

Full Employment Boosts Welfare States

Diminishing Welfare: A Cross-National Study of Social Provision, Gertrude Schaffner Goldberg and Marguerite G. Rosenthal, editors, Auburn House, Westport, Conn, 2002.

By **JOCELYN PIXLEY**

Why has poverty increased even in the richest countries? To learn why, "Diminishing Welfare" is essential reading. Its key argument is that full employment—the goal of many nations for several decades after World War II—finances decent welfare states. Sufficient employment for all, at fair wages, is the basis for raising everyone's living standards.

This book is timely. Today, unemployment is rising again simultaneously in many countries. Dominant policies of the past quarter century are in tatters.

Scandalous Childhood Poverty

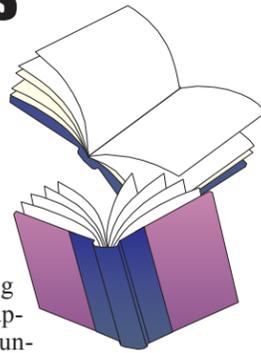
This book shows that wherever governments have not defended full employment, social provision has been cut back. What are the results? One is scandalous levels of poverty for

children in the United States, with the United Kingdom and Italy not far behind.

"Diminishing Welfare" has chapters on nine countries. The U.S. chapter and the introductory and concluding ones are by coalition chair Gertrude Schaffner Goldberg, a social welfare expert. A chapter on Sweden is by coalition executive committee member and economist Helen Lachs Ginsburg and Marguerite G. Rosenthal, a professor of social policy.

—*Jocelyn Pixley, senior lecturer in sociology at the University of New South Wales, Australia, is on the NJFAC advisory board.*

This book shows that wherever governments have not defended full employment, social provision has been cut back.



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National Jobs For All Coalition

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GOOD JOBS FOR ALL

We want full employment

Newsletter of the National Jobs for All Coalition

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From the Chair

A Watershed Election

A watershed presidential election is only months away. In November, the American people will decide whether to continue or end the policies that have harmed working families and worsened inequality, threatening the foundation of our democracy.

The National Jobs for All Coalition is taking advantage of the opportunity of an election—when the ears of the citizenry are a little more attuned and open to new ideas and policies. The coalition's three main projects are designed to raise consciousness about the permanent war economy, the so-called Social Security crisis, and the context of election 2004.

The Permanent War Economy

Military spending cured the Great Depression. But our \$400 defense budget—over one half of the world's military spending—is concurrent with the loss of millions of jobs. The winners in this war are not soldiers and their families or the nation's defense. The winners are the CEOs of defense firms, whose median total compensation leaped 79 percent in just one year.

The coalition's Special Report, "The Permanent War Economy," finished early in this election year, analyzes and exposes the consequences of the Bush national security strategy. Coupled with irresponsible tax cuts, the increase in military spending has been accompanied by rising job insecurity, a deepening of inequality, a growth in the federal debt and deficit and the most severe fiscal crisis of states and cities in more than a half century.

To popularize the coalition's study on the permanent war economy and to teach the public the facts about the Bush team's new national security strategy, executive committee member Helen Lachs Ginsburg developed the second in a series of NJFAC quizzes, "Does Military Spending Create Jobs?" which we reprint on page 5.

"The permanent war economy" is a part of the coalition's Real Security Project which is aimed especially at religious leaders and the faith community. It was initiated with a grant from the Sharing Fund of the Riverside Church. The religious right is working overtime. So, now that our analysis is completed, the coalition is preparing for its inclusion in church and temple bulletins and on Web sites directed to religious leaders. Its message, of course, is just as timely for other prime constituencies of full employment, such as unions, peace groups and minorities.

Social Security Packet

Our Social Security packet contains pithy, short pieces that debunk the Social Security "crisis" and the alleged shortfall of funds. They show how Social Security—our most successful anti-poverty program—benefits minorities, women, people with disabilities, widows and orphans, as well as retired workers.

We intend to popularize parts of the Social Security packet and continue to distribute it.

Sen. Edward Kennedy has described the recent Medicare "reform" as the first step toward a total dismantling of the program. The attack on Medicare and Social Security is the result of a well-financed campaign of more than two decades. The Bush administration is gearing up for its onslaught and will move ahead with the privatization of Social Security if Bush is elected to a second term.

We are popularizing our Social Security message and will be developing a Social Security quiz to debunk the phony crisis conjured up by those who would jeopardize our economic security. We can and must prevent Social Security from going down the drain by alerting people to the myths
(continue on pg.2)



Gertrude Schaffner Goldberg

The Fragile Economy and Unemployment

A Watershed Election (continued from pg. 1)

that are being spread by its opponents.

A Special Election Initiative

“Toward a Fair Economy: The Economic Context for 2004” is an effort to inject the jobs issue squarely into the election campaign. (See the accompanying box below for a summary.)

Last summer, coalition leaders consulted with advisory board member Congressman Jerry Nadler about getting our message

across. Shortly thereafter, campaign staff of one of the leading contenders for the nomination asked the coalition for some of our publications. We used the opportunity to prepare “Toward a Fair Economy,” which we sent to all contenders for the presidency.

While jobs gains have occurred recently, the harsh conditions of the U.S. labor market and workplace mean that workers continue to face the prospect of declining or stagnant

wages and reduced benefits. A living wage remains elusive for millions.

We hope our effort to shine a light on this reality will raise awareness on the need for public policies that promote jobs for all at a livable wage.

—Gertrude Schaffner Goldberg, director of the doctoral program at the Adelphi University School of Social Work, is NJFAC chair.

Toward a Fair Economy

Below are excerpts from “Toward a Fair Economy: The Economic Context for 2004,” published in October 2003, which is part of a coalition initiative to highlight the jobs issue in this year’s elections.

