or keep them. Our strength is our unity of purpose.

New Deal social welfare reformers were quick to embrace this rights talk. It fit perfectly with the policies they had been advocating to provide people with the economic security the New Deal was dedicated to providing the American people, and it provided a stronger argument for implementing those policies than appeals to either the charitable instincts or self-interest of voters.

The National Resources Planning Board (NRPB) was a research and advisory body housed in the Executive Office of the president and headed by a former railroad magnate (and “favorite uncle” of the president) Frederic Delano. Its Director of Research was a Columbia University economist, Eveline Burns, who had previously served as an advisor to the
January 14, 1942 (Roosevelt entitlements (see Box 6.2). The end of World War II. Recognizing the link between the freedom from want described in the president's speech and its social welfare planning initiative, the NRPB undertook the further task of developing, in consultation with the president, a nine-point "Declaration of Rights" that translated the freedom from want into a specific list of economic and social entitlements (see Box 6.2). The NRPB included this Declaration in its next annual report to the president, which he transmitted to Congress on January 14, 1942 (Roosevelt 1950).

Box 6.2. National Resources Planning Board Declaration of Rights 1942

FREEDOM OF SPEECH AND EXPRESSION, FREEDOM TO WORSHIP, FREEDOM FROM WANT, AND FREEDOM FROM FEAR, these are the universals of human life.

The translation of freedom into modern terms applicable to the people of the United States includes, as the National Resources Planning Board sees it, the following declaration of rights:

1. THE RIGHT TO WORK, usefully and creatively through the productive years;
2. THE RIGHT TO FAIR PAY, adequate to command the necessities and amenities of life in exchange for work, ideas, thrift, and other socially valuable service;
3. THE RIGHT TO ADEQUATE FOOD, CLOTHING, SHELTER, AND MEDICAL CARE;
4. THE RIGHT TO SECURITY with freedom from fear of old age, want, dependency, sickness, unemployment, and accident;
5. THE RIGHT TO LIVE IN A SYSTEM OF FREE ENTERPRISE, free from compulsory labor, irresponsible private power, arbitrary public authority, and unregulated monopolies;
6. THE RIGHT TO COME AND GO, TO SPEAK OR BE SILENT, from the spyings of secret political police;
7. THE RIGHT TO EQUALITY BEFORE THE LAW, with equal access to justice in fact;
8. THE RIGHT TO EDUCATION, for work, for citizenship, and for personal growth and happiness; and
9. THE RIGHT TO REST, recreation, and adventure; the opportunity to enjoy life and take part in an advancing civilization.

Source: National Resources Planning Board, 1942a.

The framing of the war effort as a human rights struggle also led the American Law Institute (ALI) to undertake the drafting of a Statement of Essential Human Rights. An influential private organization of judges, lawyers, and law professors dedicated to the improvement of the law, the ALI is best known for its authoritative "Restatements" of the common law and its "Model Codes"; but it also undertakes studies for the purpose of expressing its views as to what it believes the law, or the principles underpinning the law, should be in particular areas. The director of the ALI from its founding in 1923 until 1949 was William Louis Draper, a former dean of the University of Pennsylvania Law School. Under Draper's leadership, and with funding from the Carnegie Endowment for International Peace and the American Philosophical Society of Philadelphia, the ALI convened an international drafting committee to enumerate the human rights, acceptable to all the peoples of the world, on which a lasting peace could be based following the end of World War II. The effort took three years of study and discussion.

The ALI Council, the organization's governing body, decided not to put the Statement of Essential Human Rights to a vote of the organization's members - in significant part because of disagreement over the inclusion of social rights in the document (see Box 6.3) - but it did direct that the Statement be distributed to all members and condoned its private publication so the public could benefit from the work. What distinguishes this document from other similar lists, other than its international provenance, is its inclusion of detailed explanations and commentary concerning each of the rights enumerated in it (American Law Institute 1945).

In 1944, with the end of the war in sight, Roosevelt chose to use his State of the Union Message to summarize his argument that the employment and social welfare entitlements his administration had sought to secure were in fact human rights that the federal government had a duty to secure (Roosevelt 1950). Invoking the natural rights language of the U.S. Declaration of Independence, Roosevelt criticized the nation's original Bill of Rights as "inadequate" in an industrial age "to assure
Box 6.3. American Law Institute Statement of Essential Human Rights (Social Rights Provisions) 1945

Article 12. WORK
Every one has the right to work.

The state has a duty to take such measures as may be necessary to insure that all its residents have an opportunity for useful work.

