



**WESTERN
MICHIGAN**
UNIVERSITY

The Journal of Sociology & Social Welfare

Volume 16

Issue 2 June - *Special Issue on Social Justice,
Values, and Social Work Practice*

Article 6

June 1989

Towards a Construct of Employment for Social Welfare and Economic Productivity

David C. Congdon

Metropolitan Council on Alcoholism - Orlando, Florida

Follow this and additional works at: <https://scholarworks.wmich.edu/jssw>



Part of the Social Welfare Commons, Social Work Commons, and the Work, Economy and Organizations Commons

Recommended Citation

Congdon, David C. (1989) "Towards a Construct of Employment for Social Welfare and Economic Productivity," *The Journal of Sociology & Social Welfare*: Vol. 16 : Iss. 2 , Article 6.

Available at: <https://scholarworks.wmich.edu/jssw/vol16/iss2/6>

This Article is brought to you by the Western Michigan University School of Social Work. For more information, please contact wmu-scholarworks@wmich.edu.



**WESTERN
MICHIGAN**
UNIVERSITY

Towards a Construct of Employment for Social Welfare and Economic Productivity*

DAVID C. CONGDON

Metropolitan Council on Alcoholism
Orlando, Florida

This article analyzes Marxian socialist, neo-classical, and Keynesian economic theories toward developing a construct of employment which supports social welfare and economic productivity. It considers their motivational approaches, outcomes, and requirements for social control. A Keynesian construct of employment is recommended as supportive of social well-being, high productivity, and a level of social control reduced from that in currently dominant economic systems. Implications and implementation issues are considered.

In her address to the first plenary session of the 1985 NASW Symposium, Nancy Humphreys called for a dialogue between economic and social welfare theorists as a way to provide leadership in combating the development of a two-class society in the United States. A two-class society has distinct upper and lower classes, with the upper class having extensive economic and political power as well as social control over the lower class. Indicators of such class separation are apparent. In August, 1986, a United States Government analysis reported that the richest one half of one percent of the people in the United States owned 27% of our wealth, an increase over the 25% they controlled ten years earlier. Robert Kuttner (1984) reports that labor unions are under attack, workers are being pressed for wage concessions by powerful employers, and wealthy corporations are shifting jobs both to the low-paying service sector and to low-paying parts of the Country. Economist Robert Lekachman (1987) has

*The author gratefully acknowledges the help of Dr. Tom Holland, currently Professor and Chair of the Doctoral Program at the University of Georgia School of Social Work, for his help in reviewing, editing, and making helpful suggestions regarding early drafts of this article.

revealed that for every person who moves from the middle to the upper class in the United States, two join the lower class.

In the two-class society, a small, wealthy and/or powerful percentage of the population (the upper class) has immense social and economic control over the majority of citizens (the lower class). To increase profits, the upper class uses its economic and political power to lower wages as much as possible and to threaten workers with unemployment if they object. The doctrine supporting this approach is called "neo-classical economic theory" (Levesson, 1977; Okun, 1975). In order to "appropriately" maximize profits, policies have recently been pursued to maintain seven percent reported (fourteen percent actual) unemployment as "normal" in the United States (Kuttner, 1984; Ginsburg, 1983).

Research conducted by Hollingshead and Redlich (1958), Leim and Leim (1978), Jahoda (1982), and Harrington (1981) has demonstrated that unemployment results in reduced mental health, a social welfare problem. Neo-classical economic theory argues for a minimum expenditure on social welfare activities, because they are a drain on the financial rewards and functions of the market place (Levesson, 1977; Bernin, 1940). In an environment influenced by a two-class society, poverty is often intentionally untended under the illusion that it effectively "motivates" people to work, and does so at a low wage. Other social welfare costs in such an environment include pollution, which business defines as external to its concerns since the costs of clean up would reduce profits; surveillance of workers, so that they will maintain production quotas for low pay; and the costs of war and political oppression which emanate from extending class domination to Third World countries (Bowles, Gordon, & Weisskopf, 1983).

