

WHAT DO WE MEAN BY FULL EMPLOYMENT? A SURVEY
**Paper Prepared for 11th Annual Workshop of European Economists for an Alternative
Economic Policy in Europe, Brussels Belgium, September 23-25, 2005**
**Substantially Revised for the International Workshop of the Rosa Luxemburg Foundation
on Keynesian Economics as Alternative Economy –
Potentials, Ambiguities, and Perspectives, February 24-26, 2006, Berlin**

Gertrude Schaffner Goldberg
Professor of Social Policy
Adelphi University School of Social Work
Garden City, NY 11530
Goldber2@adelphi.edu
516-877-4386

Helen Lachs Ginsburg
Professor Emerita of Economics
Brooklyn College
City University of New York
helenginsburg@yahoo.com
718-358-2934

Philip Harvey
Associate Professor of Law
Rutgers School of Law
Camden, NJ
pharvey@crab.rutgers.edu
856-225-6386

WHAT DO WE MEAN BY FULL EMPLOYMENT? A SURVEY

The authors of this paper are proponents of full employment who study and write about it as well as advocate for it (Ginsburg, 1983; Collins, Ginsburg, & Goldberg, 1994; Harvey, 1989; Goldberg, 1997). For nearly two decades we have participated in a seminar on full employment at Columbia University. We also assume leadership roles in the National Jobs for All Coalition (NJFAC), the only national organization in the United States that has as its goal living-wage jobs for *all* who want them.¹ Our definition of full employment resembles the ILO's concept of "decent work"-- "not only the promotion of full, productive employment but also a range of other key elements ... such as conditions of work, gender equality, social security, safety at work and social dialogue" (2004, 112; 1999). "Decent work" also means a job with "a fair income" and "social protection for families" (ILO, undated).

Full employment is a central component of a state that deserves the designation of welfare in the broadest sense of the term. Sir William Beveridge, the British economist who is considered a father of the modern welfare state, designed a plan for income security that included not only comprehensive social insurance, national assistance programs, a children's allowance and a national health service but full employment. Beveridge considered the maintenance of employment more important than income support, for "Idleness is not the same as Want, but a separate evil, which men do not escape by having an income. They must also have the chance of rendering useful service and of feeling that they are doing so" (1945, 20). (Beveridge had men in mind--a attitude prevalent at the time and not unknown among others who have stood for human welfare!)

Nobel laureate Amartya Sen, like Beveridge, considers income support no substitute for employment:

If income loss were all that were involved in unemployment, then that loss could be to a great extent erased—for the individuals involved—by income support. If, however, unemployment has other serious effects on the lives of the individuals, causing deprivation of other kinds, then the amelioration through income support would be to that extent limited. There is plenty of evidence that unemployment has many far-reaching effects other than loss of income... (Sen, 1999, 94).

The demise of full employment as a policy goal must be seen as a major form of welfare state retrenchment. As Korpi and Palme point out in an 18-nation study of retrenchment, "In Western countries, full employment has a short history The return of unemployment on a mass scale since the 1970s must be described as a basic regress of welfare states, a crushing of one of their central parts" (2003, 429; see also Goldberg, 2002).

As a goal of policymakers, full employment is in eclipse. We wondered about those who have been its advocates. Does the "short history" to which Korpi and Palme refer include its former advocates? What about the return of mass unemployment? What about the challenges to the Keynesian paradigm with full employment as a paramount goal? Have these led them to change their minds about the feasibility—perhaps even the desirability—of full employment? These questions convinced us to do a study of individuals once known to be full employment advocates. We asked how they define full employment and whether current conditions and trends

have altered their conceptions. Do they consider full employment achievable, and if so, how? Is it desirable? And how does it rank as a social priority?

In raising these questions, we recognized that the concept, full employment, is itself elusive. The question, “What does full employment mean?” sounds simple, but the answer can be complex. The meaning varies in different times and places as well as among contemporaries within nations. Clearer understanding of both disagreements and consensus would, we felt, sharpen our own thinking about full employment and identify what advocates should be aiming to achieve.