Article 13. CONDITIONS OF WORK
Every one has the right to reasonable conditions of work.

The state has a duty to take such measures as may be necessary to insure all [workers] reasonable wages, hours, and other conditions of work.

Article 14. FOOD AND HOUSING
Every one has the right to adequate food and housing.

The state has a duty to take such measures as may be necessary to insure that all its residents have an opportunity to obtain these essentials.

Article 15. SOCIAL SECURITY
Every one has the right to social security.

The state has a duty to maintain or insure that there are maintained comprehensive arrangements for the promotion of health, for the prevention of sickness and accident, and for the provision of medical care and of compensation for loss of livelihood.

Box 6.4. FDR’s Second Bill of Rights January 11, 1944

It is our duty now to begin to lay the plans and determine the strategy for the winning of a lasting peace and the establishment of an American standard of living higher than ever before known. We cannot be content, no matter how high that general standard of living may be, if

...
America's own rightful place in the world depends in large part upon how fully these and similar rights have been carried into practice for our citizens.

It is clear that this proposed "Second Bill of Rights" was (and still is) an aspirational document, but it was aspirational in the strong sense that New Deal progressives believed that policies existed that would secure the rights in question immediately. It was not just a set of goals they were determined to work toward; it was a set of goals they thought they could achieve—if only they had the votes in Congress to enact the necessary reforms. After all, it was their policy vision that came first. The idea that their policy goals were human rights goals came later.

This expanded human rights vision—developed by American progressives and promoted by them both at home and abroad during World War II—was strongly embraced by progressives at the international level, as well. Just four months after President Roosevelt delivered his Second Bill of Rights speech, the International Labour Organization (ILO) met in Philadelphia to prepare for the organization's reactivation following the end of World War II. The "Declaration of Philadelphia" adopted on May 10, 1944, by the ILO's General Conference provided the first clear indication of the central role the economic and social human rights promoted by American progressives during World War II would occupy in the subsequent development of international human rights law (see Box 6.5).

Box 6.5. ILO Declaration of Philadelphia May 10, 1944

I
(a) labour is not a commodity;
(c) poverty anywhere constitutes a danger to prosperity everywhere;

II
(a) all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity;
(b) the attainment of the conditions in which this shall be possible must constitute the central aim of national and international policy;

III

The Conference recognizes the solemn obligation of the International Labour Organization to further among the nations of the world programmes which will achieve:
(a) full employment and the raising of standards of living;
(b) the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being;
(c) the provision, as a means to the attainment of this end and under adequate guarantees for all concerned, of facilities for training and the transfer of labour, including migration for employment and settlement;
(d) policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection;
(e) the effective recognition of the right of collective bargaining, the cooperation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economic measures;
(f) the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care;
(g) adequate protection for the life and health of workers in all occupations;
(h) provision for child welfare and maternity protection;
(i) the provision of adequate nutrition, housing and facilities for recreation and culture;
(j) the assurance of equality of educational and vocational opportunity.

This trend was confirmed when the United Nations (UN) undertook the drafting of an "International Bill of Rights," the first fruit of this undertaking being the adoption of the Universal Declaration of Human Rights. The fact that the drafting committee that performed this task
was chaired by Eleanor Roosevelt (an official U.S. Delegate to the UN from 1946 through 1952, and the first elected chair of the organization’s Human Rights Commission) underscores the role played by the New Dealers’s human rights vision in this undertaking. The influence of the ALI’s Statement of Essential Human Rights in shaping the structure and content of the Universal Declaration (Humphrey 1984) provides more concrete evidence of the linkage.

The strategy for securing economic and social human rights mandated by the Universal Declaration is essentially the same strategy the CES endorsed in 1935 and the NRPB after it in 1942 (National Resources Planning Board, 1942b). Everyone has a right to a standard of living allowing them to live in dignity. For those members of society who are able to support themselves (and their dependents), this right can be realized by securing their right to work. For those members of society who are unable to support themselves, income security must be provided by other means.

The consonance between the New Dealers’s human rights vision and the human rights vision embodied in the Universal Declaration could not be clearer. Suggestions that the economic and social provisions of the Universal Declaration are somehow alien to American values could not be further from the truth. The values embodied in the Universal Declaration are American values in a very literal sense.