Washington enacted a stricter welfare requirement in recent years. Yet, it has not committed itself to decent, living wage jobs for all who need to work. A strict work ethic without sufficient opportunities to work is not a fair economy.

Unemployment was low, but not vanquished in the closing years of the 20th century. Now that our brief holiday from mass unemployment is over, unemployment hovers around 6 percent. This official unemployment rate fails to count millions of unemployed and underemployed Americans. Nearly 3 million jobs have disappeared from the labor market since the Bush presidency began, mostly in manufacturing. Even highly trained professionals have had their jobs downsized and outsourced, some multiple times. And the administration’s fiscal policies are forcing cutbacks by beleaguered state governments that reduce services and jobs for service providers.

Insufficient Job Gains

Recent job increases, even if sustained, would not be sufficient to keep up with the growth of the labor force, much less significantly decrease the unemployment rate. Unemployment not only devas-

tates workers who are denied a job and a living, it undermines their families. Unemployment also takes its toll in billions of dollars in goods and services that are not produced by the economy.

This nation must create a Fair Economy, one that balances the obligation to work with a national commitment to decent, living wage jobs for all. That goal includes vital workplace benefits to cover health care, unemployment, child care, and retirement—all of which are grossly insufficient and dwindling in today’s unfair economy. Otherwise the stricter work ethic is a cruel, double bind.

A policy of Jobs for All must begin with large-scale job creation by government—construction of affordable housing, provision of child care, and elder care, etc. According to estimates of the National Jobs for All Coalition, such a program is not only desirable but feasible. It would create useful goods and services, add to national resources, and generate enough in extra taxes and savings from unemployment insurance and other costs of joblessness to pay for itself. A policy of full employment would make every domestic problem easier to solve and begin a reversal of the dangerous rise in economic inequality that is a consequence of our unfair economy.

A large job creation program as part of a staged policy of Jobs for All should be at the heart of a compassionate, affordable, and vote-getting presidential platform.

MAY 2004 UNEMPLOYMENT DATA* (U.S. BUREAU OF LABOR STATISTICS)

OFFICIAL UNEMPLOYMENT:	5.6%	8.2 million workers
White:	5.0%	
Black:	9.9%	
Hispanic:	7.0%	
Men 20 years and over:	5.2%	
Women 20 years and over:	4.8%	
Teen-agers (16-19 years):	17.2%	
Black teens:	32.5%	
HIDDEN UNEMPLOYMENT:	6.0%	9.4 million workers
People working part-time because they can't find a full-time job:	4.7 million workers	
People who want jobs but are not counted in official statistics because they are not looking**	4.7 million workers	
TOTAL (Official and Hidden):	11.6%	17.6 million workers

About 16 million 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, 2002, those numbers amounted to 16 percent—about one in six—of full-time, full-year workers (estimated from U.S. Census Bureau data.)

JOB OPENINGS: In March 2004, the most recent month available, the U.S. Bureau of Labor Statistics reported only 3.1 million job openings; 8.4 million people were unemployed that month.

* See *Uncommon Sense* #4 for an explanation of the unemployment measures.

** Of this group, approximately 1.5 million searched for work during the prior 12 months and were available for work during the reference week.

Join a Movement for Full Employment at Decent Wages That Can Help to Create a Good and Just Society. Join the National Jobs for All Coalition.

NJFAC Publications List

1. Increasing Unemployment Increases The Deficit; Reducing Unemployment Reduces The Deficit, by Helen Ginsburg and Bill Ayres

2. Unemployment Means Lost Output And Human Deficits, by Helen Ginsburg

3. 17 Million Unemployed And Underemployed Is “Unnatural”; So Is 16 Million, by Helen Ginsburg and Bill Ayres.

4. Employment Statistics: Let’s Tell The Whole Story, by Helen Ginsburg and Bill Ayres

5. Welfare “Reform”: Where Are The Jobs? By Gertrude Schaffner Goldberg, Sheila Collins, Helen Lachs Ginsburg, and Philip Harvey

6. Full Employment: The “Supreme Law Of The Land” by David Gil

7. Full Employment And Affirmative Action, by Manning Marable

8. Disarmament, Economic Conversion, And Jobs For All, by Seymour Melman

9. Why The Debt Isn’t All Bad: Balancing Our Deficit Thinking, by Robert Eisner (Reprinted with permission from the Nation magazine. (c) 1995)

10. Let’s Have An Adequate Minimum Wage, by Robert Cherry

11. High Anxiety: Economic Insecurity And Jobs For All, by Charles Whalen

12. Environmental Regulation And Jobs: Myth And Reality, by Eban Goodstein

13. The Collapse Of Low-Skill Wages: Technological Shift Or Institutional Failure?, by David Howell

14. Paying For Full Employment, by Philip Harvey

15. How Many Jobs Are There: The Need For A Job vacancy Survey, by Philip Harvey

16. Workfare vs. Fair Work: Public Job Creation, by Nancy Rose

17. Needed: A National Commitment To Families, by Ruth Sidel

18. Welfare Reforming The Workplace, by Maurice Emsellem

19. Why Unions Matter; Why Full Employment Matters To Unions, by Elaine Bernard

20. Reversing The Spread Of Lousy Jobs, by Chris Tilly

21. Social Security Is Not In “Crisis,” by Richard Du Boff

22. Women and Social Security: Statement and Checklist, by the National Council of Women’s Organizations

23. Washington’s New Poor Law: Welfare “Reform’s” Legacy and Real Welfare Reform, by Sheila D. Collins

24. Social Security Isn’t Just for Seniors, by Jean TD Bandler

25. Social Security and Minorities, by Helen Lachs Ginsburg and Gertrude Schaffner Goldberg

26. It’s Not Just Money: Thirty-Five Million Workers in Low-Wage Jobs, by Beth Shulman

27. The Real Medicare Crisis, by Bruce Vladeck

Special packet on Social Security, including background and summary of the issues and numbers 21, 22, 24, 25 and Reprint 6. \$5 each.