Contrary to the view of many in the controlling class, there are economically productive approaches to employment which do not effect as many of these costly social welfare consequences. Samuel Bowles, David Gordon, and Thomas Weisskopf (1983) define economic productivity as "the term used by economists and statisticians to refer to the amount of real output produced per hour of labor employed" (p. 122). Economic productivity can have positive relationships with the achievement

of social welfare goals, depending on how employment is conceptualized and on the general economic approach. Bowles et al. (1983) demonstrated that the most productive societies share power with workers; tax highly to provide funding as a way to generate full employment, and have strong social welfare programs. Such societies maintain full employment as a way to improve social well-being. Because they are less oriented to excessive social control and economic power through profit maximization, they also reduce social welfare problems associated with such control.

The approaches to employment in three economic theories are analyzed with the objective of developing a construct of employment consistent with both economic productivity and social welfare goals. Employment can be defined as performing work in exchange for wages, a basic definition that is used throughout this analysis. The economic theories studied here represent distinct views that have been selected to show how various combinations of social control, social goals, and economic goals affect productivity and social welfare in current economic systems. The Marxian, totalitarian view represented here is similar to systems which have influenced policy in the Soviet Union and China. The neo-classical view currently prevails in the United States. Keynesian economics has been the focus of policy in many social democrat governments and many of its principles were used to guide United States policy during World War II (Kuttner, 1984). Unfortunately, other ideas, such as democratic socialism, which fall on the continuum between the perspectives analyzed here, can not be considered due to space limitations. Some of the research cited is provided by authors who have traditionally been associated with such ideas, e.g., the work of Bowles, Gordon, & Weisskopf (1983) has been associated with democratic socialism.

Neo-classical Economics

Neo-classical economists have promoted two basic versions of their theory in the United States. The less regulated version, which has influenced policy since 1981 during the presidential term of Ronald Reagan, was previously promoted during the term of Herbert Hoover, leading to the Great Depression of 1929

(Trattner, 1984; Batra, 1987). The modified, neo-Keynesian version was variously enacted in the United States between the days of the Great Depression and 1980. Both views will be considered here.

Neo-classical economics has been described by historian William Trattner (1984) as an antiquated economic theory dating back to the more egalitarian ideas of Adam Smith. Smith's classical economics envisaged a world free of monopolies in which all people would find employment at a wage determined in a market of totally flexible wages and prices (Heilbrunner, 1986). As wages went up, prices would go up; as wages went down, prices would go down. This world required few social services because all people would have opportunities to work and purchase what they needed at reasonable prices in a free market. Smith saw monopolies as dangerous because they inhibited competition and made the market of economic exchange less free. For example, a powerful monopoly holder could refuse to reduce prices even though demand for certain goods was low. A monopoly employer or combination of employers could act to keep unemployment at a certain level so that workers would always be threatened with replacement by other, unemployed workers if they did not comply or were not willing to work for less than their labor was worth. The monopoly holders' profits are built in large part on the difference between a fair wage and how much less workers can be coerced to accept.

Neo-classical economics uses Smith's free market ideas to discourage spending on public welfare but limits the freedom of economic exchange by allowing monopolistic control over workers and prices. Its approach to employment has dominated the Reagan administration's policies. Neo-classical economics directly relates employment to inflation and unemployment to price stability in a neat formula referred to as the Phillips Curve (Ginsburg, 1975). It emphasizes the importance of minimizing inflation and tolerating resultant unemployment (Leveson, 1977).

Decisions about "appropriate" levels of unemployment are made independently of the problems they may cause the affected population in favor of maintaining designated price levels, controlling inflation, and assuring adequate profit levels for reinvestment in capital goods. The maximization of profit levels is

based in large part on keeping labor costs low. Costs are minimized by coercing workers to accept low wages through the threat of losing their jobs to unemployed individuals, requiring a pool of unemployed people to drive labor costs down. Wages earned in producing the supply of capital goods will supposedly be spent to purchase consumer goods. These purchases then become a source of demand which requires more supply or production and thus more employment (Leveson, 1977; Okun, 1975; Kuttner, 1984).

Neo-classical economics paradoxically attempts to lower employment to keep labor costs low, through competition for scarce jobs, and to make the economy grow as a way to increase employment. It uses the primary emphasis on maximized profits as a guide for policy. Employment is sacrificed to generate lower wages and higher profit margins (Okun, 1975). In accordance with this confused design, the Reagan administration at first raised the unemployment rate to record post-Depression levels in order to decrease inflation, lower wages, and increase investment capital. It has subsequently reduced unemployment approximately one percent below the rate where it stood when President Reagan was elected, but under circumstances of lower wages and higher profits, contributing to the development of a two class society (U.S. Dept. of Labor, 1987; Lekachman, 1987).

