

GOOD JOBS FOR ALL



Newsletter of the National Jobs for All Coalition

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Is the Recession Over?

By June Zaccone

NO sooner was it announced in November 2001 that the recession had started the previous March, then some were already declaring it at an end. But that announcement must have rung hollow to the increasing numbers of unemployed.

In April, at the time of this writing, unemployment was 6 percent, up from a low of 3.9 percent in October 2000. Since then, another 3.1 million people have joined the ranks of the officially unemployed. Black unemployment is again double-digit. Consumers, however, seem to be optimistic; and the stock market has recovered some of its fall. Alan Greenspan and the Fed are confident enough to have stopped cutting interest rates.

What's going on? Despite the persistence of unemployment, there are reasons to believe that the recession, whether it is over or not, is not as deep as some had feared, but even so, chronic imbalances threaten the nation's future economic health.

What braked the developing recession? The factors included:

- The Federal Reserve's 11 small interest rate cuts last year encouraged auto companies to offer cars at interest-free loans and households to refinance their mortgages, then spend the extra money.

- Government spending has gone up, specifically federal spending on the military. The surge, which started in October, has continued into this

(continued on pg.2)

From the Chair

Debunking a Phony "Crisis"

WITH the election of the pro-privatization Bush administration, the National Jobs for All Coalition has stepped up its efforts to debunk the phony Social Security "crisis."

The phony crisis is the alleged Social Security shortfall, trumped up by anti-government forces and pro-privatizers. The real Social Security crisis is the campaign to invest part of the trust funds in the stock market. That campaign is undermining confidence in the nation's most successful social program. If it prevails, Social Security will indeed be in financial trouble—and so will the millions of people whose benefits would be cut.

Coalition Fights privatization

What are we doing to defeat privatization and support and strengthen Social Security? The Coalition has issued a "Social Security Packet," joined

protesters in the street, and sent our message to the media.

Meetings in Washington this spring convinced Coalition leaders that public information is crucial for dispelling the myths circulated by Social Security's opponents and winning the fight against privatization. Consequently, the Coalition updated "Social Security Is Not in 'Crisis,'" a piece originally published in 1999 that debunks the shortfall as well as the privatization fix. Two newer pieces, "Social Security and Minorities" (see page 4) and "Social Security Isn't Just for Seniors," show the wide-ranging benefits of Social Security.

Our "Social Security Packet" also includes

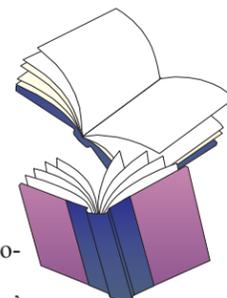
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Gertrude Schaffner Goldberg

The Ugly Face of Welfare "Reform"

Washington's New Poor Law: Welfare "Reform and the Roads not Taken, 1935 to the Present, Gertrude Schaffner Goldberg and Sheila D. Collins, Apex Press, 2001, 550 pp., \$51.95 (hardcover) and \$29.95 (paperback). To order, call 1-800-316-2739.



Gertrude Schaffner Goldberg and Sheila D. Collins, two of the co-founders of the National Jobs for All Coalition, examine the history of the AFDC program – commonly known as "welfare" – from its inception in the Social Security Act of 1935 through its repeal in 1996 and to the present.

In "Washington's New Poor Law," they make a case against its legislative successor, the Personal Responsibility and Work Opportunity Reconciliation Act, popularly known as "welfare reform," arguing that it offers neither "work opportunity" nor real reform. In repealing the entitlement to welfare and failing to create an entitlement to work at the same time as it imposes strict, time-limited work requirements, Washington has, in effect, written a new Poor Law. Like earlier poor laws, this act condemns the poor to continued, if not further hardship. Moreover, the law could have the effect of

depressing wages and exacerbating social conflict.

"Trudy Goldberg and Sheila Collins' thoughtful arguments, based on a comprehensive vision of social rights for American citizens, provide a powerful rebuttal to popular views promoting the 1996 welfare reform bill," said William Julius Wilson of Harvard University.

Linking two strands of public policy history, public assistance and employment, the authors challenge both conservative and liberal approaches to poverty and "welfare dependency." Although they recognize the formidable barriers to real welfare reform, Collins and Goldberg argue that it is still possible. They show how a program of real reform, the centerpiece of which is government commitment to jobs for all at family-supporting wages, is socially and ethically desirable as well as economically feasible.

The 1996 welfare "reform" condemned the poor to continued hardship.

National Jobs For All Coalition

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The Fragile Economy and Unemployment

Is the recession over? Continued from pg. 1

month at a yearly rate of more than \$100 billion. Additional spending on highways, schools, Medicaid, and unemployment insurance also helped.

• The tax cut—not the big one, targeted by the Bush Administration to those with incomes above \$130,000 a year but the small one, spread over most taxpayers that went into effect this year—has provided an economic stimulus. The tax rebates of last year may have also helped.

• Consumer spending, which is two-thirds of economic activity, has remained strong despite higher unemployment and high debt, helped by the tax changes.

But two types of spending are continuing or future sources of weakness:

• Business investment—adding structures or equipment—is being hampered by partially idle factories. Businesses in the fourth quarter continued to cut investment, a key reason for the economy's weakness. After-tax profits of U.S. corporations fell nearly 16 percent in 2001, the first annual drop since 1982. (Profits, a major source of financing, indirectly affect investment.)

• Rising state and local deficits have forced budget cuts, which will act as a drag on the economy.