Pamphlets:

The Challenge of Full Employment in the Global Economy, Ginsburg, Zaccone, Goldberg, Collins, and Rosen (1997)

The Underbelly of the US Economy: Joblessness and the Pauperization of Work in America, David Dembo and Ward Morehouse, Apex Press (2001)

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

1. “Jobs for All, Economic Justice, and the Challenge of Welfare ‘Reform,’” Gertrude Goldberg, *Journal of Public Health Policy*, 1997

2. “Building a Movement for Full Employment,” Gertrude Schaffner Goldberg and Sheila Collins, *Social Policy*, Spring 1998

3. “Social Security: The Phony Crisis,” Helen Ginsburg, testimony to NYC Council, April 1998

4. “With Income Inequality for All,” James Galbraith, *The Nation*, Sept. 1998

5. “The Great Divide,” Robert Reich, *The American Prospect*, May 20, 2000

6. “Social Security Shortfall Long Way Off,” by Christian Weller, *Economic Policy Institute*

Special Reports \$1 each

SR 2: The Right To Work And To Welfare by

G. S. Goldberg and S. D. Collins

SR 3: Toward A Fair Economy: The Economic Context For 2004 by members of the NJFAC Executive Committee, G. S. Goldberg, Chair

SR 4: The Permanent War Economy: Real Security or False Promise? By Bell, Collins, Ginsburg, and Malloy

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Whose Recovery Is It?

By HELEN LACHS GINSBURG
THE recession that started in March 2001 was short-lived. Officially, it ended in November 2001, when a “recovery” is said to have begun.

But whose recovery is it? The stock market, profits and productivity are up. Yet even with the strong upturn in jobs in recent months, tens of millions of workers—unemployed and employed—are taking a beating.

In June, the administration crowed over the latest Labor Dept. jobs report. Those May figures showed a welcome, brisk growth of payroll employment for the third month in a row.

Economic Havoc

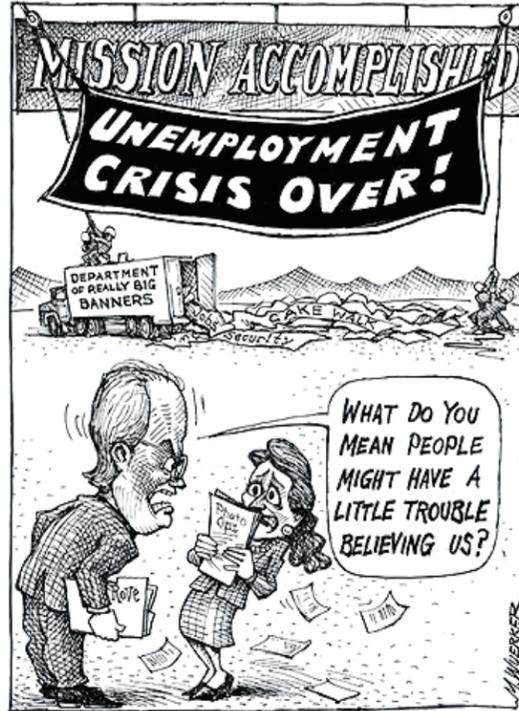
But it is important to recognize that job loss occurred during both the recession and the so-called recovery. What the Bushites don’t mention is that:

- there are still 1.3 million jobs less (net) than when the recession started
- the extensive destruction of manufacturing jobs in the last three years has wreaked havoc on workers and communities.

Nor are the unemployment figures cause for celebration. The official jobless rate of 5.6 percent in May was exactly the same as when the recovery began. That’s 8.2 million people tossed on a human scrap heap—up 2.7 million since October 2000, when unemployment was 3.9 percent.

But this is an undercut! These figures would more than double if they included involuntary part-time workers unable to get full-time jobs and people who want jobs but aren’t currently looking for them. Blacks are especially hard hit, with about 10 percent official unemployment and more than triple that rate among their 16 to 19 year olds. (See box on p. 2.)

The situation is even worse than it appears because the percentage of working age persons actually holding jobs, especially blacks, has fallen. In New York City, the Community Service Society reports a catastrophic example. The proportion of working age black men holding jobs has plummeted by a fifth since 2000. Barely half of them (51.8 percent) were working in 2003, compared to 3 out of 4 white men.



Traditionally disadvantaged groups and manufacturing workers are not the only afflicted ones. College graduates are far less likely to be unemployed than those with less education. However, among jobless persons 25 and older, college graduates now outnumber those without a high school diploma.

Long-term unemployment up

And long-term unemployment has soared.

Last year, 22.1 percent of the unemployed were out of work for 27 weeks or longer. That’s the highest annual rate since 1983. Current figures are no better than last year.

The largest number of long-term unemployed had manufacturing jobs, but with restructuring, persistent job losses in high-tech industries, and global outsourcing going upscale, the number of long-term unemployed with four-year college degrees (and higher) quadrupled in just three years, according to a joint study by the Economic Policy Institute and the National Employment Law Project.

Less than half of the jobless receive state unemployment insurance. Provided for at most 26 weeks, these benefits don’t make anyone rich. Compensation averages just

\$265 a week and replaces less than half of the average worker’s prior earnings.

Despite the persistence of long-term unemployment, Congress, with the blessing of the Bush administration, refused to renew an emergency federal program that extended unemployment benefits and that expired at the end of 2003.

The recession and recovery have also taken their toll on the employed. Jobs have been shifting from higher- to lower-wage industries with fewer health and other benefits.

Inflation-adjusted hourly wages for private sector non-farm workers—actually lower than in 1968—have scarcely budged during the recovery. No longer do productivity gains lead to higher wages.

