Economic and Industrial Democracy
http://eid.sagepub.com/

Special Issue on: The Challenge of Full Employment in the Global Economy Editorial Introduction

Helen Lachs Ginsburg, June Zaccone, Gertrude Schaffner Goldberg, Sheila D. Collins and Sumner M. Rosen

Economic and Industrial Democracy 1997 18: 5
DOI: 10.1177/0143831X97181001

Special Issue on: The Challenge of Full Employment in the Global Economy
Editorial Introduction

Helen Lachs Ginsburg
Brooklyn College, City University of New York
June Zaccone
Hofstra University
Gertrude Schaffner Goldberg
Adelphi University School of Social Work
Sheila D. Collins
William Paterson College
Sumner M. Rosen
Columbia University School of Social Work

Low unemployment and commitment to full employment were widespread after the Second World War. Today, there is mass unemployment and weak commitment to full employment, which is still necessary and attainable. This article discusses divergent concepts of full employment, its history and the impact of the global economy. We dispel the notion that Europe's high unemployment is due to labor market rigidity, that the US model is a good alternative and that technology has made work obsolete. Unemployment, both morally unacceptable and economically irrational, weakens welfare states. The global economy makes attaining full employment more difficult but not impossible. Political and economic strategies, needed at both national and international levels, are suggested, along with possible actions by intellectuals.

In the post-Second World War era, low unemployment with rising real wages was sustained for decades. Commitment to the goal of full employment was widespread. Not so today. Mass unemployment, involuntary part-time and temporary work and other forms of unemployment and underemployment cloud the economic landscape in advanced industrial nations and are endemic in poor countries. The International Labour Organization (ILO) argues that these conditions, morally unacceptable and economically irrational, should not be allowed to persist. Though many have given

Economic and Industrial Democracy © 1997 (SAGE, London, Thousand Oaks and New Delhi), Vol. 18: 5–34. [0143-831X(199702)18:1,1-6]

up on the goal, there are powerful reasons for a renewed commitment to full employment (ILO, 1995: 193).

The job crisis is worldwide and staggering. In 1994 about 30 percent of the world's labor force – 820 million people – were unemployed or underemployed. At least 120 million were registered as unemployed and about 700 million were underemployed – that is, working yet unable to attain a minimum living standard (ILO, 1994). The crisis affects workers in rich and poor countries alike, including the former Soviet bloc. In 1995, unemployment averaged nearly 11 percent in the European OECD (Organization of Economic Cooperation and Development) nations, up dramatically from the 1960–73 average of about 3 percent (OECD, 1996: 22, 1995a: 45). And in the USA, real wages are declining as well (Mishel and Bernstein, 1994: Ch. 3).

We focus on the affluent nations because their policies define the parameters within which all other nations must operate. In the affluent nations, workers face high unemployment and insecurity as budget-slashing governments tell them that in the global marketplace they had better set their sights downward. To overcome this crisis, says the ILO, the first step is to dispel defeatist attitudes that see full employment as no longer attainable. This special issue is such a first step.

Our thanks to *Economic and Industrial Democracy* and especially to Rudolf Meidner. We are honored that Meidner, whose seminal contributions to full employment are legend, invited us to edit this issue. We also thank the authors for their stimulating articles. Despite varying interpretations, they believe, as we do, that some form of full employment at decent wage levels is both desirable and attainable. Eddy Lee documents the departure from full employment since 1973. He rejects skepticism over the feasibility and desirability of full employment and offers a wide array of international and national solutions. Yukichi Takahashi reveals that large-scale, hidden unemployment and a weakening of lifetime employment (never universal) lie behind Japan's facade of near full employment and security. According to Jörg Huffschmid, Germany – despite long-lasting mass unemployment – can achieve full employment; he rejects international competitiveness as a no-win solution. Even Sweden, once the bastion of full employment, is now burdened with high unemployment. Rudolf Meidner, one of the architects of the Swedish full employment model, reflects on Sweden's current dilemma, while Richard Layard emphasizes the contribution of its active labor market policy to full employment. By adhering to that model now, he advises, Sweden can revert to low unemployment. Finally, Lei Delsen, reasoning that a return to pre-1973 conditions is unlikely, proposes a different concept of full employment that includes a right to at least part-time employment and a (partial) basic income.