Our method was straightforward. We e-mailed Brief Questionnaire on Full Employment to presumed advocates (see Appendix). Two organizations, the U.S. based National Jobs for All Coalition and European Economists for an Alternative Economic Policy² were major sources of potential respondents. The list, however, was expanded by the researchers’ knowledge of other prominent advocates. There were 50 responses. Twenty-seven (27) were from Europe: Austria (1), Belgium (1), Denmark (1) France (5), Germany (5), Greece (1), Hungary (1), Italy (4), the Netherlands (2), Norway (1), Poland (1), the U.K (3) and unspecified European (1). Five respondents were from Australia (3) and Canada (2). The remaining 18 were from the United States.³ Participants were mostly economists, but there were one or more of the following: sociologist, political scientist, social worker/social policy analyst, economist/political scientist, lawyer and clergy. Only eight out of the 50 respondents were women.

The Full Employment Tradition

Although concepts of full employment overlap, most commonly they focus on one of two approaches: human welfare/human rights or, alternatively, on some minimum rate of unemployment—typically believed to be compatible with price stability. Adherents of the human rights tradition may state a level of unemployment that they believe would mean that jobs are available to all who want them, whereas those who adhere to the alternative tradition choose an unemployment rate that is compatible with price stability or politically tolerable--whether or not jobs would be available to all at that rate. For a survey of earlier and more recent definitions of employment, unemployment and full employment, see economist Miren Etxezarreta’s paper, “About the Concept of Full Employment : A limited 'Survey' ”(1999).

Nobel laureate in economics, Joseph Stiglitz (2001, 9), makes an important distinction between means and ends: "In framing macro-economic policies, we need to keep our eyes on the ultimate objectives, and not on intermediate variables--on employment, growth, living standards, not interest rates, inflation rates, or exchange rates, variables which are important only to the extent that they effect the variables of fundamental importance" (Stiglitz, 2001, 9).

The human rights tradition, which flourished in the post-World War II era and reflected both the experiences of the depression of the 1930s and the war that followed, was defined in documents such as the Economic Bill of Rights of President Franklin D. Roosevelt (1944), the United Nations Charter (1945, Articles 55 & 56) and the Universal Declaration of Human Rights (United Nations, 1948, Article 23). Also in this tradition, William Beveridge defined full employment as “having always more vacant jobs than unemployed men [sic], not slightly fewer jobs” (1944, 18). These jobs, Beveridge believed, should pay fair wages and be located where the unemployed could be expected to take them. He thought that even at full employment some minimum level of unemployment would exist but would only be of a very temporary nature, since the unemployed must be able to find “new jobs within their capacity without delay” (1944, 18)⁴

As a practical matter Beveridge thought Britain could achieve this goal with a 3 percent unemployment rate (1944, 128), but the focus of his definition was clearly on the requirement that all jobless individuals have immediate access to fairly paid work rather than on achieving any particular unemployment rate. Emphasis on the worker's welfare is a distinguishing characteristic of the human rights tradition. Thus, an employer who has difficulty finding workers suffers at worst from an inconvenience or reduction in profit, whereas a worker unable to find a job is being told "he [sic] is of no use" (p.19). And it is a personal catastrophe even when adequate unemployment benefits are provided" (p. 19). Unlike many present day economists, Beveridge also felt that short-term unemployment should not be taken lightly because those who experience it do not know they are temporarily jobless until they have found work again—or for the first time.

Participants' Definition of Full Employment

Consistent with the human welfare and human rights tradition, the overwhelming majority of survey participants emphasized the availability of jobs for all who want them in their definitions of full employment. In nearly all cases, references to specific unemployment rates were offered only to suggest the level of unemployment at which the respondent believed the goal of jobs for all could be achieved. Only one or two confined the definition to an unemployment rate: "Within capitalism: 3% unemployment." Another replied, "When so-called 'at risk' workers—ex-felons, welfare leavers, etc.—can have a reasonable chance of gaining full-time employment. Operationally, I think this is when national official unemployment rates are between 3.5 and 4.0 percent."

Some respondents mentioned lower unemployment rates that they considered commensurate with, as one put it, "decently paid work for everyone who wants it --- a real unemployment rate of 2%." Another who said specifically that he did not define full employment in terms of a particular unemployment rate," quoted Nobel Laureate William Vickrey (1993): "I define genuine full employment as a situation where there are at least as many job openings as there are persons seeking employment, probably calling for a rate of unemployment, as currently measured, of between 1 and 2 percent." Another wrote, "As either the Beveridge definition (more vacancies than job-seekers)" or "basically, zero involuntary unemployment." And he concluded emphatically: "I do not define it in terms of a particular inflation rate." Similarly, another said, "I reject conceptions as the NAIRU or 'the natural rate of unemployment' as misleading and arbitrary."