In the neo-classical context, social welfare expenditures are seen primarily as a drain on needed economic resources or profits (Leveson, 1977; Bernin, 1940). This drain is to be minimized. As Ginsburg (1975) notes, however, these benefits serve to control the unemployed by allowing them a subsistence existence and maintaining their threat to lower the wages of others through competition for scarce jobs. The intention of public assistance in such a system is that it be inadequate, to provide motivation through the punishment of not working in normal labor markets.

Neo-classical economics has been awkwardly merged with one idea proposed by John Maynard Keynes in a tradition which Joan Robinson (1978) terms "bastard Keynesianism", referred to here as neo-Keynesianism. The primary concept that neo-Keynesian economics borrows from Keynes is that funding employment will create demand in the economy and stimulate economic growth. Other than that, neo-Keynesianism is essentially

an extension of the neo-classical economic ideas noted above. This logically inconsistent application of a Keynesian principle in a neo-classical context was coupled with what Bowles et al. (1983) call a revolt against the profit maximizing controls in the mid 1960s which led to the economic stagflation of the late 1970s. They note that during this time, labor, the general citizenry, and Third World countries were evidencing their dissatisfaction with such things as restrictive work settings, environmental pollution, and oppressive domination of such countries as Vietnam. The result of inconsistent neo-Keynesian policies and the slippage of control on which neo-classical economics depends was runaway inflation, sluggish economic growth and around seven percent reported unemployment (Bowles et al., 1983; Kuttner, 1984).

Neo-Keynesian approaches occasionally justify increased inflation and funding for increased employment as a stimulus to demand, along the Phillips Curve model suggested above. They do not, however, make any of the necessary structural changes to support the Keynesian view of a healthy economy. Politically, neo-classical economists claim that the failures of neo-Keynesianism are those of Keynesianism. They point to the failures of an essentially neo-classical system in an attempt to discredit Keynesianism.

In the neo-classical view, findings about the social welfare effects of unemployment are of limited worth, since unemployment is seen as necessary to economic health. Programs to address the needs of the unemployed would require a drain on the economic system; disturb the required motivation-by-deprivation, through alleviating "necessary" unemployment levels; and generate less of the "necessary" capital for investment by the very wealthy requiring funding from higher taxes.

Neo-classical policies result in higher than necessary levels of unemployment, poverty and mental illness related to unemployment (Hollingshead & Redlich, 1958; Leim & Leim, 1978; Harrington, 1981; Jahoda, 1982); low productivity; a lower standard of living; wasteful domination of workers through imposed control on the job; acceptance of unnecessary environmental pollution; and wasteful domination of Third World countries; including wars which kill primarily people of the lower class,

such as the Vietman experience (Bowles et al., 1983). Their social welfare consequences are severe.

Under the policies of the Reagan administration, it has become common for industries to threaten workers with moving their place of employment out of town unless the workers take wage concessions so that profits can be increased. At the same time, the cost of consumer goods has not gone down. As a result, workers are worse off because of the freedom of employers to seek more profits. The very wealthy are able to heavily influence the government through political support in the form of, for example, large amounts of money filtered through political action committees. They can promote their policies through buying sophisticated media campaigns and broadcast and print media to control dissemination of information and disinformation in their interest, and control financial rewards in society to produce conformity with their intentions. For example, the General Electric Corporation, manufacturer of often unpopular military and nuclear energy products and a company that has paid relatively low taxes compared to its economic well-being, recently purchased the National Broadcasting Corporation, a major source of media influence. The prospects for tightening social controls and reducing the freedom of others by this corporate giant were drastically increased by such a move, yet the freedom of individual citizens to act against such efforts is consistently eroded in a neo-classical system.