In this Introduction we address a number of questions: What is full employment? Why was unemployment once low? Why is it high now? How does globalization contribute to unemployment? And how does technology contribute? What is the relationship between full employment and the welfare state? Is the USA, with lower unemployment than Europe, a good model? What can be done to reverse the drift toward permanent, widespread unemployment? What is the role of academics? In short, how can we meet the challenge of full employment in the global economy?

What is Full Employment?

Full employment is an elusive term that reflects divergent concepts, values and power relations (Ginsburg, 1991; Gross, 1991; Nixon, 1973). Though concepts overlap, two main strands are discernible. One emphasizes enhanced human welfare. It views employment at a living wage as a human right, with full employment a key to meeting other basic needs (Harvey, 1989). Sir William Beveridge's influential *Full Employment in a Free Society* (Beveridge, 1944) is in this tradition. Beveridge, a British economist, was concerned with the jobless as human beings, and defined full employment as more vacant jobs at good wages 'than unemployed men [*sic*]'. In his analysis, full employment results in larger national output, the economic foundation of a comprehensive welfare state. Other notable examples of this definition include President Franklin D. Roosevelt's 1944 proposed Economic Bill of Rights, with the right of all to a useful job at an adequate wage; Article 55 of the United Nations (UN) Charter; the 1948 General Assembly Declaration of Human Rights; and the US Catholic Bishops' Pastoral Letter on the US Economy, *Economic Justice for All* (NCCB, 1986), which states: 'Full employment is the foundation of a just society.'

Another approach views full employment as an unemployment rate – the minimum believed to be attainable. But what rate?

Controversies often reveal as much about goals and degree of commitment to full employment as about the lowest achievable rate. What is called 'full' employment may simply be a politically tolerable rate of unemployment. Perversely, as the main target of national policies has shifted from people to prices, economists have used the term to indicate the minimum rate they regard, rightly or wrongly, as consistent with stable prices. This is called the 'natural rate of unemployment' or 'non-accelerating inflation rate of unemployment' (NAIRU) – a jobless rate below which they believe inflation accelerates. Though advocating policies to keep unemployment from dropping below that level, they use 'full employment', 'natural rate of unemployment' and 'NAIRU' interchangeably. Two past presidents of the American Economic Association (AEA) have criticized this concept. Robert Eisner (1995) calls the NAIRU one of the most powerful influences on economic policy of this century, but his research finds no empirical evidence for its existence. In his presidential address to the AEA, the late William Vickrey (1993), 1996 Nobel Laureate, tagged the 'natural rate of unemployment... the most vicious euphemism ever coined'.

Yet, defining full employment as an unemployment rate inevitably raises the issue, 'whose full employment?' The official rate masks extensive hidden unemployment, particularly involuntary part-time work and discouragement, which, like official unemployment, are disproportionately concentrated among disadvantaged groups (Collins et al., 1994: Ch. 1; Sorrentino, 1995). Takahashi shows that Japan's hidden unemployment is more prevalent among women. Correcting for omissions (Bregger and Haugen, 1995) can alleviate this problem but still conceals substantial group and regional differences. Nor do such measures tell us about wages. Defining full employment as envisioned by Beveridge and others links the rights to employment and decent wages. However, Beveridge's concept was based mainly on the male worker, and has since been updated (Collins et al., 1994).

A humanistic concept means that pay is adequate, the workplace is democratic and disadvantaged groups have equal opportunities. It also assumes a peacetime economy and one that respects the environment. It must include *all* who want part- or full-time work, whether officially unemployed or outside the labor force. Such a concept – because it includes many women who would otherwise provide full-time care to their families – implies compatibility between family and workplace. It calls for services, such as child-care, flexible hours, job redesign and accessible transportation for the disabled – all of which enable people to make meaningful choices about work.