One respondent contrasted the prevailing definition of full employment in OECD countries—a politically acceptable unemployment rate—with his/her definition: a situation in which all people who wish to be employed can be employed for as many hours as they wish at an average or anti-poverty wage. If the latter definition is used, wrote the respondent, "I would rate full employment amongst the human rights."

A particularly interesting addition to the human rights tradition was a response from a Hungarian member of the European Parliament who, along with some others, emphasized social integration: "... a workplace is not only a source of income but the place where people are connected to other people, where they can feel themselves to be part of the society." In the Beveridge tradition, he, too, pointed out that unemployment is not primarily the loss of income which can be replaced by unemployment benefits. From these observations, he drew the conclusion that full employment is "foremost a social question."

A number of respondents not only thought in terms of jobs for all who want them but included some components of the ILO's "decent work" concept. The most frequent addition was a living wage--included in the definition of more than one-third of the study participants and mentioned elsewhere in their responses by several others, for example as a separate or related priority.

The following components of decent work were added to the basic definition of jobs for all by one or more respondents: a job corresponding to the worker's skills and preferences; workplace benefits like child care; adequate income for those unable to work; that the jobs be freely chosen, not forced work or "workfare"; an absence of precarious jobs or contingent or marginal work; absence of policies intended to push unemployed persons outside the active populations; socially useful work; the opportunity to work the number of hours that a worker desires; that whatever unemployment there is be short-term; provision of union rights; cumulative social rights ("not having to start from the beginning every time they change their job or are sacked"); and Beveridge's proviso that unemployment be short term.

As an exploratory study designed to gain an understanding of a concept, our survey did not tell us whether participants who did not include some of these components of decent work simply failed to mention them or would actually reject them if asked. For example, was a living wage integral to the definition of full employment, or was it a separate policy goal, perhaps even negatively related to jobs for all? A more focused instrument based on the results of this exploratory study would enable us to answer this question.

Changes in Definitions

We anticipated that respondents' definitions of full employment might have changed in response to such conditions as: mass unemployment in parts of Europe; the brief period of low unemployment in the United States in the late 1990s; increased immigration; the growing dominance of neo-liberalism; the diminished faith in Keynesian economics and increasing globalization. One respondent acknowledged that "in comparison to the concept of full employment that was developed in the 1940s there are numerous changes, corresponding to technological developments (high level of productivity, increased importance of automatisaion, flexible production etc.), social changes (the new character of the work process, division of labour, new gender relations and family structure etc.) and life styles and preferences. His definition of full employment essentially extended the traditional full employment guarantees to women:

Full employment is a social situation in which everyone has the right to a work, which corresponds to his or her skills and preferences and through which he or she earns enough money to allow an independent life. Full employment includes decent working conditions, a high level of workers' rights, and it is incompatible with all kinds of involuntary work.

It was surprising—and encouraging—to us that most of the participants either remained steadfast in their definitions or enhanced or enlarged their concept of full employment in recent years. An example of the former is: "I have tried to absorb as much as possible recent research on the problem, but my basic outlook on it has not changed from what I was taught despite all the reactionary claims of the new classical macro-economics." In fact, just about half (26 of 50) of the respondents replied "no" to the question, "Has your definition of full employment changed?" Some others whose definitions included an unemployment level had reduced the level:

. The 3 % unemployment number is lower than before ... because of (a) increased global competition limiting the corps' power to raise prices, and (b) the weakening of the labor movement's power to raise wages (allowing profits to be maintained w/o price increases)... In the late 1990s we went to 4% unemployment w/o generating much inflation. This means that we can now shoot for 3%.

. I used to think more in the conventional mode that full employment could be recognized by persistent acceleration in the rate of wage or price growth. I now recognize that ... there is no NAIRU—no rate of unemployment below which you trigger spiraling inflation.