Purchasing power is also depleted as wages and benefits are decreased. Vacation and sick day leaves, child care, medical and dental coverage, insurance, and other provisions of the employment contract which provide for social welfare are reduced in the name of maximizing profits. These cutbacks reduce the standard of living for a majority of people, resulting in the low-demand productivity lags described above, unemployment, and low utilization of investment capital. There is little wonder that the economic booms predicted by the Reagan administration have often showed less-than-expected economic growth. An alternative method for expanding productivity growth in such an environment is to broaden markets for products by imposing the neo-classical system on other parts of the world. This leads to wars, political conflicts, and arguments for a defense buildup

which depletes resources from the citizenry but contributes to profits (Bowles et al., 1983).

Heilbrunner (1953) noted that both Keynes and Marx saw capitalism as promoting unemployment. Where Keynes' approach was to modify traditional capitalist thinking, Marx promoted a more extreme approach to employment as a social goal. Both views pursue full employment at a reported level of perhaps one half of one percent. Marx's totalitarian socialism is riddled with many of the same social control problems as the neo-classical view, however.

Totalitarian Marxist Socialism

Robert Heilbrunner (1986) reports a picture of socialist employment as guaranteed, despite economic realities. The Marxian socialist society has an ostensible commitment to equality and full employment for its people. The state assumes responsibility for economic problems which arise from what neo-classical economists would call over-employment. There is no commitment to a profit-driven market economy in a totalitarian socialist society, because all production is ostensibly collective. Profits are similarly shared and distributed according to need (Gilbert, 1983). Although many totalitarian socialist states enjoy consistent full employment, it is accompanied by poor economic productivity. Therefore, they are currently experimenting with small market economies to boost economic growth and contribute a more dynamic aspect to employment oriented interaction (Kuttner, 1984). For many, a major problem with totalitarian socialist environments is the ultimate social and economic control they exercise. Blau (1977) suggests that social exchanges in such a setting are not productive in the same way as those in which exchanges are voluntary.

Totalitarian socialism limits the options of its citizens by denying private ownership and ultimately controlling resource distribution through the central bureaucracy. Both socialist and neoclassical systems deny the greater majority of citizens control over their economic and, often, social interactions, favoring either the collective state or the very wealthy few. This centralized control is counterproductive in economic and social welfare terms.

Totalitarian socialism separates employment from personal motivation for economic growth. It is as limited as the neo-classical system which tends to profitability goals without consideration of social implications. To a certain degree, earning and spending personal profits sustains the employment goal. Under harsh controls which limit personal profits, order is maintained, but society is frustrated by social welfare problems related to a low standard of living.

All profits accrue to the totalitarian state which also holds all resources. Wages and benefits are received according to need determined by the state, and work is performed according to ability. The state must dedicate extensive surveillance resources to controlling and punishing violators of its policies in order to forestall any efforts at individual profit making, or individual ownership. Punishment and ideological persuasion are some of the few means of enforcing compliance, since rewards are ostensibly based on need and not to be used as motivators or distributed in return for performance quality. Although totalitarian controls are more overt than the neo-classical ones, both systems promote centralized domination of others and a lack of personal freedom as they approach their terminal conditions.

Although people are motivated to work for reasons of sustenance, social exchange, aesthetic enlightenment, and other considerations, all else being equal, motivation is limited by the fact that personal profit is not available, and rewards for work performed are diffuse. There is little personal reason to increase productivity. Even if societal productivity goes up markedly, there is a strong chance that many of the benefits will go into military or surveillance efforts to maintain totalitarian control. Since rewards are routed through complex, centralized, bureaucratic, state channels based on societal need, economic motivation for productivity can appear almost random rather than a reward for performance. The state provides a buffer to what might be natural economic deterioration given a lack of productivity, an identity for the citizenry, and basic level of social welfare for citizens.

Adequate health, education, and other social welfare benefits, in addition to employment, are seen as human rights in totalitarian socialism, not as something to be earned. However,

excessive controls grossly violate personal freedoms of expression and economic activity. This denial undercuts the social welfare of individuals because it erodes their integrity in making personal choices. Keynesian economic systems attempt to strike a balance between personal profit and social well-being, with an emphasis on personal integrity.