THE SUBSTITUTION OF KEYNESIAN FISCAL POLICY FOR DIRECT JOB CREATION IN THE PROGRESSIVE EMPLOYMENT STRATEGY

The combination of policy experimentation and ideological innovation described in the preceding two sections of this chapter provided American progressives with a coherent social welfare strategy for guaranteeing a decent standard of living to all Americans (as outlined in the CES’s report), a tested means of implementing that strategy (as demonstrated by the establishment of the WPA along with income transfer programs such as Social Security), and a powerful rights-based justification for pursuing the strategy (as articulated in Roosevelt’s Second Bill of Rights and the Universal Declaration).

The success of that overall strategy, however, depended on the success of its employment-assurance/right-to-work leg. This is true partly because, as the CES noted, most people must live by work, but more importantly because of the linkage between the success of the employment leg of the strategy and its income-support leg. As unemployment rates rise, the number of people who need income support to achieve an adequate standard of living increases, while the tax revenue available to meet their needs decreases. Furthermore, given the centuries-old and deeply imbued tendency in market societies to view the able-bodied but jobless poor as morally suspect and likely responsible for their own deprivation, it is harder to sustain political support for income-transfer programs that provide income support for population groups that include persons who are able to work but remain jobless. For all of these reasons, any significant failure in the employment-assurance/right-to-work leg of the New Deal/Universal Declaration strategy for guaranteeing everyone an adequate standard of living is likely to affect the success of the income-support leg of the strategy, as well.

This is why the shift in progressive thinking about employment policy that occurred during World War II is so momentous. As noted earlier, it was social welfare planners rather than economists who designed and implemented the New Deal’s direct job-creation strategy for providing workers with employment assurance. The primary purpose of that strategy in the minds of those who devised and implemented it was to help people survive the Depression, not to hasten the end of the Depression. The beneficial effects of jobs-program spending on the economy were well recognized—especially after the disastrous consequences of Roosevelt’s premature attempt to balance the federal budget in 1937. However, it is safe to say that no one recognized the unique macroeconomic advantages of using the direct job-creation strategy to combat the Depression. Briefly, those advantages are that it (1) creates more jobs per dollar of stimulus spending, (2) creates those jobs much faster than other types of stimulus spending, (3) targets the job-creation effect of stimulus spending in a fairer way, and (4) provides superior protection against downward recessionary spirals (Harvey 2011a; 2011b).

If the New Dealers had understood these advantages, and if Keynes’s insight concerning the desirability of running budget deficits during economic downturns had been absorbed more quickly, the WPA could have been used to provide all American workers with employment assurance rather than just the neediest third. Involuntary unemployment could have been eliminated as early as 1937, and the economy’s full recovery from the Depression would have been substantially accelerated.

Because direct job-creation programs such as the CCC and WPA were viewed as social welfare measures during the 1930s rather than economic policy initiatives, progressive economists entered the 1940s with no
particular interest in or commitment to the strategy proposed by the CES for providing workers with employment assurance. Instead, their attention was focused, as it had been throughout the 1930s, on how to promote recovery in the private sector. For progressive economists, Keynes’s *General Theory* provided what they had been looking for—a persuasively reasoned theory that supported a relatively simple and clear-cut policy intervention to right the economy. When the nation’s unemployment problem evaporated in response to war-time spending, the Keynesians had practical confirmation of Keynes’s teaching. As John Kenneth Galbraith noted, “One could not have had a better demonstration of the Keynesian ideas, and I think it’s fair to say that as a young Keynesian in Washington, in touch with the other Keynesians there, we all saw that very clearly at the time” (Galbraith 2000, 6). The conclusion progressive economists drew from this experience was that providing jobs for everyone who wanted to work was not nearly as hard as people thought. All that was required was an adequately high level of aggregate demand—something the federal government could easily achieve by engaging in deficit spending.

There was no reason, of course, why Keynes’s ideas could not have been used to buttress the arguments advanced by the CES in support of the direct job-creation strategy. This was, in fact, the stance adopted by the NRPB. Most progressives, however, saw no reason to take on the political and administrative challenges of creating programs like the WPA—which were always controversial—when it seemed that the needed jobs could be created much more easily simply by having the government spend more money. As Galbraith commented, “We saw the war, which we regretted, and I still regret it. I don’t easily tell other people they should get killed, but we saw the war as a justification of the Keynesian theory, the Keynesian doctrine, and the Keynesian recommendation” (Galbraith 2000, 6).

Keynes himself supported this notion with his famous quip in the *General Theory* that burying bank notes at the bottom of abandoned mines and inviting capitalists to dig them up would create jobs just as well as any other type of spending. So if it was politically easier to enact wasteful spending than useful spending, it would be better to let the wastrels have their way than to tolerate unemployment by not spending enough to achieve full employment (Keynes 1936, 129).