Among those reporting an evolution in their conception, the most frequent addition to the basic idea of a job for all was a living wage. This, of course, had always been part of the human rights tradition as has another new emphasis for some: that work must be freely chosen (rather than forced labor).⁵ Other enhancements included the social wage, also integral to earlier conceptions; however, no one specified the benefit so vital to employed women and their children: affordable child care. A new component was the concern for employment of disadvantaged groups. However, one severely excluded group, the disabled, was conspicuously absent. Responding to the growth of precarious work, others emphasized a permanent job. The definition of *unemployment*, one wrote, must be changed. Since their idea was to count more of the jobless than are included in official unemployment statistics, this meant expanding the number of workers who would need jobs.

. Living Wage: My understanding of how labor markets work has of course deepened over the years. The simplest thing that needs emphasizing is “full employment at living wages,” not merely full employment itself.

. Social Wage: I would now add, at compensation able to provide a decent living standard and a social wage that provides health care and dignified retirement with employment security, although not job security.

. Disadvantaged Groups: ... in earlier times I looked too much at aggregate figures. In recent years, I get more and more aware of the increasingly precarious labour market position of people with low qualifications, including coloured immigrants.

. Permanent Jobs. Before the introduction of flexible and temporary work I didn't need to qualify 'the job Now I always qualify that full employment is related to the opportunities to find permanent jobs.

. Definition of unemployment: Not the definition but the concept of “unemployment” must be broadened from Labour Force Survey standardized definitions to include many of the “inactive.”

Is Full Employment Desirable?

The response to this question was a resounding, “yes.” In fact, an affirmative answer seemed so self-evident to one participant that he wrote, “Surely you jest.” One answer called attention to its benefits for individuals, workers collectively, democratic government and society:

Good work is an essential factor for the material, social and psychological well-being of every individual. Full employment makes full use of the creative and productive potential of society, and it is beneficial for the public budgets. Full employment is also a factor of democratic stability: it strengthens the positions of workers and employees against the power of capital. Unemployment, on the other hand, contributes to political instability because it strengthens xenophobia, the extreme right and even fascist currents.

No one answered the question of desirability in the negative, but a few did qualify their affirmatives by characterizing the goal as either a transitional stage toward socialism, a necessity at this stage of society or incomplete as a strategy for achieving economic welfare:

. Transition Policy: Full employment ... is a step to confront capitalism's dehumanizing reality, and to move forward toward comprehensive societal transformations aimed at liberating people from domination and exploitation, and advancing alternative work and production systems conducive to full human development.

. Current Necessity: [Desirable] ... as long as a job is essential both to economic survival, social usefulness and thus social status

. Incomplete. Yes... But people should have greater flexibility over how much work, by for example introduction of Basic (or Participation) Income.

Is Full Employment Achievable?

About three-fifths of the respondents gave an unqualified "yes" to the question, "Do you consider full employment, as you define it, achievable?" Only a few (four) said "no," and the remainder gave a qualified, "yes." These responses, however, must be interpreted cautiously because of their different definitions of full employment. For example, a respondent who defined full employment operationally as between 3.5 and 4.0 percent, answered, "Yes, since it did occur in 1999-2000." However, others, including the authors of this study, would take issue with that characterization of the late 1990s.⁶ One respondent who observed that "in a capitalist economy there will always be opposition to a fear on the part of capitalist that it will strengthen the power of labor, lead to more rapid wage increases, and hence cut into profits," concluded that "anything below 3 percent unemployment is unrealistic."

Differing attitudes toward government job creation influenced feasibility views. One respondent said that full employment is possible only if the government is the employer of last resort, but because such jobs would have to be lower in pay in order to avoid competing with the private sector, she did not consider participants in such programs fully or decently employed. In contrast, another who considered full employment achievable, included the government as the employer of last resort in the full employment concept. Still another saw government job creation necessary but not as a "last resort"; full employment could be achieved "by organizing a comprehensive public service dedicated to employment."

While only a few stated that real full employment or sustained full employment was incompatible with capitalism, quite a number considered it technically possible but politically very difficult, particularly under current conditions. Often the powerlessness of labor was

mentioned: “Realistically [no], because labor doesn’t have enough power right now. Some future day in a future society, perhaps.” Another who felt it was achievable “in the medium to long term, said “the only sensible answer I can think of refers to pressure by social movements and parties endorsing their demands. There’s no blueprint.”

Another, less frequent reason why it would be unlikely or hard to achieve is technological innovation. Self-described as “pessimistic,” one participant who feared technological job destruction ... concluded that full employment was only possible “provided that trade unions succeed to shorten standard working hours per employee.”