Research at Northeastern University Center for Labor Market Studies shows that productivity gains have mainly been used to boost profits and CEO compensation not wages. A report from the Center for American

Progress found that compared to all other recoveries since World War II, during this recovery, after-tax profit rates have soared to record highs while gains in wages and salaries hit historic lows.

Bush’s huge tax cuts were targeted to the well-off rather than lower-income people, who spend a larger share of their incomes. Thus, the administration’s cuts provided only a mild stimulus to a lagging economy. Demand was too weak to keep up with productivity growth, so in this recovery, unlike all others, firms could get by with a shrinking workforce. This partly explains why employment actually fell in this recovery.

Is it really a “recovery” when so many people are worse off than when the recession began? Yet, our aim should be higher than returning to the “good old days.” Even the boom economy of the late 1990s left millions behind.

Unemployment and low wages are chronic problems. We need major policy changes driven by the goal of jobs for all at livable wages.

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

NJFAC Developing New Economic Indicators

THE National Jobs for All Coalition is developing some new indicators of economic well being that will supplement our “Unemployment Barometer,” the full count of unemployment, underemployment and low wages that we post monthly on our Web site.

Every month the coalition posts official unemployment and hidden unemployment, giving these figures by age, race and ethnicity and gender. This monthly Unemployment Barometer can be accessed easily on our Web site at

www.njfac.org/jobnews.html

Al Sylvain, a former corporate executive who has recently joined

the coalition, is spearheading a new series of coalition Indicators that will better serve our goals, members and the general public. Volunteer experts are gathering data to enable us to create indicators comparing productivity growth with unemployment, trends in compensation for executives compared with loss of benefits for workers, and the anti-poverty effect of the minimum wage. We are excited about an indicator that will be a unique emblem of our work: a Full Employment Index that measures progress toward the goal of living wage jobs for all.

Look for these new indicators soon on our Web site.

—Gertrude Schaffner Goldberg

National Jobs Bill Could Create At Least 1 Million Jobs

THE NJFAC legislative committee is considering proposals to develop a national job creation program.

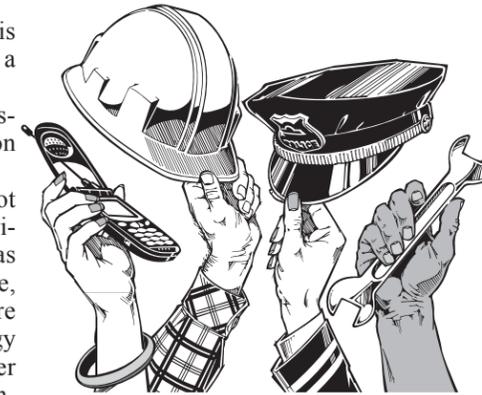
The discussions have focused on a possible bill that could create at least 1 million new jobs.

The proposed jobs would be in areas not being sufficiently provided by current private or public sector investment, such as child care, education, health care, housing, transportation, infrastructure construction and repair, alternative energy and conservation, the arts, and summer jobs for youth. The committee is also considering how the program can be financed, through rescission of all or a portion of the Bush tax cuts, reductions in non-essential military spending, and potential savings to government benefits programs.

The legislative committee has been very encouraged by recent statements by members of the Progressive Caucus of the U.S. Congress in support of public job creation.

In a recent speech on the House floor, Rep. Barney Frank called for more public spending to assist state and local government with providing public services, including police, fire, housing development transportation, environmental restoration, and education. Rep. Jesse Jackson Jr. has proposed a constitutional amendment that would guarantee every American a right to a job, a livable wage and economic security. Rep. Jan Schakowsky has proposed a bill to hire an additional 100,000 teachers in schools across America.

To help educate other members of Con-



gress about the need for job creation, the NJFAC is preparing a packet of materials for several hundred senators and representatives that includes the coalition’s recent Special Reports, “Toward a Fair Economy: The Economic Context for 2004” and “The Permanent War Economy: Real Security or False Promise?”

Over the next few months, we will be completing our job creation plan and seeking support from members of Congress, labor unions, community groups, and religious organizations.

—Charles Bell

—Charles Bell, programs director for Consumers Union, is on the NJFAC executive committee.

If you are interested in participating in efforts to enact a major federal jobs bill, and have ideas or suggestions for this campaign, please contact Bell, chair of the NJFAC legislative committee at 914-378-2507 or cbell@consumer.org.

Congratulations to NJFAC Sponsor

The Council on International and Public Affairs recently celebrated its fiftieth anniversary at a reception and concert at the City University Graduate Center in New York. CIPA’s sponsorship of NJFAC gives us our tax-exempt status. In addition, CIPA provides us with some essential services. The council has been a tireless advocate of progressive and human rights causes for half a century.

Highlight of the evening (which also marked an anniversary of the Program on Corporations, Law and Democracy, a CIPA project) was the performance of folksinger Pete Seeger, an NJFAC advisory board member. Celebrants were also treated to a retrospective exhibit of the works of widely acclaimed political cartoonist Matt Wuerker (see his cartoons on pages 3 and 4).

NJFAC congratulates and thanks CIPA and Ward Morehouse, its president and an NJFAC executive committee and advisory board member for their support over the years. Special thanks, too, go to CIPA’s assistant treasurer, Judi Rizzi.



Free Market Policies Roil Europe

E By JÖRG HUFFSCHMID
UROPE is caught in a lengthy stagnation in which the economy is threatened by deflation.

In recent months, a number of countries—Germany, Italy and the Netherlands—have been caught in a recession. Production is shrinking. And unemployment is rising again all over the European Union.

But for the European Commission, balanced public budgets are more important than decent jobs. Instead of energetic employment programs—proposed by trade unions, a growing number of professional economists and even some of the commission’s staff—the policies of the European Union and most member states concentrate on workfare programs and promoting jobs with lower wages.