Keynesian Economics

The most successful economies (that is, those with the highest productivity growth) in the world have implemented Keynesian principles regarding employment (Kuttner, 1984). Some of the basic tenets of Keynesian capitalism are strong centralized economic planning; adequate, non-maximized, widely distributed individual profits; widely held and possibly public savings; strong social welfare programs; often strong labor unions; equally footed bargaining between labor and management; involvement of labor in making management decisions; high taxes; and a commitment to full employment (Keynes, 1964). Employment, in the traditional Keynesian view, is seen as the stimulus to a healthy economy. When monies are required to fund new employment, they are most often taken either from private or public savings or from tax monies. An example of public savings would be a Social Security System funded like a private pension plan. Since social services or new efforts to ensure full employment are funded from current assets, taxes, or currently saved money, they are not inflationary in the same way as government borrowing. The tragedy which relates full employment to high inflation and unemployment with economic stability or growth is neatly bypassed.

Where the neo-classical system encourages a certain imposed level of unemployment to keep wages low, enhance competition for scarce jobs, and maximize narrowly held profits, the Keynesian approach encourages full employment as the key to continued economic demand and widely held, adequate, individual profits. Full employment policies result in new jobs. The income from these jobs generates demand through spent wages, personal savings of employed individuals, and capital formation through investment of private and public savings. High taxes, which reduce maximized profits and the abuses of economic

domination by one class over another, also provide an inflation-reducing way to fund demand-generating employment.

In 1940, Emmanuel Lasker suggested that reducing profits from a maximal to an adequate level and paying the price of general prosperity with higher taxes are functions of a unified economic view toward building "the community of the future." He proposed that those who advocate motivation to work as a result of the relative punishment of unemployment believe in a "false psychology." The Keynesian view is based in the psychology of positive reinforcement, offering people employment as a motivation to further employment. The challenge of matching full employment to available supply and demand markets requires the implementation of extensive planning by labor, management, and government authorities (Bowles et al., 1983; Ginsburg, 1983; Kuttner, 1984)

Keynesian economic systems are capitalist in that they operate on the principle of private ownership and personal profits. They exercise an overt control on profit levels to assure that these are not so high as to promote the destructive domination of others engendered in the monopolistic control of neo-classical economic systems. Keynesian systems also act to control the economy in order to ensure employment for those who desire it, and economic profits to motivate individuals toward economic growth. Where neo-classical and totalitarian socialist systems control people in support of profitability goals or a communal economic doctrine, Keynesian systems control profits and actively intervene to stimulate the economy in order to support goals of economic growth and the social welfare of citizens. Keynesian economies exert legal controls on citizens to enforce laws just as neo-classical or totalitarian societies do. Because the economic system does not promote excessive control over others in its policies, however, people in a Keynesian society are more free to achieve the highest status level when starting from the bottom. This upward mobility is consistent with a Rawlsian notion of equality (1971). Citizens in a Keynesian economy are also freer to enjoy a higher median standard of living than those in neo-classical or totalitarian societies because of the higher per capita productivity level. An example may help explain how this operates.

Consider three individuals who earn \$25,000, \$50,000, and \$75,000 per year, a typical multiple of lowest to highest earnings in a Keynesian economy (Ginsburg, 1983). Although these income levels are different, the person with the lowest income could reasonably save money to the degree that she could make investments to equal the \$75,000 per year wage level in the future. In the Keynesian approach, new economic endeavors are often funded with tax money from excess profits. Keynesian policies help people achieve economic growth and provide social welfare assurances such as adequate child and health care to give them a solid base from which to proceed. The same amount of money would likely be distributed into three wage levels of \$9,000, \$50,000, and \$125,000 in a neo-classical society. Notice that the total dollar figure is higher in a neo-classical economy, because less money is directed to taxes. It is much less realistic to think that the \$9,000 annual wage earner could save money to invest toward achieving the \$125,000 income. This is especially true since the wage earner's income is not supplanted in the same way by responsible social welfare policies to provide low cost child and health care. Tax money which might have gone for these services is directed instead to the person with the \$125,000 income in the neo-classical society as a way to provide investment capital. But the \$9,000 wage earners (and the majority of people like them) do not have the extra income to buy goods produced through this investment. They certainly would not have the money to invest in a business to try to equal the status of the person who makes thirteen times as much. The \$9,000 wage earner in a neo-classical system is less economically free than the \$25,000 lowest wage earner in a Keynesian system. The totalitarian socialist system precludes participation in this economic exercise by assuming state ownership from the outset. The most wealthy citizens in a Keynesian system are less able to exploit the least wealthy because planning efforts are geared toward long range economic freedom, productivity, and social well-being for all people and away from short-term views of profit maximization.