Chronic imbalances remain, and threaten expansion:

Unemployment and unemployment benefits: However low unemployment in the 1990s (at their best, rates just un-

der 4 percent), there are always millions of unemployed workers, official and unofficial. Only about two out of five of the officially unemployed collect benefits. This is particularly absurd, as their spending, much more dependable than that of higher income groups using their tax reductions, helps to offset recession

Lagging pay: Despite modest improvements toward the end of the 1990s, private sector average hourly pay (in inflation-adjusted dollars) is below what it was in 1973. This wage crisis, afflicting especially younger workers, has limited workers' spending and retirement saving.

Inequality: Income inequality has widened over the last 25 years. The distribution of family income, virtually unchanged from the end of World War II until the late 1960s, has sharply worsened since then. Both the absolute income and the share received by the bottom half of the population have fallen. The poverty rate, which by 1973 had dropped sharply from its postwar peak, has since risen.

Consumer debt: It is not surprising that lagging pay has been accompanied by a rise in consumer debt in relation to income, an upsurge that began in the 1970s. Over the last several years, consumer debt continued its rise at roughly 8 percent a year—far faster than household income.

Business debt and current profits: According to economist Dean Baker's

analysis, manufacturing profits fell by 48.8 percent between 2000 and 2001. The gloomy profit picture is a consequence of higher depreciation rates, as shorter-lived investments, like computers, need to be replaced more quickly. Business debt has expanded rapidly, and poses a problem when the means of servicing it—profits—are weak. A Federal Reserve paper reports that "viewed as a share of GDP [output], such debt has now reached unprecedented heights."

International debt: Our chronic trade deficit, now at a yearly rate of nearly \$400 billion, has accumulated an enormous debt, financed by our trading partners. The United States is now the world's largest debtor.

If the U.S. debt were denominated in a currency other than its own dollar, we'd long since have been subject to the tender mercies of the International Monetary Fund.

These chronic weaknesses—which have persisted for 25 years throughout expansions and recessions—affect the ability of the economy to right itself.

The end of the recession may create an illusion that all is well. But a long-term cure to profound economic problems—inequality, chronic unemployment and lagging pay for the poorest and middle-income workers—will require significant changes in public policy.

Economist June Zaccane is a member of the Coalition's executive committee.

April 2002 Unemployment Data* (U.S. Bureau of Labor Statistics)

UNEMPLOYMENT:	6.0%	Millions more were working full-time, year-round, yet earned less than the official poverty level for a family of four. In the latest year for which data are available, 1999, that number was 17.1 million, 17.5 percent of full-time workers (estimated from <i>Money Income in the United States</i> , Bureau of the Census, Sept. 2001).
White:	5.3%	Roughly, one in four women and one in seven men who worked full-time the year round earned less than the poverty level for a family of four.
Black:	11.2%	* See <i>Uncommon Sense #4</i> for an explanation of the <i>unemployment measures</i> .
Hispanic:	7.9%	** (Of this group, approximately 1 million searched for work during the prior 12 months and were available for work during the reference week.)* *
Men 20 years and over:	5.4%	
Women 20 years and over:	5.4%	
Teen-agers (16-19 years):	16.8%	
Black teens:	35.4%	
Officially unemployed:	8.6 million	
Hidden Unemployment:	5.8% 8.7 million	
People working part-time because they can't find a full-time job:	5.3% 4.2 million	
People who want jobs but are not counted in official statistics because they are not looking:*	4.5 million	
Total (Official and Hidden Unemployment):	17.3 million (11.8%)	

NJFAC Publications List

UNCOMMON SENSE Series: A continuing series of short papers written by economists, sociologists, historians, lawyers and others active in social change movements. Uncommon Sense seeks to debunk the myths and assumptions that politicians and their economic advisors use to keep us from adopting

policies that would increase employment and wages. These papers can be used as handouts at conferences, for school classes, as articles in local newspapers, as the basis for "Letters to the Editor," or talks with your elected representatives, and as inserts in newsletters.

- Increasing Unemployment Increases The Deficit; Reducing Unemployment Reduces The Deficit, by Helen Ginsburg and Bill Ayres
- Unemployment Means Lost Output And Human Deficits, by Helen Ginsburg
- 17 Million Unemployed And Underemployed Is "Unnatural"; So Is 16 Million, by Helen Ginsburg and Bill Ayres.
- Employment Statistics: Let's Tell The Whole Story, by Helen Ginsburg and Bill Ayres
- Welfare "Reform": Where Are The Jobs? By Gertrude Schaffner Goldberg, Sheila Collins, Helen Lachs Ginsburg, and Philip Harvey
- Full Employment: The "Supreme Law Of The Land" by David Gil
- Full Employment And Affirmative Action, by Manning Marable
- Disarmament, Economic Conversion, And Jobs For All, by Seymour Melman
- Why The Debt Isn't All Bad: Balancing Our Deficit Thinking, by Robert Eisner (Reprinted with permission from the Nation magazine. (c) 1995)
- Let's Have An Adequate Minimum Wage, by Robert Cherry
- High Anxiety: Economic Insecurity And Jobs For All, by Charles Whalen
- Environment Regulation And Jobs: Myth And Reality, by Eban Goodstein
- The Collapse Of Low-Skill Wages: Technological Shift Or Institutional Failure?, By David Howell
- Paying For Full Employment, by Philip Harvey
- How Many Jobs Are There: The Need For A Job vacancy Survey by Philip Harvey
- Workfare Vs. Fair Work: Public Job Creation, by Nancy Rose
- Needed: A National Commitment To Families, by Ruth Sidel
- Welfare Reforming The Workplace, by Maurice Emsellem
- Why Unions Matter; Why Full Employment Matters To Unions, by Elaine Bernard
- Reversing The Spread Of Lousy Jobs, by Chris Tilly
- Social Security Is Not In "Crisis," by Richard Du Boff
- Women and Social Security: Statement and Checklist, by the National Council of Women's