Is this too ambitious? Not if full employment is viewed as a goal that is achievable, though not at once or without great effort. Full employment should be an expanding concept with progressively higher standards (Nixon, 1973). Yet presently there is a landslide in the opposite direction.

Historical Background[1]

Political changes generated by the Great Depression made full employment a widely accepted postwar goal. In the early 1930s, in the wake of mass unemployment, Franklin D. Roosevelt became president, Hitler took power in Germany, and the Social Democrats in Sweden, heading a minority government, began their lengthy tenure. Different as they were in goals, all broke with the prevailing economic orthodoxy.

The United States

Roosevelt's Republican predecessor had prescribed traditional remedies – wage cuts and curbs in government spending – that nearly killed the patient. At the time, there were no unemployment benefits and scant relief. Politics and pragmatism mandated a Keynesian-type approach, years before the 1936 publication of John Maynard Keynes's (see Lee, this issue, pp. 35–53) magnum opus. Roosevelt promised a New Deal, with employment a top priority. Rejecting laissez-faire, the New Deal provided massive emergency relief. But it focused on jobs by stimulating the economy, raising purchasing power and creating employment. New Deal projects reduced (but did not eliminate) unemployment, and literally changed the face of America. Bridges, roads, airports, parks and playgrounds were built, malarial swamps drained and denuded forests replanted; illiterates were taught to read and write; and government sponsored the works of artists, writers and dramatists (Rose, 1994). Legislation encouraged unionism, set minimum wages, regulated hours and laid the foundation for the US social welfare system. Roosevelt, however, never fully abandoned orthodoxy, and an attempt to balance the budget in 1937 led to a temporary depression within the Depression. But the main obstacle to recovery was fierce opposition from business, Republicans and powerful white southern Democratic congressmen, elected from districts where blacks were disenfranchised, legally segregated and in near peonage. These foes attacked government intervention and what they regarded as the grand scale of New Deal efforts, insufficient though they were to end high unemployment.

Massive wartime military spending finally ended the US Depression. Unemployment dropped from 15 percent in 1940 to 2 percent by 1943, even with an expanded civilian labor force, and it remained at or below that level through 1945. The longest US full employment era ever was a powerful antidote to poverty and inequality: blacks and women made employment gains, though some were only temporary. Fear of a postwar depression generated a widespread belief that a nation able to provide jobs for all during wartime should be able to do so in peacetime. However, strong business and conservative opposition defeated full employment legislation. A weak compromise eventually passed. Some conservative US senators even threatened unsuccessfully to reject the UN charter if it called for full employment (Ginsburg, 1983: Ch. 1).

Germany

In Germany, the Weimar government responded to the Depression with traditional, deflationary budget balancing. Traumatized by the war-related hyperinflation of 1923, the government did not adopt the unions' bold, Keynesian-type anti-deflationary plan to step up spending through public works and monetary expansion (Kassalow, 1969: 44–5). Thus, mass unemployment grew and paved the way to Nazism. The Nazis first destroyed the unions and then, borrowing part of their plan, set up work-creating programs (Schuster, 1985: 91). They also massively expanded arms production. They put a heavy emphasis on *Kinder*, *Kirche* and *Küche*. By 1939, one could say 'full employment' had come to Germany (along with forced labor and unprecedented atrocities), but not if the term means enhancing human welfare.

Sweden

Well before the Depression, Swedish Social Democrats emphasized full employment and social welfare; some even proposed expansionary policies; others accepted the conventional neoclassical wisdom about balanced budgets and the belief that unemployment was caused by excessive wages (Ginsburg, 1983). Social Democrats in power were bolstered by Keynesian-type theories that Stockholm School economists had already developed, and by the Depression itself. They expanded public expenditures and public employment at prevailing wages to stimulate purchasing power. While they did not bring full employment, these policies lowered unemployment considerably. They helped lift Sweden out of the Depression sooner than most other countries (except for militarized Nazi Germany) – as did devaluation, low interest rates, modernization of industry, stabilized farm prices and, at the end of the 1930s, the stimulus of the arms race abroad.