Countries which emphasize strong centralized economic planning, accompanied by a strong voice for workers motivated by reasonable financial rewards for their efforts, as Keynesian

policies do, have surpassed neo-classical and totalitarian socialist systems in productivity measures (Bowles et al., 1983; Kuttner, 1984; Marshall, 1987). When people think they have a continuing chance to do well and have the support of their society's planners in continuing to make economic progress, they will respond to those opportunities and continue to be more productive than in other, less encouraging environments. When they are oppressed beyond hope of reasonable economic opportunity, they become less productive, overwhelmed with the struggle to survive, and they do not have the resources to fuel productivity with consumer demand. This rather bleak scenario of decreased demand is the case I have discussed here for neo-classical and totalitarian socialist economies.

Keynesian economies support such social welfare benefits as equal access for those with disabilities, responsible child care facilities, health care, safe working environments, ongoing opportunities for employment and its related mental health benefits (Jahoda, 1982) and other benefits, as basic human rights. When people are equipped with such rights, they can be more involved in developing healthy economies. The money spent on productivity-oriented social welfare benefits is a wise investment in healthy individuals and a healthy economy. It makes sense that a healthy worker will be more productive than a sick one and that a society that maintains the social welfare of its citizens can more easily direct efforts at becoming productive. Totalitarian socialist systems have shown us that when social goals are not accompanied by personal profit motivation, productivity suffers. Neo-classical economic systems have shown us that personal profit motivation in itself is inadequate to generate the highest levels of productivity. By liberating their citizens for ongoing social and economic interaction, Keynesian economies have been able to provide high levels of social welfare and productivity.

Discussion

Bo Hedberg, Paul Nystrom, and William Starbuck (1976) suggest that the key to effective social and economic systems is the freedom to interact with others. They imply that the adaptability to environmental changes allowed by this freedom is

best facilitated when the extremes of profit maximization and totalitarian control are limited. Counter productive extremes of behavior develop most readily in economies dominated by unbridled individual freedom to accrue resources and power and control others as well as in totalitarian socialist states.

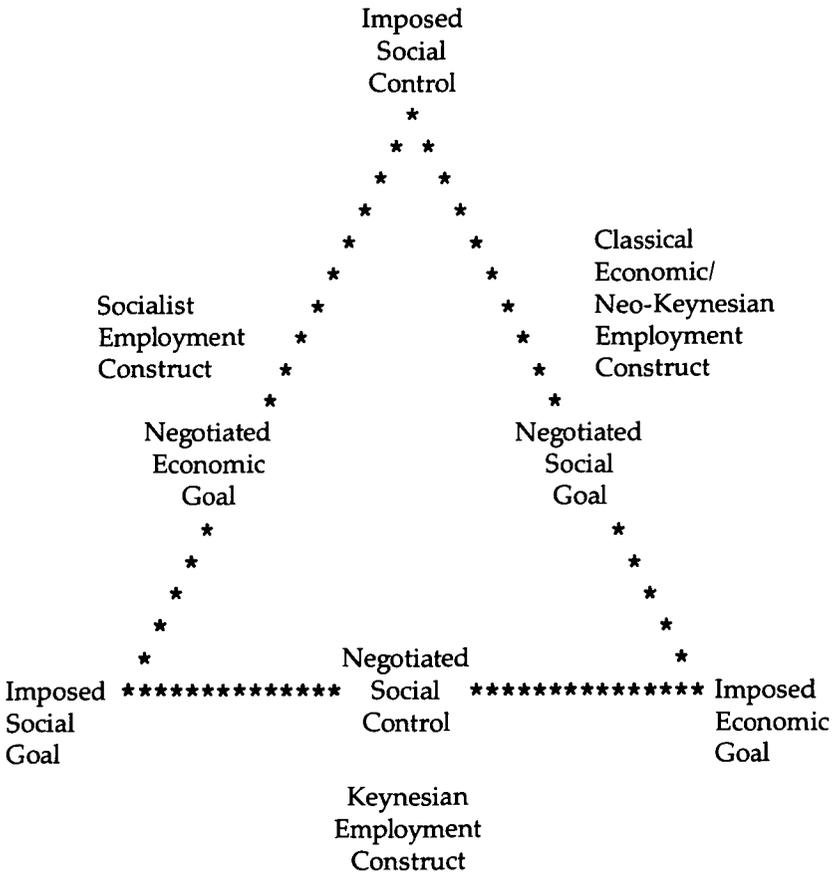
The apparent key to the success of the Keynesian approach to employment and productivity is the way it has been able to empower workers to achieve economic and social welfare goals and has allowed a broadly empowered citizenry to participate in negotiating social controls necessary to maintaining productivity and moderate individual profits. Although arrangements for sharing power in this way are often complex, they do not necessarily require a heavily centralized state. The Keynesian approach limits centralization of power and social control so that they are much lower than the levels in neo-classical or totalitarian socialist economies.