We did not anticipate that globalization would be mentioned as infrequently as it was. One respondent who mentioned it pointed out that it was no longer like the post-war years when national economies were quite independent economically. Now it would be necessary to “raise the level of consciousness of unionists up to the point where it would appear necessary to get ... democratic control of some financial and productive global multinationals.” Another who was skeptical of achieving full employment under capitalism nonetheless called for “remov[ing] tax incentives that promote off-shoring.”

While some respondents saw “good fiscal and monetary policies” as the means of achieving full employment, others deemed additional measures necessary. One proponent of more policy interventions specifically cited the Swedish model “that combines both macro and micro elements... macro policies to maintain an adequate level of aggregate demand for labor; and micro policies to maintain a labor market that is both flexible in the good sense, while maintaining workers’ rights.” Work time reduction was mentioned by at least nine of the respondents, mostly Europeans. One participant thought that full employment is achievable “thanks to the introduction of a new welfare policy based on basic income.” Probably, this meant that fewer jobs would have to be created because some people living on the guaranteed income would cease to work or cut back their hours. Two others believed protectionism was needed, along with other measures.

In discussing how full employment could be realized, some respondents included the political changes that are necessary along with the requisite policy changes. In some cases the need for substantial transformation of the political economy is recognized. Reminiscent of Karl Polanyi (1944/1957), one economist held that it can be achieved “by moving away from a market society to re-embed the market in a moral society... ”

A multi--method approach was recommended by a number, with varying combinations of fiscal, monetary, labor policy, public job creation, work-time reduction and ecological transformation. Here are some examples:

. . . through energetic policy intervention and social mobilisation. Main instruments to achieve full employment are, first, growth supporting macroeconomic (i.e. monetary and fiscal) policies, public investment programmes and public sector expansion, for instance, in health and education. Second, different kinds of working time reduction should be promoted and politically supported, and the public sector should play a pioneer role in this. Third, essential for the achievement of full employment is sufficient domestic demand which must be stimulated through a high level of private and public consumption, which is the basis for investment. To finance private consumption a high level of wages and salaries is necessary, and high public expenditure

requires higher, not lower, tax revenues. Both are questions of distribution of income and wealth, which must play a crucial role in a full employment policy.

- . The state must enact a policy that provides for full employment. This may necessitate legislation that renationalizes basic economic functions. Huge sectors of the private sector must be turned over to the public domain: communications, transportation, energy, power, housing, health care, education, and so on. The work week should be reduced accordingly to eliminate unemployment completely. To achieve the policies, the state must enforce the law. In the absence of other states engaging in common policies, the government may have to opt out of the global economy.
- . By a combination of working time reduction, macro-economic policy, ecological transformation and new public employment (3rd system).

Full Employment as a Societal Priority

Nearly all respondents rated full employment as a top or near-the-top societal priority, central because it makes other objectives more attainable or is inter-dependent with other leading priorities. Striking was the frequency with which respondents emphasized environmental concerns—an issue that would not have come up when the concept was developed. However, it was not seen as in conflict with full employment. We would expect that peace would have been a priority in the 1940s; in any case, it is one today.

Here are some other priorities mentioned by those who put full employment at the top:

- . social security (safe and sufficiently high pensions)
social equity (gender relations, no discrimination of minorities)
more egalitarian distribution of income and wealth)
welfare (eradication of poverty)
democratic participation in the economy
ecological sustainability
fair and balanced international relations

A U.S. respondent who considered full employment the highest priority wrote: “ ... people will face serious hardships (at least in the U.S.) if there is high unemployment. If the country had more social supports (e.g., national health care, decent unemployment benefits) then unemployment would not be as devastating, but it would still be a waste.”

Some respondents who considered full employment important put other priorities before it or put several priorities, including full employment, at the top. Basic income was important for some:

- . [Full employment is] third, after a peaceful, environmentally sustainable world
- full employment is part of a package of priorities. However, more important than full employment is a system that provides income and basic services for all.
- . Life in dignity for everybody is the aim. The conditions are: a) democracy;

b) peace; c) ecology; d) reasonable work [connected with full employment];
e) social security, education, culture.

. Peace; arms reduction; civil rights/race and gender equality; full employment;
environmental sustainability.

. Achieve ecological sustainability; achieve high rates of labour-saving technical
change; achieve (near) full employment by systematically using gains in
productivity for shorter standard labour hours. Free time is also welfare!