What progressives missed, and Keynes never emphasized, is that how stimulus money is spent does make a difference for reasons that are not adequately captured by the widely-recognized fact that different types of deficit spending can have different multiplier coefficients. This is clearly true at the top of the business cycle. When writing about the use of the ADM strategy to achieve full employment a few years after the publication of the *General Theory*, Keynes noted that adding demand to industries that are already operating at close to full capacity can cause inflation rather than a further expansion of employment. For this reason, he advocated the use of public works spending at that point in the business cycle to ensure further increases in aggregate demand were targeted on the unemployed (Tcherneva 2011). In Keynes’s example of the buried bank notes, he simply assumed that there were unemployed miners in the neighborhood.

How stimulus dollars are spent also matters at the bottom of the business cycle if you want to provide employment assurance for unemployed workers. Only if stimulus spending is delivered to the economy via a direct job-creation program can unemployed workers be guaranteed immediate temporary employment while they wait for the multiplier effect of the stimulus spending to create jobs for them in the private sector (Harvey, 2011a; 2011b).

In any event, the lesson progressive economists took away from the economy’s performance during World War II was that fiscal policy alone could achieve full employment. This was a subtly different objective than providing workers with employment assurance or securing their right to work. Still, the achievement of full employment can be defined in a way that is functionally equivalent to the employment-assurance/right-to-work goal, and that is how it was understood in the 1940s when Keynesian economists won the hearts and minds of progressives in general. William Beveridge’s widely cited definition of full employment captures this intent very well, provided the gendered language of his description is ignored:

> [Full employment] means having always more vacant jobs than unemployed men, not slightly fewer jobs. It means that the jobs are at fair wages, of such a kind, and so located that the unemployed men can reasonably be expected to take them; it means, by consequence, that the normal lag between losing one job and finding another will be very short (Beveridge 1944, 18).

It is also important to understand that the substitution of Keynesian ADM policies for direct job creation in the progressive strategy for ensuring everyone an adequate standard of living did not involve any change in the income-support leg of that strategy. The only thing that changed
was the method adopted for ensuring the availability of decent jobs for everyone who wanted to work.

This substitution was complete before the war was over. The NRPB's 1942 report was the last clear call for the retention of the CES strategy. By the time progressive New Dealers in Congress drafted a bill in 1944 to secure the right to work proclaimed in the president's Second Bill of Rights speech, the strategy they adopted was wholly Keynesian — an automatic authorization for the government to spend enough to achieve full employment, with no role at all assigned to the New Deal's signature direct job-creation strategy. In fact, the use of direct job creation for the construction of public works (the signature activity of both the CCC and WPA) was expressly prohibited by the bill unless it was deemed "necessary by reason of special circumstances," or was "authorized by other provisions of law" (Bailey 1950, 245).

There was no real push-back to this shift in progressive thinking. As John Kenneth Galbraith has noted, "[t]he Keynesian view of economic policy collected the whole liberal left movement in the United States. That became part of the accepted policy, the accepted doctrine. And you ask was [Keynes] influential? Nobody could have been more influential. He changed the nature of what we call liberal economics" (Galbraith 2000, 6).

PROGRESSIVE EMPLOYMENT POLICY FROM THE END OF WORLD WAR II TO THE END OF THE "60s"

The full-employment strategy American progressives have pursued since the end of World War II has combined three distinct types of policy interventions. The first has consisted of macroeconomic interventions to ensure the availability of adequate numbers of jobs to provide work for all job seekers. The second has consisted of the promotion of unionization and labor market regulation to ensure that all of these jobs meet minimum quality standards. The third has consisted of policy initiatives designed to ensure equal employment opportunity. These latter initiatives (which I shall refer to as structuralist, for reasons described later) can be further subdivided under four headings: (1) education and training measures, (2) antidiscrimination measures, (3) community development initiatives, and (4) the provision of employment-enabling services such as child care and public transportation.

During the 1940s and 1950s, economists of all persuasions in the United States tended to view the unemployment problem in market economics as wholly cyclical in nature. In keeping with this view, progressive employment policy was limited, as a general rule, to the advocacy of Keynesian ADM policies to counter cyclical downturns and the support of unionization and regulatory measures such as minimum wage legislation to enhance job quality.

This combination of policies worked well enough in the immediate postwar period to keep average unemployment rates at the 4.5% level from 1947 through the end of the 1950s. Meanwhile, a still-vibrant union movement succeeded in keeping average wage growth in line with per capita GDP growth (see commentary accompanying Figure 6.2), thereby lifting millions of blue-collar workers into the middle class.