A graphic summary of how each theory treats social welfare, social control, and economic goals is shown in Figure 1.

A Keynesian construct of employment is most appropriate for pursuing both economic productivity and social welfare goals. It requires employment for all who are interested in working, moderate individual profits for all wage earners, and implementation of careful social and economic planning, specifically including a reasonable day care and medical care to allow people to work, and high taxes on the very wealthy to fund services, minimize excess social control, and increase social equality.

The first step in implementing goals for improved productivity and social welfare is to educate the populace in their benefits. Social workers are in a special position; we have contact with the increasing number of people who are among or interacting with the lower economic class in the United States. As we educate students and the populace in the basic realities of how economic and social goals can act to facilitate each other, they will be more prepared to support the policy steps recommended here. In order to successfully educate social welfare professionals towards empowering others in this way, economics should become a basic element of social welfare curricula. We must also further explore theories of social exchange towards explaining the nature of economic exchanges which are symbolic of social interaction.

Figure 1. Imposed and secondarily negotiated elements of the employment construct in three theories of economics



During the last eight years, neo-classical policies in the United States have been intensified, and it may be asked how Keynesian approaches can be implemented. Several deep running currents in American attitudes about public welfare can be expanded in a positive way to enact the policy recommendations of this analysis. (a) There is an abiding distrust of welfare dependency in the American culture, accompanied by a strong work ethic. Dependency-promoting welfare programs should be replaced by guaranteed opportunities to work for all citizens who want to do so. Developing technologies are changing the nature of work so that people experiencing many disabilities can share in

these work opportunities. (b) There is a current popular outcry for benefits such as government guarantees for adequate day care and health insurance coverage at reasonable cost to allow citizens to more reasonably be able to work and support themselves. As traditional welfare recipients are normalized into the for-wage workforce, their need for these types of benefits should be represented as equal to that of any other worker. (c) Traditional welfare recipients should not receive any different wage levels than those in the normal workforce. Indeed, they should become part of the normal workforce, separated only by the fact that their employers may be capitalized by government monies taken from taxes on the very wealthy. These taxes would be used to promote valued competition in the labor market by supplementing jobs not offered in the private sector, and increasing freedom in the labor market. (c) Once guarantees for work opportunities have been established, appropriate training programs to prepare those who need them should be offered as part of the work guarantee. It is traditional in American public welfare to provide training first and then to have recipients find their own jobs in the "free market." I have discussed how the current job market in the United States is not necessarily free. Successful public welfare programs must strive to restore freedom and true competition to the job market by guaranteeing ongoing employment as a basic right to those who meet the qualifications for work prior to offering training programs. (d) Advocates of employment policies which promote true competition and freedom in economic markets, consistent with American values, should learn some procedural lessons from presidential candidate Jesse Jackson. He has demonstrated previously unheard of popularity for a Black candidate based on a sensible message which argues for higher minimum wages, guaranteed employment opportunities, equalizing the distribution of wealth in the Country, actively building voter support among the disenfranchized and growing lower class, and arguing for the rights of labor. This message was conveyed, in part, by brilliant use of the media at a lower cost than that of his opponents. Also, he did not give up his message when the primary elections appeared lost.