The German government last year—under the title “Agenda 2010”—approved a series of measures that make dismissals easier and lower unemployment benefits, as if policymakers were unaware that such measures don’t positively affect the labor market. Allowing the interest rate to re-

Millions of protestors have rocked European capitals to protest privatization of social security and cutbacks in health and other benefits.

main twice as high as in the United States, the European Central Bank backs policies that support the banking community at the expense of ordinary people.

Besides balanced budgets, the “modernization” of social security is high on the European Union’s agenda. Citing the continent’s aging population, the European Union pushes strongly for the privatization of traditional public pay-as-you-go systems. But this does not solve the problem of an aging population. Rather, it subordinates the living standards of the elderly to the incalculable risks of the financial markets.

Germany introduced privatization in the pension system in 2001. Similar projects have recently been implemented in Austria and France. And now since 2004 a partial privatization of the public health-care system is on the agenda in force in Germany.

But whereas in 2001 criticism and resistance were low and late in Germany, pension reforms were later pushed through against popular protests and mobilization in

France and Austria. The resistance included the first general strike in Austria since World War II. In Greece, popular opposition even prevented pension privatization. On April 3, several million people were on the streets in many capitals of EU member states to protest social cuts and privatization.

The discussion about full employment, social responsibility and protecting the public interest in the economy is gaining ground. So, while one must admit that neoliberal measures dominate economic policies in the European Union much more than 10 years ago, the wave of criticism, protest and resistance is an encouraging development.

—Jörg Huffscheid, professor of economics at the University of Bremen and a founder of the European Economists for an Alternative Economic Policy, is on the NJFAC advisory board.

World Unemployment Reaches New High

THE economic slowdown has pushed worldwide unemployment to new heights.

550 million of the world’s people live on \$1 a day.

In a new study, “Global Economic Trends,” the International Labor Organization estimates that 180 million people were unemployed worldwide at the end of 2002—up 20 million since two years earlier.

Weak labor markets have also reversed reductions in “working poverty” achieved in the late 1990s. At the end of 2002, the number of workers living on \$1 a day or less resumed its upward trend and returned to the 1998 level of 550 million.

Women and youth—often stuck in jobs that are particularly vulnerable to economic shocks—have been especially hard hit. What’s more, says the report, unemployed workers pushed into informal jobs in search of work faced even more uncertainty because these jobs always lack unemployment benefits and social security coverage.

And the future doesn’t bode well. Greater unemployment and poverty will place severe pressure on government budgets, given the fragile financial situation of many countries, according to “Global Economic Trends.”

The ILO report recommends that policymakers focus on measures to restart economic growth that secure and spread recovery—and

spawn the most decent work opportunities and reduce unemployment and poverty.

Juan Somavia, director general of the ILO, in commenting on the report, warned that, “Only through pro-jobs and pro-poor policies can we address the growing unemployment crisis and pace decent work at the heart of economic and social policies.”

He added, “Faster economic growth is necessary, but it is not enough. Failure of policymakers to act now could have grave consequences for us all.”

—Helen Lachs Ginsburg

Want to Volunteer?

The NJFAC is looking for help with establishing chapters, 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.

Call (212) 367-4223 or send an e-mail to njfac@njfac.org.

Hunger Action Network Presses for Transitional Jobs, Affordable Housing

The Hunger Action Network of New York State is working with a coalition to promote comprehensive assistance for the unemployed and low-wage and workfare workers.

The NJFAC affiliate is working with a statewide coalition to promote child care, education and training, health coverage, housing, job creation, a living wage, transportation and adequate public assistance. The effort is called the Empire State Economic Security Campaign.

Thus far, provisions under consideration for proposed legislation on the job creation issue include:

- public works project bonds
- transitional jobs programs for welfare recipients
- targeted job creation in development zones
- requiring state contracts to target unemployed workers and welfare recipients for employment



opportunities, and

- requiring companies to pay back job creation subsidies if they fail to create the promised jobs.

The Hunger Action Network held an initial meeting, hosted by NJFAC, with researchers, academics, labor representatives and advocates to discuss options for promoting the comprehensive job creation state bill. Anyone interested should contact Executive Director Bich Ha Pham at (212) 741-8192, ext. 1.

Fighting to Hike Minimum Wage

The Campaign to Abolish Poverty has joined a coalition to advocate an increase in San Francisco’s minimum wage.

Part of this campaign has involved educating the public and politicians about the need for an increase.

California has a minimum wage of \$6.75. On Nov. 4, voters in San Francisco passed a proposition that requires businesses and non-profits to pay an hourly wage of \$8.50 to workers, including those who receive tips.

Sharing the view of many progressive organizations, the NJFAC affiliate recognizes that the political climate is not favorable for change at the national level, so it is focusing on voter education and registration activities, particularly among young people.

CAP is considering changing its name to the Coalition Against Poverty. The new name best defines most of CAP’s work for the past 10 years, and it would reflect its strategy of organizing with other community groups for economic justice in the future.

—Barbara Arms

Affiliate Pushes for Extension of Unemployment Benefits, Jobs Bill

THE Miami Valley Full Employment Council, an NJFAC affiliate, is focusing its work on helping the recently unemployed—including the tens of thousands of people in Ohio—who have run out of unemployment benefits.

Previously, the advocacy organization, based in Dayton, concentrated its work on the struggle against welfare reform. Working closely with the Ohio Empowerment Coalition, the council helped reduce the impact of harsh welfare sanctions, including time limits.

With a loose network that included the National Jobs for All Coalition, the

council initiated on the sixty-seventh anniversary of the Social Security Act—Aug. 14, 2002—a campaign in six cities that focused on the demand for jobs, a strong safety net, health care for all, and lower prescription drug prices.

More recently, in March 2004, the council celebrated 15 years of its public access news magazine TV show on Dayton Access Television. The program also aired on cable Channel 20 in Dayton.