- Organizations
- Washington's New Poor Law: Welfare "Reform's" Legacy and Real Welfare Reform, by Sheila D. Collins
 - Social Security Isn't Just for Seniors, by Jean TD Bandler
 - Social Security and Minorities, by Helen Lachs Ginsburg and Gertrude Schaffner Goldberg
- Special packet on welfare "reform," including numbers 4, 5, 14-18, plus the NJFAC policy statement on welfare reform. \$5 each**
- Special packet on Social Security, including background and summary of the issues and numbers 21, 22, 24, 25. \$5 each.**
- Working Papers and Pamphlets: \$5 each**
- "A Growth Agenda That Works: A Program For Sustainable Economic Growth And Development"
- "The High Road To Economic Development," by Sheila Collins and Gertrude Schaffner Goldberg.
- Pamphlets:**
- The Challenge of Full Employment in the Global Economy,** Ginsburg, Zaccane, Goldberg, Collins, and Rosen.
- David Dembo and Ward Morehouse, **The Underbelly of the US Economy: Joblessness and the Pauperization of Work in America.** Apex Press
- Book: \$10 Jobs For All: A Plan For The Revitalization Of America,** by Sheila D. Collins, Gertrude Schaffner Goldberg, and Helen Lachs Ginsburg (Apex Press), \$10.
- Reprint Series and Special Reports: \$1 each**
- "Jobs for All, Economic Justice, and the Challenge of Welfare 'Reform,'" Gertrude Goldberg, *Journal of Public Health Policy*, 1997.
 - "Building a Movement for Full Employment," Gertrude Schaffner Goldberg and Sheila Collins, from *Social Policy*, Spring 1998.
 - "Social Security: The Phony Crisis," Helen Ginsburg, testimony to NYC Council, April 1998
 - "With Income Inequality for All," James Galbraith, *The Nation*, Sept. 1998.
 - "The Great Divide," Robert Reich, *The American Prospect*, May 20, 2000
 - "Social Security Shortfall Long Way Off," by Christian Weller, *Economic Policy Institute*.
 - Helen Lachs Ginsburg, "Sweden: Fall from Grace," *In These Times*, Dec. 23, 1996.
 - Special Report 2, The Right to work and to welfare, by Gertrude Schaffner Goldberg and Sheila D. Collins, February 2002.

Membership And Order Form

Membership fee of \$35 (Entitles me to the newsletter plus copies of Uncommon Sense and reprints as they are published) Contribution of :

\$5000 \$2000 \$1000
 \$100 \$50

to support the work of JOBS FOR ALL.

Contributors of \$100 and over receive a copy of the Washington's New Poor Law, by Gertrude Schaffner Goldberg and Sheila D. Collins.

Please send me copies of the following Uncommon Sense Pieces. Single copies for \$1 each; complete Packet for \$15.

#1 #2 #3 #4 #5
 #6 #7 #7 #7 #10
 #11 #12 #13 #14 #15
 #16 #17 #18 #19 #20
 #21 #22 #23 #24 #25

Welfare "Reform" packet (\$5 each)

Social Security packet (\$5 each)

Working Papers and Pamphlets: \$5 each

"A Growth Agenda That Works"

"The High Road to Economic Development"

The Challenge of Full Employment in the Global Economy

The Underbelly of the US Economy

NJFAC book: Jobs for all: A Plan for the Revitalization of America, \$10 each

Reprints and Special Reports: \$1 each

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Sweden: Fall from Grace #8

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A Crucial Benefit for Minorities

By Helen Lachs Ginsburg and Gertrude Schaffner Goldberg

BEFORE Social Security was enacted in 1935, organized business and Republicans bitterly opposed it. But due to fear of reprisals at the polls, most Republicans opposition collapsed. Since then, conservatives have continued to criticize Social Security. One criticism of Social Security is that it is unfair to African-Americans and other minorities, which implies that it is not an important program for them. Nothing could be further from the truth.

Greater Reliance on Social Security

Proportionately fewer elderly minorities than whites receive any pension income. Minorities, with average earnings considerably less than those of whites, are also less likely to have income from assets such as savings, stocks, and bonds. Thus, Social Security is a much more important source of their retirement income. In 1996, almost half of minorities collecting Social Security relied on it for more than half of their income, compared to one in three whites. *And one in three African-American and Hispanic beneficiaries but only one in six whites relied on Social Security for all of their income.*

Minority Poverty

Blacks typically earn less and are more likely to be unemployed than whites. This reduces their Social Security benefits, which are related to earnings and years of employment. Since they also have less income from pensions and assets, poverty is more widespread among black than white elderly persons.

In the late 1990s, nearly one in four African-Americans 65 and older was poor (using the official poverty standard) compared to less than one in ten whites. Without Social Security, around 60 percent of elderly African-Americans and Latinos would have been poor, compared to slightly less than half of whites.

Social Security pays low-wage workers a higher proportion of their past earnings than average or high-wage workers. Thus minorities, with lower average earnings, benefit from this progressive benefit formula even as they end up with smaller average monthly payments than whites. The discrepancy is due to inequality in the labor market, which Social Security only partially offsets.

While minorities benefit from the progressive benefit formula, the Social Security payroll tax is regressive because it is currently capped at \$84,900. The result is that minorities are more likely to pay the Social Security tax on all of their earnings. However, the tax could be made more progressive by eliminating the income cap or in several other ways.