It was not sufficient, however, to achieve full employment as that term was understood by American progressives during World War II. To achieve full employment in that sense, there must be enough jobs available to provide work for everyone who wants it. Both Figure 6.1 and the achievement of unemployment rates less than 2% from 1943 through 1945 demonstrate that 4.5% unemployment does not come close to doing that. Moreover, as Table 6.1 illustrates, the harmful effects of a failure to achieve genuine full employment are not borne equally by all population groups. Disadvantaged workers bear a disproportionate share of the unemployment and poverty caused by an aggregate job shortage, and those problems continued to fester in the United States during this period, even if they attracted little public notice.

The "rediscovery" of poverty in the United States following the publication of Michael Harrington's book, The Other America, in 1962 and the attention the civil rights movement drew to the labor market effects of racial discrimination led progressives to add a third leg to their overall employment strategy in the 1960s. Although continuing to rely on the adequacy of the Keynesian ADM strategy to secure the quantitative aspect of the right to work, and the combined effects of unionization and labor market regulation to secure the qualitative aspect of the right, 1960s-era progressives saw that additional measures were needed to secure the distributive aspect of the right.

The recognition thus accorded the problem of unequal access to employment opportunities was long overdue in the United States. The unwillingness of New Deal progressives to challenge racism — a compromise they viewed as necessary to achieve social reforms that would benefit African Americans along with all other disadvantaged Americans — was their greatest failure (Hamilton and Hamilton, 1998). Still, commitment does not necessarily translate into effectiveness, and the failure of
1960s-era progressives to recognize and respond to shortcomings in their strategy for securing the quantitative aspect of the right to work undermined their otherwise well-conceived strategy for securing the distributive aspect of the right.

In assessing the causes of the unemployment and poverty problems that beset African Americans and other disadvantaged population groups, 1960s-era progressives focused their attention on the many barriers to equal employment opportunity that existed in American society. Employment discrimination denied the members of certain population groups access to available jobs; unequal access to educational and training opportunities prevented them from qualifying for available jobs; the tendency for businesses to shun minority communities left the residents of those communities with too little access to available jobs; and inadequacies in the provision of public services made it harder for them to find transportation, child care, and other services that would enable them to seek and remain in available jobs.

Based on this understanding of the labor market problems faced by disadvantaged population groups, progressives began to promote a wide range of policy initiatives in the 1960s that were designed to remove barriers to equal-employment opportunity. For ease of exposition, I shall refer to these barriers as "structural," and the policy initiatives adopted to remove them as "structuralist." In so doing, I am using the term in the way labor economists do when they distinguish structural from cyclical and frictional unemployment. Structural unemployment is unemployment caused not by a lack of jobs in the aggregate, but because workers are not being hired due to a mismatch between their skills and those required to fill available jobs (a skills mismatch) or a mismatch between the location of available jobs and qualified job seekers (a geographic mismatch). A mismatch between the personal characteristics of qualified job seekers — such as their race or gender — and the characteristics that employers prefer or require their employees to possess (employment discrimination) can be viewed similarly as a structural barrier to equal employment opportunity, as can the absence of employment-enabling support services such as child care (Harvey 2000).

Virtually all of the employment-related reform measures initiated by progressives in the 1960s were structuralist in this sense of the term; and these measures did succeed in helping large numbers of individuals achieve a better life. On the other hand, when success is measured in aggregate rather than individual terms, it is harder to judge the structuralist strategy pursued by 1960s-era progressives a success. The strategy failed to improve the relative position of African Americans (and most other disadvantaged population groups) as measured by high-profile statistics such as their comparative employment, unemployment, and poverty rates. This is the result that permitted Ronald Reagan to claim that liberals fought "poverty, and poverty won" (Wooldridge and Micklethwait 2004, 11).

Progressives have blamed the limited success of the structuralist measures they pioneered in the 1960s (and have promoted ever since) on the complexity of the problems they address and the resistance of groups whose privileges are threatened by the equalization of economic opportunities. There undoubtedly is truth in this charge, but it overlooks an inherent weakness in the structuralist strategy when it is pursued in a job-short economy. This weakness can be called the "musical chairs effect." Imagine a group of concerned teachers who noticed that some children regularly lose when they play the game of musical chairs. In response to this problem, the teachers might offer these children special help. They could teach them how to move faster when the music stops (job training), coach them to linger near vacant chairs when the music is playing (overcoming geographic mismatch between jobs and job seekers), or counsel them concerning the best ways to overcome efforts by cliques of players to prevent disfavored children from claiming seats (combating discrimination). Moreover, these strategies might work in helping those children do better when they play the game. What the strategy will not do, however, is reduce the number of children left standing at the end of each game. Moreover, those "newly deprived" children are likely to be the ones who are most similar to those who got the extra help — rather than the players who consistently do well in the game.