With the rise in unemployment a few years ago, the group turned its focus toward helping the recently unemployed, the council’s Logan Martinez said. In particu-

lar, the council has pushed for extended unemployment benefits, which are so very important to the unemployed in Ohio who have exhausted their benefits while struggling fruitlessly to find new work.

The council believes a national jobs bill would enjoy wide support. It is working, along with the NJFAC, for the introduction of a bill that would create at least 1 million jobs.

“Only by creating real employment opportunity can we begin to relieve the suffering of the unemployed and their families,” Martinez said.

California Labor Educator Joins Advisory Board

Noted Southern California labor educator and activist Kent Wong has joined the NJFAC advisory board.

Wong, director of the UCLA Center for Labor Research and Education, previously worked as a staff attorney for Local 550 of the Service Employees International Union in Los Angeles and for the Asian Pacific Legal Center in Los Angeles. His ties to the labor movement go back to his high school and college days as a boycott organizer for the United Farm Workers of America.

Wong is past president of the United Association for Labor Education and was founding president of the Asian Pacific Labor Alliance, the first Asian-American labor organization within the AFL-CIO. He has published several books on labor education and organizing, including "Teaching for Change: Popular Education and the Labor Movement," "Voices for Justice: Asian Pacific American Organizers and the New Labor Movement," and "Voices from the Front Lines: Organizing Immigrant Workers in America."

Upon joining the NJFAC advisory board, Wong said, "We need to organize together for jobs for all, a living wage for all, and social and economic justice for all." He added, "We need to redirect resources from war and the military and instead promote peace and economic sustainability."

California's Terminator Targets Labor Center

If California's Gov. Arnold Schwarzenegger has his way, the University of California's Institute for Labor and Employment will be eliminated.

The ILE has, among other things, generated cutting edge research on living wage policies, health care access, paid family leave, immigration policy, global outsourcing and related issues. It also funds the UC Berkeley and UCLA Labor Centers, the latter headed by NJFAC advisory board member Kent Wong.

In December, the governor proposed that the current year ILE budget, which had been approved in August 2003 be cut and then eliminated entirely in the fiscal year that starts July 2004.

Due to the outpouring of support, the committees of the state Legislature voted to restore funding. But the Schwarzenegger administration may still insist on eliminating the ILE in the final stages of the budget debate. Labor research is being singled out for elimination while research for business and other constituencies is being left intact.

The ILE's proposed elimination is not only an attack on labor but also an assault on academic freedom.

For updates and to see how you can help visit www.unionvoice.org/campaign/SaveTheILE.

Coalition Mourns Loss of Friends

We report with sorrow the deaths of two advisory board members and a former executive committee member.

Winifred Bell was a social welfare expert. A long-time full employment advocate, she wrote in "Contemporary Social Welfare" (1982) that, "in the United States the work ethic is much-lauded. Yet few practical steps are taken to assure sufficient jobs for all people who wish to work. Nor are economic policies avoided because they will throw millions of people out of jobs."

Coalition chair Gertrude Schaffner Goldberg and executive committee member Sheila D. Collins note in "Washington's New or Poor Law," the significance of Bell's earlier research: "... 'Aid to Dependent Children' (1965) did so much to illuminate the early history of ADC, particularly the mechanism by which black women were denied assistance on the basis of thinly veiled racial criteria."

Win, who had served on the faculty of several universities, joined the advisory board shortly after the coalition was formed in 1994. Her generous financial support helped the fledgling organization survive those early years.

Nat Mills was on the executive committee in those years. A computer pioneer, he had worked in that field for three decades and willingly shared his expertise with

us. Nat, who was especially interested in the issue of shorter hours, designed our first computer data base.

His indispensable work enabled us to put out our first publications and other mailings. He also played a vital role in several advocacy organizations for people with disabilities.

Jack Sheinkman, a giant in the labor movement, had a strong commitment to jobs for all at decent wages. A graduate of Cornell University and its law school, he began as a labor organizer. Later, as president of the Amalgamated Clothing and Textile Workers Union, he negotiated its merger with the International Ladies Garment Workers Union. As a result, the new, stronger union, now called UNITE, signed a contract with J.P. Stevens, a North Carolina-based textile company that had successfully fought unionization for two decades.

Jack, highly critical of right-wing dictatorships in Central America, led labor's opposition to Ronald Reagan's efforts to remove the elected left-wing government in Nicaragua. For several years in the 1990s, he was chairman of Americans For Democratic Action, a coalition affiliate. As a member of the advisory board, Jack worked to strengthen the coalition's ties to labor.

To honor these lives, we resolve to continue to work for jobs for all at decent wages and for social justice.

Military Spending and Jobs: A Quiz

THERE IS A WIDESPREAD BELIEF that wars and military spending stimulate the economy and create jobs. Do they? Will our ballooning military budget bring prosperity?

1. World War II ended the Great Depression. So even if we don't like rising military expenditures, isn't it a good way for the government to create more jobs?

Answer. No. The approach is flawed. Like any government spending, military spending does create employment. But it actually generates fewer jobs for the buck than equivalent civilian expenditures.

2. Why does military spending create fewer jobs than equivalent civilian spending?

Answer. Among other reasons, because military spending uses relatively less labor than spending on domestic programs such as school lunches, health, child and elder care, housing, urban transportation, and education—which also serve human needs.

3. Since military spending does create some jobs, is it possible for an expanding military budget to lead to a net loss of jobs in the overall US economy?

Answer. Yes. Even if an expanding military budget creates some jobs—for example building missiles—it could actually lead to a net loss of jobs in the whole economy. How? If domestic programs, which generate more jobs per billion dollars of expenditures, are slashed.

4. But is that a realistic possibility?

Answer. Yes. This is the likely present and future scenario—unless a commitment to high military budgets is reversed.