Important Survivor, Disability Benefits

Those who claim that Social Security does not benefit African-Americans often point to their lower life expectancy than other demographic groups. A smaller proportion reaches retirement age, and those who do, on average, do not collect benefits as long as whites. But poorer health during working years and more premature deaths mean that disability and survivors' benefits are more important to African Americans. And progressive benefits more than offset the difference in longevity, so that the claim of some conservatives that minority men get a negative return on their Social Security taxes is wrong (The Actuary, Sept. 1998).

Disadvantaged minority groups depend more on disability benefits than do whites because low-income workers have much higher rates of disability. While about half of African-American and other minority beneficiaries receive retirement benefits, compared to nearly three out of four white beneficiaries, minority beneficiaries are much more likely to get disability and survivors' benefits. One out of four African-Americans but only one out of eight white Social Security ben-

eficiaries collect disability or survivors' benefits. One out of four benefits awarded to surviving children goes to African-Americans even though they are only 15 percent of children under 18 years old.

Toward the Future

Privatizing and weakening Social Security's basic protection in other ways will jeopardize the income that is so necessary for minorities. As the Urban League's Maya Rockeymoor put it, "...funding private retirement accounts by diverting money away from the current system would increase retirement insecurity and undermine the viability of the survivor and disability components of the Social Security system—the very programs upon which African-Americans and their children heavily rely."

Full employment at decent wages would improve Social Security benefits. It would raise the earnings of low-wage workers and increase their future Social Security benefits at the same time that it would add more money to the Social Security Trust Funds. Other government policies—for example, universal health care—can also reduce and then eliminate racial gaps in life expectancy, disability, wages and unemployment.

In the meantime, it is important to raise the special minimum benefits paid to lifetime, low-wage workers and to strengthen Social Security in other ways that are especially important to minority workers and their families. One important way is to roll back the Social Security retirement age, which is gradually rising to 67 by 2022.

Excerpted and adapted from Uncommon Sense 25, part of the National Jobs for All Coalition (NJFAC) Social Security Packet. Helen Lachs Ginsburg, professor emerita of economics at Brooklyn College, is on the NJFAC executive committee. Gertrude Schaffner Goldberg, director of the doctoral program at the Adelphi University School of Social Work, is NJFAC chair.

Hunger Action Network Presses for Welfare Funding

Hunger Action Network of New York State, a Coalition affiliate, is working on advocacy around the renewal of the federal welfare law.

The group is pressing for funding for transitional jobs programs.

Under the current welfare law states may use federal funds to pay the wages of recipients who have reached their welfare time limits. However, funds are not specifically designated for such programs. Though neither the Bush Ad-

ministration nor the U.S. House proposals directly address this issue, several Senate proposals have supported wage-based transitional jobs programs and provide funding from \$125 million to \$200 million for the programs.

Hunger Action Network calls upon members to urge their senators to support funding for transitional jobs programs in the reauthorization of Temporary Assistance to Needy Families (TANF) law. —**Bich Ha Pham**

Down And Out Down Under: Australia

JUDGING by many traditional measures Australia's economy is riding high.

But a different picture—one of poverty and unemployment—emerges from a hard-hitting report by Catholic Social Services Victoria, the peak body for Catholic Social Service organizations in Australia's second most populous state.

Calling this social distress a "national disgrace," the report, "Surviving, not Living: Disadvantage in Melbourne," points the finger at more than two decades of "trickle down" economic policies that have left millions of people in poverty or unemployed while bestowing unprecedented prosperity on upper-income Australians.

Imported Neoliberal Policies

"Surviving, not Living" sharply criticizes "imported neoliberal policies" from the United States that cut social entitlements and place more coercive

conditions on recipients to reduce so-called "welfare dependency." Contrary to a common stereotype, researchers found jobless people desperate for paid work. Even using grossly understated official unemployment figures, the report notes that there are seven jobless Australians for every advertised job

vacancy. Yet the poor and unemployed are increasingly blamed for their plight. (See "Australia's Employment Situation," Good

Jobs For All, Vol.5, #1, 1999.)

What to do? "Surviving, not Living" wants economic policies that prioritize social equity. Above all, it calls for a renewed commitment to full employment by all political parties to prevent another 25 years of high employment. That is sorely needed in a country where unemployment in the 1980s and 1990s was typically between 8 and 10 percent and even in the current boom hovers around 6.5 percent.

—**Helen Lachs Ginsburg**

Australian unemployment a "national disgrace," a Catholic report says.

Australia Conference Advocates Full Employment

Several Coalition leaders trekked to Australia to participate in a recent conference on "The Path to Full Employment." The Centre on Full Employment and Equity at Newcastle University sponsored the conference.

Vice-Chair Sumner M. Rosen spoke about the post-war history of efforts to legislate full employment policies in the United States. Advisory Board member Nancy Rose presented a paper entitled, "Workfare, Fair Work and the Job Guarantee."

Rosen focused on the ideological and power factors that help to explain the resistance to full employment in U.S. policies. Other speakers from outside Australia came from South Africa, Italy and Britain. Coalition advisory board member Mathew Forstater, Randall Wray and Warren Mosler, who are long-time colleagues at the Center for Full Employment and Price Stability at the University of Missouri in Kansas City and have a longstanding relationship with Newcastle University, played an active role.

The presence and interaction of academics, community activists and labor advocates enriched the conference. The international nature of the conference highlighted shared concerns as well as national differences.

This series will continue in December 2002.

Join the Cybercoalition

e-mail us: njfac@nccusa.org or visit us at www.njfac.org Ask your organization to link to our Web site.