. [Full employment is] very high, as a condition of a level field of struggle
between capital and labor.

Priorities:

Long term ecological sustainability

International peace

Full employment

Social integration/gender justice

Conclusions: What Did We Learn?

Definition of Full Employment. Survey results **thus far** express continuity with past conceptions of full employment. Participants in the survey strongly affirm the human rights conception of full employment that progressives embraced in the aftermath of World War, as set forth in the United States by Franklin D. Roosevelt, in Britain by Sir William Beveridge, in the United Nations Charter and the Universal Declaration of Human Rights and, recently, in the ILO's goal of "decent work."

We found no evidence that progressives have been swayed by conservative efforts to redefine full employment in terms of a so-called natural rate of unemployment or NAIRU. Among some American respondents the rejection of the NAIRU is probably more emphatic after the experience of inflation-less low (official) unemployment rates in the late 1990s.

The participant who included in his definition of full employment an expanded concept of unemployment proposed an approach similar to that adopted by the National Jobs for All Coalition (NJFAC) which counts, not only official unemployment but persons forced to work part-time because full-time employment is not available, people who want jobs but are not counted in official statistics because they were not looking for work at the time of the survey and the working poor or those employed full-time, year round for less than the U.S. poverty standard for a family of four (\$20,000 in 2006). Each month the NJFAC estimates the number of workers who fall into these categories on its website. For example, in January 2006, when the U.S. Bureau of Labor Statistics reported an official unemployment rate of 4.7 percent or 7.0 million persons, they also reported that 4.1 million were forced to work part-time and 5.0 million were not counted but wanting work. "Hidden unemployment" was 9.1 million, making a total of 16.1 million unemployed or underemployed. Add to this NJFAC's estimate of 16.3 million working poor from U.S. Census Bureau data, and the count is 32.4 million (NJFAC, 2006). The Coalition uses these figures to call attention to the magnitude of the problem. At the same time, the achievement of full employment becomes a much more formidable task if this hidden unemployment is included. A similar argument regarding the counting of unemployment was

made by a working group of the European Economists for an Alternative Economic Policy (Etxezarreta, Blaas, Millios, & Petit, 1999).

Desirability. Although the respondents reflected the broad, human rights conception of full employment, very few expressed the emphasis in this tradition on its personal and societal benefits. Exceptions were several respondents who emphasized social integration and fulfillment of people's need to be productive.

Nor did respondents allude to the costs of unemployment to individuals--what Beveridge deemed a "tragedy"--or the losses to society. With respect to the latter, Robert Eisner, former President of the American Economic Association, emphasized the staggering economic losses caused by unemployment. In Eisner's view, unemployment meant that the nation was "literally throwing away potential output" (1992).

Few respondents called attention to the attribute of full employment that made it a top priority of Swedish social democrats, namely increasing the power of labor. As Swedish sociologist Walter Korpi explained quite a few decades ago:

The key to the new strategy [adopted in the latter half of the 1930s] was the use of public power, founded in organizational resources and exercised through the government, to encroach upon the power of capital. Through economic policies the business cycles would be evened out. The level of employment, of crucial importance for the welfare of the working class, would be kept high through political means, and thereby partly withdrawn from the control of capital (Korpi, 1978, 82).

Why the inattention to the costs of unemployment and the benefits of full employment? Perhaps it's the way we asked the question about the desirability of full employment:

Do you consider full employment desirable? Yes ___ No ___

If not, why?

Achievement Strategies: Technical and Political

The respondents' views as to how full employment could be achieved display both a common emphasis on the importance of political over economic barriers and a significant level of implicit disagreement concerning the measures needed to achieve full employment if those political barriers were overcome.

At least four tendencies are identifiable concerning this second issues. First, some respondents believe that full employment cannot be achieved under capitalism and that the replacement of capitalism with another mode of production is accordingly the essential precondition for achieving full employment. Second, some respondents focus on the need for institutional reforms that would place a greater emphasis on meeting people's needs and thereby facilitate the adoption of policies that would achieve full employment, but without characterizing those reforms as replacing capitalism with another mode of production. Third, some respondents continue to subscribe to the dominant progressive view in the decades following World War II that full employment can be achieved in market economies through the judicious application of macroeconomic measures, sometimes specifying labor market measures as well and associating

this with the Swedish approach. And fourth, some advocate direct job creation by government as the best means of achieving full employment in market societies.