Implementation was assured by Agrarian Party support and by the Social Democrats' close association with the Socialist blue-collar workers' confederation (LO). LO's 1938 historic compromise with the employers' confederation (SAF) was part of a larger capital–labor accord premised on the inability of either side to score a total win. In contrast to their US counterparts, Swedish corporations did not oppose full employment policies for decades.

Postwar Era

By the early 1940s, both the Depression and the Second World War had thrust full employment onto national and international agendas. Organizations like the UN recognized work as a human right, and international economic agreements like Bretton Woods made employment a high priority. The General Agreement on Tariffs and Trade (GATT) regarded free trade not as an end but as a means to promote high spending and full employment (ILO, 1995: 195). (In fact, the free trade model urged by economists assumes full employment: then, the availability of goods can only be increased by trade.) These institutions played an important role in sustaining economic expansion until 1973.

For stable growth, capitalist economies require sufficient spending to buy the output produced at high employment. Unusual domestic conditions were the main factors supporting expansion from the end of the Second World War to 1973: the major economies had to rebuild or upgrade their capital stock and satisfy enormous pent-up consumer demand. Most industrial nations, but not the USA, achieved unemployment of 2 or 3 percent, then widely considered full employment.

USA. Some hallmarks of the postwar era include military Keynesianism – the use of military expenditures to bolster demand; a shift from fighting unemployment to fighting inflation, even by deliberately creating unemployment; and ghettos mired in depression. In the 1970s another failed struggle to commit the nation to full employment led only to passage of a gutted Full Employment and Balanced Growth Act of 1978, which has been largely ignored (Ginsburg, 1983). Average unemployment rose in every decade – from 4.5 percent in the 1950s to 7.3 percent in the 1980s (it was 6.4 percent between 1990 and 1995). The government's definition of full employment went from a postwar low of 2–3 percent to 7 percent in the 1980s; and in the 1990s unemployment at or near 6 percent was viewed the 'natural rate of unemployment'. Nevertheless, until the mid-1970s, most US workers experienced rising real wages. Since then, falling real wages have been the norm.

Germany. After the immediate postwar period, the Federal Republic of Germany sustained long periods of full employment. During the 1960s and early 1970s, unemployment was mostly about 1 percent, with the 2 percent range considered a recession. Labor shortages led to recruiting foreign guest workers, who helped create Germany's 'economic miracle': high growth, low unemployment and low inflation (Ginsburg, 1993). Though full employment was an important goal, neither foreigners nor women were included in it. Until 1977, a wife's employment could be grounds for divorce (Dauber-Gmelin, 1980). Eventually, as in the USA, fighting inflation took precedence over fighting unemployment. In the mid-1970s, long before reunification, unemployment began to creep upward to its current high levels. Huffschmid points out that since the 1980s, full employment has not been on the political agenda. All social goals have been subordinated to that of an international competitiveness that leaves many Germans poorer and unemployed.

Unemployment has undermined the social and political stability that fostered the economic miracle – and spawned neo-fascist movements that attack the guest workers who helped create it. Wages, social benefits, environmental protection, worker rights and the renowned industrial relations system are under assault. International competitiveness is no cure, says Huffschmid, whose full employment strategy confronts the constraints of the international economy.

Sweden. Postwar Sweden was the quintessential full employment society. In 1944 the joint Social Democrat and LO postwar program declared full employment a top priority. Until recently, it was Sweden's unwavering goal, taking precedence over fighting inflation. In the late 1950s, the government adopted a new approach to full employment developed by LO economists Rudolf Meidner and Gösta Rehn. They rejected reliance solely on general expansion. Even before reaching full employment, such an expansion might cause specific labor shortages and hence inflationary pressures without eliminating the most stubborn unemployment. To overcome these problems, they recommended an active labor market policy. The aim was to increase both supply of and demand for labor through job training, placement, direct job creation and wage subsidies, along with appropriate fiscal and monetary policies. Though the mix has changed, labor market policy remains a key part of the Swedish approach. Rudolph Meidner, in this volume, traces the development of active labor market policy but concludes that 'active labor market policy alone is unable to overcome mass unemployment'.