Individuals and organizations are invited to join the National Jobs for All Coalition.

Debunking a Phony "Crisis" Continued from pg. 1

a reprint, "Women and Social Security," issued by the National Council of Women's Organizations. And, to include analyses of both the latest forecasts by the Social Security trustees and the Bush Commission's privatization plans, we've added "Social Security Shortfall Long Way Off," a piece by Christian Weller of the Economic Policy Institute. The packet also includes "Guidelines for Action" and a "Summary of the Social Security Program."

The Coalition has distributed part of the "Social Security Packet" to our members, posted its components on our Web site, made it available for classroom use, and distributed it at demonstrations and public meetings, particularly when members serve as speakers. We urge members to use and distribute the packet when they attend meetings and visit their senators and representatives; we encourage teachers to use it in classrooms; and we recommend that the material be used for letters to editors and op-ed articles.

Bernice Crane, who recently joined our executive committee, is in charge of outreach.

Media representatives, legislators, and labor officials have already received the "Social Security Packet." To reach a wider audience, the Coalition and the National Council of Churches (NCC), is raising funds

to popularize and illustrate parts of the "Packet" and to finance wider distribution.

We are grateful for a grant from the Sunflower Foundation that has already provided support for our Social Security Campaign and made it possible to adapt one of our basic movement pieces, "Employment Statistics: Let's Tell the Whole Story" (Uncommon Sense 4), for a wider audience.

Task Force

To sharpen its message and coordinate distribution, the Coalition formed a Social Security Task Force. The group includes representatives from the NJFAC executive committee, Karen Hessel, deputy general secretary of the National Council of Churches and chair of the NCC's Women's Network, and David Langer, chair of the employee benefits committee of the Actuarial Society of Greater New York.

When Treasury Secretary Paul O'Neill came to Wall Street to launch a \$20 million pro-privatization campaign, Coalition members were among those to greet him. Exceeding his boss's public pronouncements, O'Neill stated at the time in an interview with the Financial Times that "abled-bodied adults should save enough ... to provide for their own retirement and health and medical needs."

Coalition members joined a street meeting to protest O'Neill's position and the Wall

Street initiative. The protestors included the Joint Public Affairs Committee for Older Adults, New York Seniors, the New York City Central Labor Council, District Council 37 of the American Federation of State, County and Municipal Employees, the AFL-CIO, represented by its Secretary-Treasurer Richard Trumka, a member of the NJFAC advisory board, and members of Congress, including Jerrold L. Nadler (D-NY). I had the opportunity to speak at the rally, which attracted print and TV coverage.

The Coalition's campaign to protect—and improve—Social Security is another opportunity to send a message about our basic issue: that full employment—more people working at livable wages—is the way to solve or reduce many of our most pressing problems. When we took aim at welfare "reform," we pointed out that real reform had to include JOBS FOR ALL AT LIVABLE WAGES.

In the case of Social Security, full employment would mean that more people are contributing to its trust funds and fewer are forced to retire early and collect benefits.

Note how a few years of low official unemployment have extended the life of the trust funds—even with the unduly pessimistic economic assumptions that the government uses. That's why we say, "The best insurance for Social Security is full employment."

ILO hosts Global Employment Forum

By PHILIP HARVEY

MORE than 750 people—including public officials, representatives of non-governmental organizations and members of the National Jobs for All Coalition—attended an international forum in Geneva that focused on the worldwide need for decent jobs.

Organized by the International Labor Organization, the Global Employment Forum aimed to promote the development of a global strategy to "secure decent work for people everywhere in conditions of equity, security and human dignity and thus draw out of poverty the 1.2 billion people who are living below the poverty line."

The ILO's new focus on the problem of unemployment is an important development in international efforts to combat joblessness and its accompanying economic and social ills.

The director general of the ILO, Juan Somavia, wants to use the organization's international stature to pressure other international organizations—like the World

Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank—to put decent work at the heart of their policy agendas.

"The biggest security risk, affecting the largest numbers of people worldwide, is unemployment and the resulting poverty," Somavia said. This initiative is one that members of the Coalition should support with unqualified enthusiasm. It is not clear, however, whether the ILO's policy proposals for achieving its decent work goals are adequate. Those proposals are available at <http://www.ilo.org/public/english/employment/empframe/practice/download/gea.pdf>.

The ILO's "Global Agenda for Employment" is progressive insofar as it represents a vast improvement over existing policies. But it does not recognize that access to decent work is a human right and waffles in its support for full employment. Furthermore, it assumes the only way to overcome inflationary tendencies that stand in the way of job creation is

through the fairly orthodox medicine of increased training and other productivity enhancing measures.

The Global Agenda for Employment, prepared by ILO staff and distributed to participants in the forum, holds that most of the world's 1.2 billion poor are supported by 530 million people who are working but earning too little to lift themselves or their families out of poverty. Yet an ILO "comprehensive employment strategy" that represents a summary of the three-day meeting did not include a proposal for raising wages.

Coalition Chair Gertrude Schaffner Goldberg and member Harold Oaklander attended the conference, which was held in November 2001.

Despite shortcomings in the ILO's policy recommendations, the ILO's new agenda of advocating decent work is good news that deserves to be celebrated.

Philis Harvey, a member of the Coalition's advisory board, attended the Geneva conference.

European Economists Urge Full Employment

By HELEN LACHS GINSBURG

SOME 250 European economists have called on the European Union to make full employment its primary objective. The European Economists for An Alternative Economic Policy, co-founded by Jorg Huffs Schmid of the University of Bremen, an NFAC advisory board member, is critical of the current neoliberal approach to European integration and works for a policy of full employment, social welfare, ecological sustainability and equity.