One of the authors of this paper felt that the survey failed to elicit differences among adherents of full employment, particularly the policies they believe are necessary to achieve that goal. Debate among progressives, this author commented, would be helpful in strengthening their understanding of the strengths and limitations of the different strategies they advocate.

Two of the authors of the paper were not as concerned about the specificity of full employment plans, emphasizing instead a different omission. While respondents considered the political obstacles to full employment much more formidable than the technical, they failed to talk about achievement from the standpoint of political strategies. Yes, there was a reference to “social and revolutionary working-class movements [that] must change the institutions of state power,” but no discussion of how to develop such a movement or of identifying constituencies for full employment and the strategies for mobilizing them.⁷

Societal Priority: Continuity or Change

We, the authors of this paper differ in our interpretation of the survey results pertaining to full employment as a societal priority. One of us felt that while respondents continue to embrace a broad conception of full employment, they tend to describe it as one of many in the progressive reform agenda rather than to emphasize its foundational role in securing economic and social rights generally. Such a tendency is, according to this author, probably a change from the way the goal would have been described by progressives in the immediate aftermath of World War II.

The other two authors feel that although full employment does not always head the list, it is at or near the top with the foundational role-- that it “makes other objectives attainable--”also cited. Moreover, in formulations of the 1940s, notably Roosevelt’s Economic Bill of Rights, the rights are not prioritized nor is one seen as foundational. It is true that “the right to a job to a useful and remunerative job in the industries or shops or farmers or mines of the nation” is the first listed in FDR’s Economic Bill of Rights, but otherwise it has no more emphasis than the rights that follow: “to earn enough to provide adequate food and clothing and recreation”; to adequate medical care, to adequate protection from the insecurities of old age, sickness, accident and unemployment; a decent home; a good education (1944/ 1950, 13, 41), We also tend to agree with some of the respondents who found full employment hard to disentangle from related economic and social goals or that they were inter-related, part of a package of indispensable rights that should not be separated.

The paucity of women respondents is regrettable and may well account for the infrequent mention of child care and family policy as priorities or components of decent work. Yet, it is critical to women’s equal participation in the labor market and the families, not to mention that is a children’s human right.

We are heartened in our advocacy of full employment, broadly conceived as decent work, that others continue to share this vision. The survey also makes us more aware of the need for greater understanding of the political barriers to full employment and of strategies for surmounting them. The adherents of “the dismal science” who predominated in this survey were relatively sanguine about the economic feasibility of full employment but, along with other respondents, pessimistic about the politics. Clearly we need to broaden our ranks to include persons whose major knowledge is of political change.

References

- Beveridge, W. H. (1944). *Full employment in a free society*. London: Allen & Unwin.
- Collins, S. D., Ginsburg, H. L., & Goldberg, G. S. (1994). *Jobs for all: A plan for the revitalization of America*.
- Eisner, R. (1992). Deficits: Which, how much and so what? *American Economic Review, Papers and Proceedings* (May).
- Etxezarreta, M. (1999). Full employment: A limited "survey." Barcelona, Universitat Autònoma de Barcelona, Departament d'Economia Aplicada.
http://www.memo-europe.uni-remen.de/downloads/Etxezarreta_Employ.PDF
- _____, Blaas, M., Millios, J., & Pascal. P. (1999). Conceptual, historical and institutional dimensions of full employment. Report of the Working Group No. 1, European Economists for an Alternative Economic Policy. Autònoma de Barcelona, Departament d'Economia Aplicada.
- Ginsburg, H. (1983). *Full employment and public policy: The United States and Sweden*. Lexington, MA: Lexington Books.
- Goldberg, G. S. (1997). "Jobs for all, economic justice, and the challenge of welfare "reform." *Journal of Public Health Policy* 18, 302-324.
- _____. (2002). Introduction: Three stages of welfare capitalism. In G.S. Goldberg & M. G. Rosenthal (Eds.), *Diminishing welfare: A cross-national study of social provision* (pp. 1-32). Westport, CT: Greenwood Press.
- _____, & Collins, S. D. (2001). *Washington's new poor law: Welfare "reform" and the roads not taken, 1935 to the present*. New York: Apex Press.
- Harvey, P. (1989). *Securing the right to employment: Social welfare policy and the unemployed in the United States*. Princeton, NJ: Princeton University Press.
- ILO. (1999). *Decent work. Report of the Director General, International Labour Conference, 87th Session, 1999*. Geneva: Author.
- _____. (2004). *A fair globalization: Creating opportunities for all*. Geneva: Author
- _____. (undated). Decent work: The heart of social progress. Geneva: Author.
<http://www.ilo.org/public/english/decent.htm>
- Korpi, W., & Palme, J. (2003). New politics and class politics in the context of austerity and globalization: Welfare state regress in 18 countries, 1975-95. *American Political Science Review* 97, 425-446.
- National Jobs for All Coalition. (2006). January 2006 unemployment data.
<http://www.njfac.org/jobnews.html>
- Polanyi, K. (1944/1957). *The great transformation*. Boston: Beacon Press.