5. How is an expanding military budget likely to affect different kinds of workers?

Answer. Jobs spawned by defense expenditures are more concentrated (than those generated by expansion of domestic programs) in higher-paying occupations requiring at least a college education. So an expanding military budget will tend to widen the rising wage gap between more- and less-highly educated workers. Even well-paid blue collar workers will not gain as much as in the past from the military budget. Military contractors—Boeing among them—now ship some jobs overseas. Blacks and women, who are disproportionately employed in the public sector, will also lose out.

6. I'm not sure I understand. Could you give more details?

Answer: Sure, Some jobs created by military spending are highly visible. For example, if Boeing gets a defense contract and ups its hiring, it looks like military spending creates jobs. And it does for those who are hired. But when a municipality strapped for funds axes workers, it's harder to see the connection to an expanding military budget. Yet that local government's

financial woes may partly stem from the combined impact of Washington's growing military budget and cuts in domestic programs—and tax cuts, mainly for the rich. The negative impact of such layoffs also spreads to the whole local economy, but this is even less likely to be recognized as fallout from increased military spending and the tax cuts.

7. Does anyone at the local level see the connection?

Answer. Yes. With many states, cities and towns on the brink of bankruptcy, there has been a growing awareness of the devastating cost of a permanent war economy on them. For example, prior to the war in Iraq, resolutions were passed in more than 160 state and local governments decrying the billions of dollars that would be spent on war, while vital social programs (and hence jobs) faced severe budget cuts.

8. But aren't there some big winners?

Answer. You bet there are. High on the list are defense contractors, who contribute heavily to political campaigns. In 2002, CEOs at major defense contracting firms raked in an average of \$11.3 million each—577 times as much as the annual earnings of an Army private risking his or her life in Iraq, who made about \$19,600 including subsistence and combat pay. Sounds like President Dwight Eisenhower (earlier a leading World War II general) knew what he was talking about when he warned in 1961 of a nascent "military industrial complex." He thought that it "would cause military spending to be driven not by national security needs but by a network of weapons makers, lobbyists and elected officials."

9. How can I learn more about this?

Answer. Read "The Permanent War Economy: Real Security or False Promise" available from the National Jobs For All Coalition, 475 Riverside Dr., Ste. 601, NY, NY 10115.

10. What can I do about it?

Answer. Lots. Spread the message by distributing this Quiz and "The Permanent War Economy" at public meetings, at churches and synagogues, to your legislators, opinion makers and friends. Send it to newspapers and write letters and op-eds based on it. Work with others to reverse these policies. Join and support the National Jobs For All Coalition. Work with us to promote policies that lead to jobs for all at livable wages, with a defense budget appropriate to national security needs, not the needs of defense contractors and their political cronies.

**The Bottom Line: More Military Spending May Result in Fewer Jobs
Create Jobs, Not Wars**

Support the NJFAC with your volunteer time and tax-deductible donation

By Helen Lachs Ginsburg, professor emerita of economics at Brooklyn College of CUNY.

Shedding Light on Offshoring

No one even knows for sure how many jobs have been moved out of the country. Senate Minority Leader Tom Daschle has introduced The Jobs For America Bill, S-2090, to help change that. "The exporting of jobs," said Daschle, "is hurting millions of Americans and countless communities across the country."

The bill would require firms that plan to lay off 15 or more workers to publicly dis-

close how many jobs are affected, and where and why they are being offshored. Companies would be required to give workers three months notice and to notify federal and state agencies responsible for helping laid-off workers. The bill also calls on the Labor Department to compile statistics on offshored jobs and report annually to Congress.

The bill has 16 co-sponsors: Thomas Daschle, Edward Kennedy, Tom Harkin, Barbara Mikulski, Patty Murray, John Edwards,

Daniel Akaka, Byron Dorgan, Russell Feingold, Ron Wyden, Jon Corzine, Debbie Stabenow, Charles Schumer, Hillary Rodham Clinton, John Kerry, and Dianne Feinstein.

Are your Senators on the list? If so, let them know that you support the bill. If not, tell them to get on board. Ask your congressional representative to introduce comparable legislation in the House.

Creating Good Jobs

Ending Poverty as We Know It: Guaranteeing a Right to a Job at a Living Wage, William P. Quigley, Temple University Press, Philadelphia, 2003.

BILL Quigley's goal of "Ending Poverty as We Know It" is a lot more noble than Bill Clinton's goal of "ending welfare as we know it." Quigley, a public interest lawyer and professor of law at Loyola University in New Orleans, wants to end poverty by guaranteeing the right to a job at a living wage to all who want to work. The author argues forcefully that these two principles "must be kept together, for the right to a job without a right to a living wage is just as weak as the right to a living wage without a job." Indeed, Quigley would agree with the position of the National Jobs for All Coalition: that a job without a living wage is a form of underemployment.

Quigley's strategy for obtaining the goal of jobs for all at living wages begins with a constitutional amendment. He mounts a great deal of evidence, historical and current—including a number of public opinion polls—to show that Americans of all political persuasions support this twin goal and that it is embedded in American thought. For example, he documents sources of support for a living wage for all workers: popular support, political and government support at the federal level, and local living wage laws.

At the same time, the book shows, we are not living up to those principles. Indeed, a quote of Franklin D. Roosevelt, tells us how far our leaders have departed from a stated commitment to those principles: "No business which depends for its existence on paying less than living wages to its workers has any right to continue in this country. By living wages, I mean more than a bare subsistence level—I mean the wages of a decent living" (Address to Congress, May 24, 1937).

A constitutional amendment would not immediately achieve living-wage jobs for all, but it would elevate what Quigley considers an "accepted American principle" to "a protected right." "Once we amend the Constitution, we are under a serious duty to act." Quigley agrees with those who hold that we lack the political will, rather than the means of achieving full employment at living wages. The Constitutional amendment, he writes, would give us the will, and he cites numerous practical proposals for carrying out the commitment once we have it.