In a policy paper, the network has recently proposed ways to fight the recession that sent unemployment again climbing in many European Union countries. (EU members are required to reduce deficits, debt, and inflation that exceed specified limits, actions that may increase unemployment. But there is no requirement to reduce high unemployment.)

Step up Public Investment

Short-term proposals include steeper cuts in interest rates and, especially, coordinated action by EU members to use their national budgets to stimulate lagging demand and employment through stepped up public investment. Medium-term recommendations stress making full employment the central goal of EU economic policy and including that goal in a reformulation of the mission of the inflation-obsessed European Central Bank. Currently, the

bank's sole goal is to maintain price stability. A complementary proposal is to create an EU federal budget of about 5 percent of gross domestic product in EU member nations to be used, among other things, as a tool to combat recessions.

Guaranteed Decent Jobs

EU inaction in fighting the recession, these economists note, contrasts sharply with its stepped up campaign for workfare—instead of the creation of good jobs—and for the privatization and hence weakening of parts of European social security systems. Those are paths that the economists firmly reject in favor of a European "social constitution" based on full employment that also insures a decent income, social protection and more participatory democracy.

EU policies have spawned several recent protests. Some 100,000 persons marched in Barcelona, Spain, during an EU summit meeting to demand full employment with social rights; and millions of Italians took to the streets in a nationwide general strike against their government's plan to weaken labor rights that it claimed was needed to conform to European norms.

The report is on the Coalition's Web site: www.njfac.org/news.html. Click on memorandum 2001.

Helen Lachs Ginsburg, professor emerita of economics at Brooklyn College, is on the NJFAC executive committee.

Form a NJFAC Chapter

The National Jobs for All Coalition welcomes the establishment of local groups.

If interested, write us at
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New York, NY 10115;
call us at
(212) 870-3449; or send an
e-mail to njfac@nccusa.org.

Want to Volunteer?

The NJFAC is looking for help with outreach, fundraising, publicity and other activities. You need not live in New York to volunteer. If you do live locally, let us know if you can help with occasional office work.

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Coalition Joins Campaign to Save Safety Net

UNEMPLOYMENT is up sharply since its low point in 2000. And welfare "reform" time limits are ticking away, exacerbating the problem of inadequate protection from an unemployment system that is both short term and limited in coverage.

Workers not covered or whose benefits run out might previously have turned to public assistance for aid. But welfare "reform" has reduced that recourse.

Inadequate protection against unemployment and welfare time limits are usually treated as separate issues. But Logan Martinez of the Miami Valley Full Employment Council, a Coalition affiliate, combined the two issues into one and has spearheaded a campaign to "Save America's Safety Net."

The campaign has been endorsed by a number of organizations, including NJFAC.

A Common Agenda

In May, Martinez, who is also an NJFAC executive committee member, brought together employment, welfare, and housing advocates to discuss prospects for a national job creation

bill to deal with a number of issues, but especially time limits in both welfare and unemployment insurance.

Coalition Chair Gertrude Schaffner Goldberg and Coordinator Laura Piil joined representatives of organizations from California, Washington, D.C., New York, Ohio, Pennsylvania, Washington, and Wisconsin, sharing overviews of current conditions and their strategies and agreeing to work toward a common agenda. Thanks to modern telecommunications technology, the group "met" via a lengthy conference call.

Afterwards, Martinez, Tracy Colunga Hollingsworth of the Los Angeles Coalition to End Hunger and Homelessness, and Nick Phillips of the National Coalition for the Homeless development the following priorities: a job creation bill; extension of unemployment benefits; suspending welfare time limits; guaranteed child care; increased education and training opportunities and shorter work requirements for people on welfare; stopping the Bush administration's "superwaivers" that would go much further than block grants in allowing states to use federal money as they please; and recognition of caregivers as workers.

Official Recession Nothing New to American Workers

THE longest expansion in the U.S. economy, whose end was officially announced last year, provided little relief to the vast majority of working Americans. Over 74 percent of jobs created over the last two decades have been in the two lowest paying sectors of the U.S. economy—retail trade and health and business services. These are among the findings of a report recently released by the Council on International and Public Affairs in New York. "The Underbelly of the U.S. Economy: Joblessness and the Pauperization of Work in America" analyzes trends in joblessness, underemployment, poverty, income distribution, and wages in the U.S. economy.

A Failing Economy

"Long before the official pronouncement of recession, workers were in trouble," said Ward Morehouse, president of the Council and co-author of the study. "Add to the 11 million American jobless in 2000 the hundreds of thou-



sands laid off so far this year and the fact that almost half of all workers are employed in sectors of the economy that pay average wages in the poverty zone, and you have an economy that has failed the average working American for years."

"It is especially important that we understand the true extent of joblessness and poverty in our society as Congress begins to consider reauthorization of the disastrous welfare legislation enacted during the Clinton administra-

tion," said David Dembo, program coordinator at the Council. "Low wages and the temporary nature of most of the jobs former welfare recipients have managed to get will result in severe hardships during the current recession."

"The Underbelly of the U.S. Economy" is a special report to the National Jobs for All Coalition. "This study provides additional ammunition for the decent jobs for all campaign now underway," commented Gertrude Schaffner Goldberg, chair of the National Coalition and co-author of a just-published expose of so-called welfare reform, "Washington's New Poor Law: Welfare 'Reform' and the Roads Not Taken, 1935 to the Present."

Copies of the Council's report are available for \$5 (plus \$2 shipping) from the CIPA Publications Office (P.O. Box 337, Croton-on-Hudson, NY 10520; Tel/Fax 800-316-2739) or from the Coalition office at the address above.