Roosevelt, F. D. (1950). *The public papers and addresses of Franklin D. Roosevelt*. Compiled by S. I. Rosenman. New York: Macmillan).

Sen, A. (1999). *Development as freedom*. New York: Anchor Books.

Stiglitz, J. (2001). Employment, social justice, and societal well-being. Keynote Speech to ILO Global Employment Forum, November 1-3. Available at:
<http://www.ilo.org/public/english/employment/geforum/download/stiglitz.pdf>

United Nations, General Assembly (1948). *Universal declaration of human rights*. New York: United Nations. <http://www.un.org/Overview/rights.html>

United Nations, High Commissioner on Human Rights. (1945). *Charter of the United Nations*. San Francisco: Author. <http://www.unhchr.ch/html/menu3/b/ch-cont.htm>

APPENDIX

Brief Questionnaire on Full Employment

Dear _____:

Philip Harvey, Helen Ginsburg and I are preparing a paper on "Full Employment: Past and Present" for the 11th Annual Workshop of European Economists for an Alternative Economic Policy in Europe as well as an article on the subject and the introduction of a new, full employment indicator on the website of the National Jobs for All Coalition.

Part of our task is to determine how social scientists who advocate alternative economic policies conceive of full employment. Your answers to the following brief questionnaire would be helpful to us in undertaking this research.

If you're willing to participate, simply hit the reply button on your email program and write your answers after each question. Use as much (or as little) space as you need.

1. How would you define full employment?

2. Has your definition of full employment changed?

Yes ____ No ____

If yes, how and why?

3. Do you consider full employment, as you define it, achievable?

Yes ___ No ___

If yes, how?

If not, why not?

4. Do you consider full employment desirable?

Yes ___ No ___

If not, why?

5. How would you rate full employment as a societal priority?

Please list and rate your other priorities, indicating where full employment goes on the list.

Your answers will be strictly confidential unless you give us the right to quote you. At your request we will send you a copy of our paper.

Thanks in advance for your valuable opinions.

Best regards,

¹ National Jobs for All Coalition, Suite 3C, 777 United Nations Plaza, New York, NY 10017.
<http://www.njfac.org>

² European Economists for an Alternative Economic Policy is based at the University of Bremen.

³ Among the Americans, most respondents have, in one way or another, been associated with or supported NJFAC.

⁴ For Beveridge's views on unavoidable unemployment, see Beveridge (1944, 408-410).

⁵ For example, the Universal Declaration of Human Rights, Article 23 (1948) includes not only “ (1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment” but “ (3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.”

⁶ In December 2000, when the U. S. unemployment rate was 3.9 percent, there were 5.6 million officially unemployed workers, 3.2 million involuntary part-time workers and 4.2 million persons outside the official labor force who reported themselves as ready, willing and wanting a job even though they were not actively seeking one at the time. At the same time that these 13.1 million persons were reporting themselves as wanting more paid employment than they had, the U.S. economy had only 4.6 million job vacancies, and there is good reason to believe that if the number of job vacancies and job wanters were converted to full-time equivalent figures the disparity would be even greater.

Moreover, many who held jobs were the working poor. The Economic Policy Institute estimated that in 1999, one-third of all U.S. women workers, two-fifths of black women and one-half of Hispanic women earned poverty-level wages, defined as less than the poverty level for a family of three or \$13,290 for full-time, year-round work (Mishel, Bernstein, & Schmitt, 2001).

⁷ For a discussion of the politics of full employment in the United States, see Goldberg & Collins (2001, esp. 299-312).