My first contacts with Jesse Jackson were on the South Side

of Chicago in 1969 when he was exciting churches full of poor people, and others interested in change, through Operation Breadbasket. Over the past 19 years, his message for social well-being has been consistent. In 1988, he excited large portions of the electorate. Although his message is not new as stories about his recent success may infer, it is well thought out. Developing a consistent employment policy based on the Keynesian recommendations described here, and promoting it, despite the vicissitudes of political events, will provide a meaningful basis for improved social welfare and productivity in the United States.

In many ways, World War II, which economically reconstructed an America devastated by the Great Depression, was a Keynesian, full-employment, high-savings, high-productivity effort planned in response to an external threat (Kuttner, 1984). We have evidence that Keynesian efforts are effective in the United States and elsewhere. It is a responsibility of social welfare leaders to refine plans for improving the lives of all citizens and incorporate them into policy at every opportunity. This review has been a foundational step in that direction. As public welfare efforts focus on employment in order to become more consistent with American values, the door may be open to structure future programs so that components of the Keynesian system described here, and further refinements, may be implemented.

References

- All Things Considered. (1986, August 21). National Public Radio.
- Batra, R. (1987). *The Great depression of 1990*. NY: Simon & Schuster.
- Blau, P. M. (1964). *Exchange and power in social life*. NY: John Wiley & Sons.
- Blau, P. M. (1977). *Inequality and heterogeneity*. NY: The Free Press.
- Bowles, S., Gordon, D. M., and Weisskopf, T. E. (1983). *Beyond the wasteland: A democratic alternative to economic decline*. Garden City, NY: Anchor Press/Doubleday.
- Bureau of Labor Statistics, United States Department of Labor. (1987). *Monthly Labor Review*, 110, 12.
- Clague, E. (1969). *Unemployment past, present, and future*. Washington: The American Enterprise Institute for Public Policy Research.
- Gilbert, N. (1983). *Capitalism and the welfare state*. New Haven: Yale University Press.
- Ginsburg, H. (1975). *Unemployment or full employment?* NY: Center for Studies in Income Maintenance Policy.

- Ginsburg, H. (1983). *Full employment and public policy: The United States and Sweden*. Lexington, MA: Lexington Books.
- Harrington, M. (1981). *The other America: Poverty in the United States*. NY: Penguin Books.
- Hedberg, B. L. T., Nystrom, P. C., & Starbuck, W. H. (1976). Camping on seesaws: Prescriptions for a self-designing organization. *Administrative Science Quarterly*, 21, 41–65.
- Heilbrunner, R. L. (1986). *The worldly philosophers*. NY: Simon and Schuster.
- Hollingshead, A. B., & Redlich, F. C. (1958). *Social class and mental illness*. NY: John Wiley.
- Humphreys, N. A. (1985, November). *The Future of Social Welfare in an age of Industrial Decline*. Paper presented at the meeting of the National Association of Social Workers, Chicago.
- Jahoda, M. (1982). *Employment and unemployment: A social-psychological analysis*. Cambridge: Cambridge University Press.
- Keynes, J. M. (1932). *Essays in persuasion*. NY: Harcourt Brace.
- Keynes, J. M. (1964). *The general theory of employment, interest and money*. NY: Harcourt Brace.
- Kuttner, R. (1984). *The economic illusion: False choices between prosperity and social justice*. Boston: Houghton Mifflin.
- Lasker, E. (1940). *The community of the future*. NY: M. J. Bernin.
- Leim, R., & Leim, J. (1978). Social class and mental illness reconsidered: The role of economic stress and social support. *Journal of Health and Social Behavior*, 19, 139–156.
- Lekachman, R. (1987). *Visions and nightmares: America after Reagan*. NY: Macmillan.
- Leveson, I. (1977). *The unemployment problem: Its nature, extent and responsiveness to public and private initiatives*. NY: Hudson Institute Incorporated.
- Lindblom, C. E. & Cohen, D. K. (1979). *Usable knowledge*. New Haven: Yale University Press.
- Okun, A. M. (1975). *Equality and efficiency: The big tradeoff*. Washington: The Brookings Institution.
- Robinson, J. (1978). Bastard Keynesianism. In M. Keynes (Ed.), *Essays on John Maynard Keynes*. Cambridge: Cambridge University Press.
- Trattner, W. I. (1984). *From poor law to welfare state*. NY: The Free Press.
- Wilensky, H. L. (1975). *The welfare state and equality*. Berkeley: University of California Press.