Rising Retirement Insecurity

By GREGORY N. HEIRES
AS the Bush administration and its allies in Congress and right-wing think tanks persist in their campaign to privatize Social Security, reality is biting back.

The Enron scandal and the stock market decline have focused attention on the risk of relying on individual savings accounts like 401(k) plans.

For privatization advocates, the Enron demise amounts to a political landmine because thousands of Enron employees who had dedicated most of their 401(k) savings to the company's stock lost much of their retirement funds.

"Corporations have saved billions of dollars as they have stopped offering their workers a traditional pension with a guaranteed income," said Gertrude Schaffner Goldberg, chair of the National Jobs for All Coalition. "And just as corporations are destroying the traditional pension, privatization supporters will ruin the Social Security system if they succeed in their goal of establishing individual savings accounts, which means government would no longer guarantee a minimum retirement income for recipients."

Meanwhile, the Social Security trustees continue to push back the year in which the trust funds will be empty. The most recent projections indicate that the trust funds will dry up in 2041, which is twelve years later than predicted in 1997.

But despite good news for Social Security and bad news for private schemes, ideological-driven organizations like the

Cato Institute continue to press for privatization.

What Crisis?

"We have always disputed that Social Security faces a crisis, and the doomsayers' warnings are overblown," said economist Helen Ginsburg, a Coalition executive board member and co-author of the Coalition's "Social Security and Minorities" ("Uncommon Sense 25"). Many analysts say the projected shortfall could be largely addressed by raising the cap on the regressive Social Security payroll tax.

As the drop in the stock market and the Enron debacle point to the problem with introducing individual investment accounts in the Social Security, it is increasingly clear that many of the privatization advocates are driven by ideology rather than sound public policy.

Normally, blue-ribbon presidential commissions allow, in theory, for differing positions. But the Bush Social Security panel was entirely stacked with people who favor privatization. Five of the 16 members have ties with the rabidly free-market, anti-government Cato Institute, which has been part of a global effort to privatize social security systems for a generation.

Unable to agree upon a single plan, the Bush commission late last year recommended three privatization options. All would reduce retirees' living standards because the amounts in individual accounts would not offset benefit cuts. All would require a massive infusion of tax dollars

to cover transition costs, undercutting the privatizers' assertion that individual savings accounts would address Social Security's alleged funding crisis. One proposal would raise the retirement age for workers. And the diversion of funds to private accounts would lead to a reduction in benefits for workers with disabilities and survivors of deceased workers.

401(k) Plans Fall Short

While the stock market boom of the go-go '90s created widespread enthusiasm for 401(k) accounts and a misguided popular faith in private investment, recent studies show the retirement security of baby-boomers and the middle class is precarious. Retirement wealth for the middle class has actually fallen in recent years, according to a recent study by New York University economist Edward N. Wolff for the Washington-based Economic Policy Institute.

The study projects that 40 percent of households headed by persons between the ages of 47 and 64 will not be able to replace even half of their pre-retirement income when they stop working. Nearly 20 percent of the workers in that age group will have retirement incomes below the poverty line, according to the study.

A disturbing new book, *The Great 401(k) Hoax* by William Wolman and Anne Colamosca, shows that 50 percent of Americans have less than \$14,000 in their 401(k) accounts—clearly much too little to retire on.

This situation will only get worse if the financial managers of Wall Street get their hands on the Social Security system.

"The threat of privatization is still out there," Ginsburg said. "We have to continue to dispel the myth that Social Security faces a crisis. And we have to make it clear to the public that privatization means loss of benefits and tell politicians that they will be held accountable if they vote to set up individual savings accounts."

Gregory N. Heires is senior associate editor of N.Y.C.-based Public Employee Press, the official publication of DC 37, AFSCME.

MAKE SURE YOUR RETIREMENT ISN'T KO'D



Advisory Board and Executive Committee expand

FOUR new members have joined the Coalition's advisory board.

Professor Theda Skocpol of Harvard University is a renowned historian of social policy who has included full employment in her definition of social welfare. Professor Jocelyn Pixley of the University of New South Wales in Sydney Australia has done extensive work on full employment in Australia and other countries.

The other new advisory board members include the Rev. Dr. Bob Edgar, general secretary, National Council of Churches of Christ, a former member of Congress and president of Claremont Seminary, and John Atlee, president of the Institute for Economic Analysis.

New members of the executive committee extend our ties to labor and advocacy organizations. Over the past two years, additions to our executive commit-

tee have included Economist senior Joseph Goldman and Gregory N. Heires, senior associate editor of Public Employee Press, the newspaper of District 37 of the American Federation of State, County and Municipal Employees, AFL-CIO. Goldman serves as recording secretary of the executive committee, and Heires is editor of the Coalition's newsletter, Good Jobs for All.

Other new members include Bich Ha Pham, public policy coordinator, Hunger Action Network of New York; the Rev. Dr. Douglas Grote, pastoral psychotherapist and interim pastor, Siloam-Hope Presbyterian Church, Elizabeth, N.J.; and Bernice Crane, a long-time organizer and a founder of Women Strike for Peace, who is in charge of an outreach to media representatives, labor leaders and, policy makers on Social Security.

Meet our New Coordinator

The Coalition has a new Office Coordinator, Laura Piil, who has a degree in public administration, counseling and administrative affairs from the City University of New York Graduate Center.

An activist, Piil has advocated on behalf of people with disabilities, women and minority groups. Her work has focused on full employment, Medicaid benefits, so-called

welfare reform and Social Security.