If jobs were plentiful in the aggregate, structural barriers to equal-employment opportunity could still prevent disadvantaged job seekers from finding work as readily as other job seekers, but in that instance, efforts to help people surmount these barriers would not result in other individuals being left unemployed. It would simply mean jobs would be filled that otherwise would remain vacant or that there would be some shuffling among the occupants of particular jobs. No one would lose their livelihood.

In contrast, if an aggregate shortage of jobs exists in the labor market, successful efforts to help jobless individuals overcome structural barriers to employment necessarily result in someone else remaining jobless who would otherwise be employed. Moreover, those individuals who end up jobless are likely to be those who suffer from the same kind of problems
as the assisted workers. More privileged workers are unlikely to lose out, because they have more resources to devote to the competition, so the result will be job churning among disadvantaged workers accompanied by a high level of resentment on the part of those who do not get special help directed at those who either do get special help or are perceived as getting it.

In short, the overall level of job availability in an economy is likely to have a profound effect on the success of the structuralist strategy. In a job-short economy, even a "successful" intervention as measured by the post-intervention employment experience of the assisted population is unlikely to make much difference in the overall incidence of the social problems the intervention addresses. It will simply shift the burden of those problems onto the shoulders of the next most disadvantaged group of job seekers in the community who, because of their increased joblessness, are likely to experience more of the problems that originally inspired the effort to help the assisted group. In the meantime, individuals and population groups who rightly or wrongly feel threatened in their job security by the special assistance offered disadvantaged job seekers will grow more resentful, doing what they can - by fair means or foul - to hang on to their own jobs.

It is important to emphasize that I am not suggesting the opportunity-equalizing measures progressives deployed beginning in the 1960s were or are useless. My point is simply that the success of these measures in eradicating the problems they target depends to a large extent on whether or not an aggregate job shortage exists in the economy. If jobs are plentiful, opportunity-equalizing measures have an excellent chance of succeeding on both an individual and aggregate level - with the result being a reduction in inequality. However, if there are not enough jobs to go around, the chances that measures of this type will succeed are greatly reduced. That is the point that 1960s-era progressives failed to appreciate.

**PROGRESSIVE EMPLOYMENT POLICY SINCE THE END OF THE "60S"**

Notwithstanding the less than stellar results produced by the structuralist strategy during the 1960s, progressives have continued to rely on it ever since. This is partly attributable to the strong commitment progressives feel to the equal opportunity goals of these policies; but it also reflects the fact that the achievement of full employment has virtually disappeared from the progressive reform agenda. I am not suggesting that the full employment goal itself has lost its appeal. The problem is that progressives have lost faith in their ability to achieve it.

The turning point came during the recession of 1973-1975. The challenge posed by that particular economic downturn was that declining GDP and rising unemployment were accompanied by continued high rates of inflation. Called "stagflation" at the time, this confluence of normally opposing tendencies shattered the confidence of both the general public and most policy makers in the Keynesian ADM strategy.

The problem was that the standard Keynesian prescription for combating unemployment is the opposite of its prescription for combating inflation. Stymied by this conundrum, even progressives lost faith in the ability of the Keynesian ADM strategy to raise employment levels without aggravating inflationary tendencies in the economy, and that meant giving up on the achievement of full employment. In 1972, the Democratic Party Platform defined "full employment" as "a guaranteed job for all," and described the achievement of that goal as "the primary economic objective of the Democratic Party." In the Party's 1980 platform, the goal of achieving full employment received only a single oblique affirmation in a laundry list of other goals, and by 2002 the goal had disappeared entirely, never to return (Harvey 2008, 173 n. 49).

In other words, rather than confronting the challenge of developing a new strategy for achieving full employment following their loss of faith in the ability of the Keynesian ADM strategy to do the job, progressives simply abandoned their efforts to secure the quantitative aspect of the right to work and doubled down on the two remaining elements of their post-World War II employment strategy - the promotion of unionization and increased labor market regulation to secure the qualitative aspect of the right to work, and the pursuit of structuralist policy initiatives to secure the distributive aspect of the right.