A living wage, Quigley, maintains, should be an anti-poverty wage, but not based on a poverty standard, as we know it. In a chap-

ter entitled, "Reeducating Ourselves about What It means to Be Poor," Quigley critiques the official standard that was developed 40 years ago and that is still being used by Washington. He calls attention to various, recent studies, all of which conclude that a reasonable standard would be at least double the present one. Translated into wages, that means \$8.50 an hour for a single person if health insurance is provided and \$10.50, if it is not, plus the earned income tax credit (in 2000). Quigley believes that full-time workers should not have to be dependent on various forms of public aid like food stamps. However, he supports the earned income tax credit which provides an increment to wages (a maximum of nearly 40 percent for a worker with two children), even though it is essentially a form of public assistance (since most of the claimants do not pay federal income taxes and are therefore getting a direct benefit rather than a credit). Quigley thinks the EITC should be paid on a regular basis as a form of wages instead of as a lump sum—despite the fact that many poor workers feel getting the money all at once gives them choices as consumers that are otherwise unlikely.

A strength of Quigley's work is its insistence that the twin goals of living wage jobs for all are consonant with the American creed, that we would only be living up to our ideals if we assured this economic right to our people. I wish Quigley had tried to explain the paradox of a nation that pledges allegiance to the work ethic but denies millions of its people the right to practice it. The right to a job at decent wages is in sync with the democratic values of our nation but not with powerful elements of American capitalism. How to translate widespread agreement that everyone should have a job at a living wage into a movement strong enough to override the economic elites who oppose these goals is the formidable task that confronts advocates of economic justice. Quigley pays generous tribute to the individuals and organizations, beginning with Tom Paine, who have advocated the idea of a right to a job at a decent wage. For this scholarly, spirited and highly readable book Quigley deserves similar praise.

—Gertrude Schaffner Goldberg



Bush's Job-Loss Recovery

A By GREGORY N. HEIRES
S President Bush runs for re-election, he is overseeing the worst sustained job loss since the Great Depression.

Even so, the Bush administration claims that its massive tax cuts have stimulated the economy. But despite the job growth underway, 2 million fewer jobs have been created than the administration claimed that we'd have by now.

The real legacy of the Bush tax cuts is a huge deficit that has led to slashed domestic programs and a massive transfer of income to the rich and superrich.

Job destruction

What's particularly alarming about the Bush recession and what until recently has been a job-loss recovery is the job destruction. A 2003 New York Federal Reserve Bank study concludes that this job wipeout isn't the usual firing and later rehiring of workers. Instead, many jobs will never return.

Nearly 3 million manufacturing jobs have vaporized over the last three years, and most may be gone for good.

Not without novel ideas, the 2004 Economic Report of the President asks whether hamburger flipping should be reclassified as manufacturing rather than service employment. No answer was given. But such a reclassification would magically make job growth appear to skyrocket overnight.

Blue collar workers have long seen their jobs go abroad. Some analysts view a newer trend, outsourcing of higher-paying jobs, as a ratcheting up of the attack on workers in an age of globalization characterized by a downward spiral of wages.

"Corporations are willing to outsource any job they can," said Gertrude Schaffner Goldberg, chair of the National Jobs for All Coalition. "Now the work of white collar and professional workers is also up for grabs."

No one knows for sure the extent of this practice. But its future impact is considerable. So far, the number of jobs affected by outsourcing apparently is modest compared to total employment. The impact,



though, is large in some industries like software. Also, the practice pressures worried workers to accept lower wages and deteriorating working conditions.

Here are some of the more dramatic examples of what's happening:

- A securities firm in New York announced last year it would replace 800 jobs that pay as high as \$150,000 with cheaper workers in India

- Over the next five years, the work of many radiologists is expected to be shipped out to Asia at an accelerated pace as lower-paid workers there are used to read X-ray files transferred over the Internet.

- IBM, which once enjoyed a reputation for progressive employment practices and job security—plans to eliminate 4,730 positions of computer workers with salaries ranging from \$75,000 to \$150,000. The jobs will go to China and India, where the work can be done for a pittance.

Remarkably, the Bush administration actually endorsed the practice of overseas outsourcing of U.S. jobs in the Economic Re-

port of the President in February.

"Outsourcing is just a new way of doing international trade," said N. Gregory Mankiw, chair of the Council of Economic Advisers, which produced the report. "More things are tradable than were tradable in the past. And that's a good thing."

Sen. John Kerry of Massachusetts, presumptive candidate for the Democratic nomination for president, blasted the report.

"The Bush administration said that sending American jobs overseas is a good thing for America and good for the economy," Kerry said in a statement. "They've delivered a double blow to America's workers—3 million jobs destroyed under their watch, and now they want to export more of our jobs overseas. What in the world were they thinking?"

"The job crisis points to a growing need for a comprehensive policy that ensures enough jobs at a livable wage," said

Helen Lachs Ginsburg, a member of NJFAC's executive committee.

The coalition's Special Report 3, "Toward a Fair Economy: The Economic Context for 2004" examines the economic context of the election campaign. It puts full employment at livable wages at the center of the agenda. Citing estimates of Philip Harvey, an economist on the executive committee, the report maintains, among other things, that a comprehensive jobs program would actually save money by generating extra tax revenues and by reducing costs of joblessness, such as unemployment insurance.

And as Nobel Laureate Joseph Stiglitz, who served as chair of the Council of Economic Advisers under President Bill Clinton, notes, "There is no safety net that can fully replace the security provided by an economy running at full employment."

—Gregory N. Heires, senior associate editor of the N.Y.C.-based *Public Employee Press*, the official publication of DC 37, AFSCME, is on the NJFAC executive committee and president of the Metro NY Labor Communications.