Piil serves as constituency director of the New York State Young Democrats and is vice-chair of the Disability Issues Cause for the Young Democrats of America.

With her ties to many organizations and her background as an advocate, Piil is increasing the National Jobs for All Coalition's outreach and recruiting new members.

New Zealand Scraps Workfare

New Zealand's government has tossed its "work for the dole"—a workfare-like program for the unemployed—into the trash bin.

Social Services and Employment Minister Steve Maharey said it failed to give the unemployed "real jobs at real wages." Research showed that jobless people in the program were less likely to get work than a control group of non-participants.

Especially in rural areas, "employers came to rely on the participants as a low-

waged labor pool," Maharey said. They "were seen as people who would work for nothing," and that "made it difficult for them to move into good jobs," he said.

Starting in the mid-1980s, Labour and conservative government implemented sweeping neoliberal policies, deregulated the economy and labor markets, and reduced the size of the welfare state. The present government, a minority coalition headed by the Labour Party, has restored some labor rights.

Coalition Mourns Loss of Board Members

We report with sorrow the deaths of four advisory board members.

Monsignor George Higgins has been described as one who dedicated his life to those who have no voice. In 2000, Mgr. Higgins, received the Presidential Medal of Freedom, our nation's highest civilian honor, after a lifetime of walking picket lines, fighting anti-Semitism, and working to advance civil rights and social justice.

Herbert Simon, a distinguished economist whose work spanned other fields, including psychology, received the Nobel Prize in Economics in 1979 for his pioneering research into the decision-making process within economic organizations.

Elizabeth Wickenden as a young college graduate worked for the New Deal on various innovative programs, including job creation. Later, as a leading social welfare expert, Wicky, as her friends called her, remained a strong advocate both of jobs for all and of decent social benefits. In the Reagan era when Social Security was threatened, Wicky helped launch and sustain a counteroffensive.

James Young was a sociologist, environmentalist, social activist and prolific writer. His widow, Marjorie Hope Young, serves on the advisory board and with her Jim co-authored numerous articles and four books. The most recent book, "Voices of Hope in the Struggle to Save the Planet" (Apex 2000) explores the connections between faith and ecology. Strongly committed to full employment, Jim remained in close contact with the executive committee until days before his death. Several years ago, at his (and Marjorie's) suggestion, the NJFAC newsletter was renamed—from Jobs for All to Good Jobs for All, a better expression of our goal.

We resolve to honor these lives by continuing to work for jobs for all at decent wages and social justice.

Unemployment Benefits Extended But System Needs Repair

THE economic recovery package enacted in March makes many jobless workers in every state eligible for temporary, emergency unemployment insurance benefits.

Federally funded, these last for up to 13 weeks after a worker still looking for a job runs out of regular, state-financed UI (generally after 25 weeks). Jobless workers in some states can also get an additional 13 weeks of federally-financed benefits, but only if the number of unemployed collecting benefits reaches 4 percent of their state's labor force. This doesn't help unemployed people in most states.

Ironically, a crisis is looming in New York because statewide its unemployment is too low to set off the trigger. So the jobless in New York City, with heavy unemployment, do not qualify, even with the Big Apple's economy still reeling from the aftermath of 9/11 superimposed on a faltering local economy with large numbers of former welfare recipients.

Clearly, the federal-state UI program—the main safety net for unemployed work-

ers since 1935—needs overhauling. Now, states must meet certain federal standards but set their own rules governing coverage, eligibility, benefit amounts and revenues. The result, a recent report called "Failing the Unemployed" shows, is a patchwork quilt rife with shortcomings and inequities.

Jointly issued by the Economic Policy

five in Louisiana and rises to nearly three out of four in Massachusetts. Unemployed people most in need of benefits—low-income and part-time workers, recent labor force reentrants, former welfare recipients and women—are most likely to be ineligible to receive them. And, if eligible, meager UI benefits, which vary widely among states, typically replace less

than half of a worker's lost wages. In some states, the maximum benefit is below the government's paltry poverty standard for a three-person family.

"Failing the Unemployed" rates states on five critical areas: eligibility requirements, benefit levels, revenue, trust fund adequacy and recession preparedness. Twenty-three failed outright and many others just squeaked by with the equivalent of a "D." The report's recommendations include expanding benefit eligibility, better benefits, and tax policies that increase employer obligations and insure the adequacy of state UI trust funds.

The report is available at www.epinet.org/briefingpapers/bp122.html.



Institute, the Center on Budget and Policy Priorities, and the National Employment Law Project, the state-by-state examination of unemployment insurance systems finds, for example, that, nationally, only about two out of five of the jobless receive UI—a ratio that sinks to one in

ADA Spearheads New Effort To Hike Minimum Wage

Americans for Democratic Action, a coalition affiliate, has recently spearheaded a renewed, all-out effort to pass the Fair Minimum Wage Act of 2002.

Only weeks after its introduction in the Senate, Sen. Edward Kennedy's (D-MA) bill, S. 2538, had 39 co-sponsors and about ten more commitments of support. The bill would raise the \$5.15 minimum in three steps to \$6.65 by the beginning of 2004. The Senate leadership is slated to bring the bill up in July; grassroots support is needed to gain more co-sponsors. A mini-

mum-wage worker who works 40 hours a week for 52 weeks a year earns roughly \$3,500 less than the government's paltry poverty standard for a three-person family with two children.

Nearly 9 million workers would directly benefit from a minimum wage hike. Roughly one out of three of them are their families' sole earners, and three out of five of them are women.

For more information contact Darryl Fagin, Legislative Director, ADA: 202-785-5980; Dfagin@adaction.com; or www.adaction.org.