In light of our earlier analysis of the shortcomings of progressive efforts to achieve equal employment opportunity during the 1960s, it is hardly surprising that the truncated employment strategy progressives have pursued since then has produced similarly disappointing results. During the 1960s, unemployment averaged 4.8%, and during the crucial half-decade from 1965 through 1969 it averaged 3.8%. Over the four decades that have passed since then, unemployment rates have averaged 6.3%.

The fortuitous confluence of circumstances that caused unemployment to fall to the 4% level in the late 1990s did succeed in reminding progressives of the benefits of full employment. Unfortunately, support for
the goal as it was originally conceived and promoted in the 1940s had so atrophied by then that even progressives confused the economy's performance in the late 1990s with full employment (see, e.g., Bernstein and Baker 2003). The resurgence in support among progressives for a vigorous Keynesian response to the so-called Great Recession also failed to reverse this trend. Paul Krugman, the most visible spokesperson for progressive Keynesianism in recent years, has made it clear that he conceives of a return to full employment as a return to the 5% unemployment he thinks is consistent with reasonable price stability (Krugman, 2009). The definition of full employment that served as the foundation of the progressive reform agenda for three decades still commands support among progressives (Goldberg, Harvey, and Ginsburg 2007), but in the absence of a coherent strategy for achieving it, the goal has become aspirational in the weak sense of a wish rather than in the strong sense of an immediate policy goal.

Conservative promises over the past several decades to create jobs with tax and spending cuts have not worked either, of course, but progressives have not been able to take consistent advantage of this failure because they can neither point to a proven track record of managed job creation of their own, nor articulate a coherent alternative strategy to the one conservatives promote. Criticism of conservative policies, by itself, does not win public support for the existing progressive reform agenda. What is needed is an alternative strategy that promises actually to work – and that means finding a substitute for the failed Keynesian ADM strategy, one that is capable of achieving full employment as the goal was originally conceived by progressives in the early 1940s.

THE FUTURE OF PROGRESSIVE EMPLOYMENT POLICY

It has been four decades since the last period of concentrated progressive reform ended in the United States, arguably the longest gap without such a period in the nation's history. It is certainly longer than the periods of conservative retrenchment that divided the Progressive Era from the New Deal and the New Deal from the 1960s. The explanations American progressives usually offer for their forty-year exile in the political wilderness focus on the relative strength of the conservative interests arrayed against them. This chapter suggests a different reason – the substantive failure of the Keynesian ADM policy prescription on which progressives have relied since the end of World War II to achieve full employment.

The reason this failure has been so consequential, this chapter suggests, is because securing the quantitative dimension of the right to work is essential for the success of the progressive reform project as a whole. The achievement of sustained full employment is necessary to ensure the effectiveness of policies designed to ensure that all jobs satisfy minimum standards of decency, thereby securing the qualitative aspect of the right to work. It also is essential for the success, on the aggregate level, of policies designed to achieve equal employment opportunity, thereby securing the distributive aspect of the right to work. Further, by making it possible for society to secure all aspects of the right to work, the achievement of sustained full employment would also make it easier for society to secure the right to income support of persons who cannot or are not expected to work. It would do this by adding to the resource base from which transfer benefits are funded while simultaneously reducing the number of persons needing such benefits. Incidentally, it would also make it politically easier to decide who is and who is not entitled to income assistance (Harvey, 2008, 2005). Finally, by making it possible to secure both the right to work and to income security, the achievement of sustained full employment is essential for securing the right of all persons to an adequate standard of living (i.e., the eradication of poverty, once and for all, from the human condition). In other words, the failure of the full-employment/employment-assurance/right-to-work leg of the progressive employment strategy really does matter a great deal.

There is, however, a silver lining to this cloud. An alternative employment strategy does exist that would correct the deficiencies in the existing progressive strategy without undermining its strong points. This alternative is the New Deal strategy of providing all workers with employment assurance by using direct job-creation programs to close the economy's job gap. In other work, I have explored the use of this strategy as a means of securing the right to work that President Roosevelt advocated and that has been recognized in numerous international agreements (Harvey 2005; 2002; 1993a; 1993; 1989), reforming public assistance programs (Harvey 2008; 1993a; 1989), achieving sustained full employment (Harvey 2006; 2000; 1993b; 1989), combating recessions (Harvey 2011a), and promoting local economic development (Harvey 2011b). There is also a growing post-Keynesian literature advocating the use of direct job creation to achieve full employment with price stability (Mitchell and Wray 2005; Wray 1999; Mosler 1997–1998; Mitchell and Watts 1997).
This is not the place to review this literature, but the account provided in this chapter of the policy options available to American progressives during World War II shows that the Keynesian ADM strategy is not the only means available for closing the economy’s job gap. Indeed, the inability of the Keynesian ADM strategy to achieve genuine full employment suggests that American progressives made a fateful if understandable mistake when they chose to ground their overall employment policy on it rather than the New Deal’s direct job-creation strategy. They were right that it would have been far more difficult to gain the political support needed to implement the New Deal strategy in the post–World War II period. Still, opportunities to do so would have presented themselves, especially in light of the fact that, unlike the Keynesian ADM strategy, the New Deal strategy can be implemented on the local as well as national level (Harvey 2011b). Successful experiments implementing the New Deal strategy at the state or local level would have led to further such opportunities, and the strategy’s success in securing the quantitative aspect of the right to work would have provided the necessary foundation for the success of progressive efforts to secure the qualitative and distributive aspect of the right, as well.

