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Public Service Employment Assurance Job
Security and Community Development
Policy Note 2000/02

Mathew Forstater
Director, CFEPS

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Public Service Employment

Policy Note No. 00/02

Assurance

Job Security and Community Development

Mathew Forstater ([info](#))

Over and over again economists, politicians, and business leaders tell us that it doesn't get any better than this. The U.S. economy, we are told, is at 'full employment,' if not *beyond* full employment. In fact, many have been cautioning for some time that, despite the 'new economy,' we may have hit the peak, need to watch out for inflation, and should prepare for a 'soft landing.' The good news, we are told, applies equally, or even especially, to the African American community. Black unemployment rates are at record lows.

But not only is the African American unemployment rate still double that of whites, at around 8%, that figure still remains at a rate that would be considered evidence of a deep recession were it to hold for society as a whole. Moreover, indisputable empirical evidence now exists that links unemployment and financial insecurity to every major social problem plaguing the inner cities, from drug addiction and trafficking to teenage pregnancy to violent crime and incarceration. Is economic depression and associated social crisis the 'best' African Americans can expect from the 'new economy'? How can we possibly accept the idea that in the midst of the longest and strongest peacetime economic expansion in history, there are people that are ready, willing, and able to work—who are actively seeking employment—and yet can find no job. What are we to tell these people: 'tough luck'? 'too bad'? How can we possibly accept the idea that in the richest country in the world, there are individuals who are unemployed due to lack of adequate transportation or lack of adequate or affordable child-care? And how can we possibly accept the idea that in the 'best of economic times,' with budgets in surplus, there remains a tremendous shortage of community services, especially in inner city neighborhoods?

In *When Work Disappears*, Harvard Sociologist William Julius Wilson concludes that "the jobs problem for inner city workers cannot be adequately addressed without considering a policy of public-sector employment of last resort." Professor Wilson supports a "WPA-style" program that would be open to all, in other words, that is not limited to welfare recipients or poor workers. Work performed would include both infrastructure maintenance and labor-intensive public service employment, such as day-care aides and playground assistants in school gyms and public parks. The program would be coupled with government-funded day-care that would be "integrated into a larger system of child-care...to avoid creating a 'day-care ghetto' for low-income children." The program must avoid any 'fiscal substitution' to both protect other public sector workers from being displaced and to ensure that the

aggregate number of jobs is increased.

To ensure there is no displacement, as well as to prevent possible objections, Professor Wilson proposes that such public sector services not duplicate either present public sector or private sector services. The program would also include health insurance.

There are two sides to the benefits of guaranteed Public Service Employment. On the *employment* side, there is job and income security for workers. On the *public service* side, the work performed provides community services that are in short supply. In addition, there are not only the initial benefits of job and income security and more and better public and community services. There are also the numerous indirect benefits—the *economic and social multipliers*—that accompany these. On the economic side, the initial job and income growth associated with Public Service Employment translates into further increased spending and rising incomes throughout the community. The social multipliers concern the benefits to individuals, families, neighborhoods, and communities of decreased crime, drugs, and family disruption, and increased and strengthened security, education, health, care for the infirm and the elderly, and environmental protection.

There are a number of successful programs that may be viewed as precedents for a Public Service Employment program. The Civil Works Administration had no means tests and included the same health insurance as regular federal jobs. CETA was also effective in providing for direct job creation, despite isolated but highly publicized incidents of abuse and corruption. The Youth Incentive Entitlement Pilot Projects (YIEPP) was a hugely successful program, providing quality jobs and meaningful work experience, and closing the black-white unemployment gap in 11,000 work sites. All of these programs demonstrated that the primary reason for unemployment, especially youth unemployment, is the *lack of jobs*.

If the jobs created through public service employment assurance are to truly serve the community, then the community and neighborhood organizations must take the reins and administer the programs to the fullest extent possible, rather than having the federal government involved in the majority of administration. The federal government's job is to provide the wages and benefits. The initial attempt to employ Public Service Employees must be through registered community service organizations that already exist. In this way the program will be able to employ individuals with minimal additional bureaucracy, and will in addition supply labor to organizations that provide needed public and social services that enhance the quality of life in that region. Because the federal government pays the wage-benefits package, community service organizations obtain additional workers at no extra cost. Communities will experience an increase in a variety of public services in their region, and this in turn will contribute to an increased quality of life for all members of the community, especially the less well-off. There are a wide variety of civil rights and community based service organizations committed to serving society. Public Service Employees themselves must also have the opportunity to initiate and develop public and community service projects.

The potential benefits of a community-administered, federally funded Public Service

Employment program necessitate that Professor Wilson's bold proposal be seriously considered. We can never state that "this is the best of times" as long as anyone is left behind. ♦

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