My most enduring recollection of my paternal grandmother is her telling me that if I did not learn from my mistakes, what was the use of making them. It is important for progressives to acknowledge the weaknesses in their employment strategy. It is not that Keynes was wrong in his analysis of macroeconomic dynamics. Nothing in this chapter supports such a contention. The problem is that it does not follow that the conventional Keynesian ADM strategy has ever been capable of performing the role assigned to it in securing the right to work. The effort by progressives to soldier on without a full employment strategy once the flaws in the Keynesian ADM strategy became apparent in the 1970s has been disastrous. A new strategy for securing the quantitative aspect of the right to work is desperately needed.

This also presents an opportunity for progressives to re- embrace the human rights vision and language of their New Deal predecessors. Full employment is a muddy policy goal whose substantive content varies dramatically depending on whether it is defined in terms of job availability or price stability. Moreover, because of the rhetorical appeal of the job-availability definition, even economists whose analytic work is based entirely on the opposing, price-stability definition of the term have little interest in making a point of the distinction. Why call attention to the fact that the “full” employment you are discussing is really just “half-full”? In other words, the term is not only muddy; it is perversely muddy because so many economists have a positive interest in maintaining its ambiguity.

The meaning of the right to work can also be confusing, of course. The use of the term by antiunion groups in the United States demonstrates this. Still, the relative clarity with which the right has been defined in international human rights agreements makes it a far less ambiguous goal than the achievement of full employment. This clarity is further enhanced by the fact that whether or not the right has been secured is amenable to easy demonstration, whereas the achievement of full employment is notoriously difficult to measure.

Nor is it just the elimination of ambiguity that should cause progressives to replace the full-employment goal with that of securing the right to work. The more important reason is provided by the enhanced moral force of human rights claims. Absent its association with the right to work, the achievement of full employment would be just one of many discretionary goals a majoritarian government could pursue— or not pursue— based on voter preferences. If voters prefer lower taxes or less inflation to the achievement of full employment, who are we to question their preferences? Rights-based claims are different. Philosophers describe them as moral trumps precisely because we accept their priority over claims based on mere preferences— even when those preferences are expressed in fully democratic elections.

Progressives have readily embraced the language of human rights in their efforts to secure the qualitative and distributive aspects of the right to work. Why, then, have they not embraced similar language in their efforts to secure the quantitative aspect of the right? Lack of confidence in the ability of the Keynesian ADM strategy to achieve sustained full employment provides part of the answer. Another reason may be that the achievement of full employment is not readily translatable into an enforceable right on either an individual or collective level. Finally, progressive economists may be hesitant to embrace human rights goals in their work because of the methodological difficulties involved in reconciling the moral mandates of human rights claims with the preference-satisfaction norms of modern economic theory.

Substituting the direct job-creation strategy for the Keynesian ADM strategy would resolve most of these difficulties. It would provide a credible means of achieving and measuring the achievement of genuine full employment. It would also allow the quantitative as well as the qualitative and distributive aspects of the right to work to be enforced on an
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individual justiciable basis. Finally, the case with which the strategy’s results can be measured, combined with the fact that it can be implemented on a local as well as national level, would facilitate empirical economic research, even if the problem of reconciling the preference-based norms of contemporary theoretical economics with the moral obligations of modern human rights doctrine remained.

In short, embracing the direct job-creation strategy would make it easier for progressives to renew their commitment to the New Dealers’ expanded human rights vision; and the strong historical and conceptual association between the strategy and that vision would provide a further impetus for them to do so. The failure of American progressives over the past two-thirds of a century to fully exploit the human rights vision of their New Deal predecessors constitutes a missed opportunity of monumental proportions. It is time to correct that mistake along with the weaknesses in progressive employment policy that have crippled its effectiveness.

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Nondiscrimination