Developed during the long rule of the Social Democrats, Sweden's strong commitment to jobs for all eventually cut across all political party lines. Jobs were considered the key to a normal life. Like Beveridge, Swedes regarded full employment as the foundation for a generous welfare state. It provided services for children, the elderly, disabled or ill. This greatly expanded public sector became a major source of jobs, mostly for women. Reduction of gender and regional inequalities – and of wage inequalities, implied by LO's wage solidarity policy – was also part of the package.

Until recently, full employment dominated Sweden's economic policies and its welfare state was unassailable. Income differences had declined dramatically and poverty was nearly eliminated. Unemployment above 2 percent was political suicide. On a continent plagued with mass unemployment, Sweden's rate was still 2 percent in 1990; it had a strong welfare state and a budget surplus. Sweden has since suffered a major depression. It now has mass unemployment, a large deficit and is trimming its welfare state. The crisis is related to the growing lure of neo-liberal policies, and weakening capital–labor cooperation, closely related to internationalization (Meidner, 1993). Swedish capital has changed significantly since the compromise of the 1930s. It is now truly international, with much of its workforce, assets and sales now outside Sweden. So it lacks its former stake in the Swedish economy. Further, since the 1980s, Sweden has pursued financial deregulation, currency decontrol, and supply-side tax reform that favored the well-off and sharply reduced tax revenues. An expensive government rescue of the banking system related to a speculative real estate collapse cost the Treasury dearly.

Full employment is no longer the priority of Swedish governments. First, the Social Democrats fought inflation and caused a recession; the Conservative-led coalition (1991–4) pushed interest rates to over 500 percent at one point, in a dogmatic attempt to maintain an overvalued krona, and created a depression, with mass unemployment and a huge deficit. Finally, the current Social Democratic government's attempts to cut the deficit to meet the EU convergence criteria have kept the economy depressed (Canova, 1994; Edin and Andersson, 1995; Hermele, 1993). According to Meidner, 'full employment can only be regained through a fundamental change of priorities, from price stability to high employment'. Meidner feels that political not economic considerations are the determining factors. According to him, active labor market policy will play an important role in the future, if Sweden chooses to abide by its commitments to full employment and equality. But, he points out, 'active labor market policy can never be a good substitute for a firm and well-coordinated economic policy which aims at non-inflationary full employment and equality'.

The Global Economy

The global economy has played a not unimportant part in the retreat from full employment, especially because of the change in direction and character of foreign direct investment (FDI). Advancing communications and transport technology, abetted by government policies, enable global corporations, some of them larger than most governments, to produce goods for world markets where costs are cheapest. Worldwide production and sales are coordinated while transnational media and advertising agencies create global markets.

Postwar international trade – two-thirds conducted by multinationals or their affiliates (UNCTAD, 1995: 193) – has grown at a faster rate than production and is now about one-fifth of world output (estimated from World Bank, 1995). Since the 1950s, FDI has shifted from primary products and resource-based manufacturing to services and technology-intensive manufacturing. Since 1985 FDI, most still in the industrial economies, has grown even more rapidly than trade, and is now expanding most rapidly in developing countries. With 20–25 percent of the stock, these countries received 40 percent of new FDI in 1995. These investments are concentrated in ten of the more developed Asian and Latin American economies like China and Mexico (UNCTAD, 1995: xxi–xxiii) with a core of educated but low paid workers able to produce high quality goods.

Postwar governments have reinforced these developments through international agreements. The first was the GATT, under whose auspices trade agreements were negotiated and tariffs steadily reduced. The most recent – the European Union (EU), the North American Free Trade Agreement (NAFTA) and the more powerful World Trade Organization (WTO) that replaced GATT – have further reduced tariffs, covered services and agriculture, harmonized product and environmental standards (mostly downward) and extended freer movement to capital, especially FDI. These new rules, if strictly enforced, would preclude a repetition of the successful development strategy of the Asian Tigers.

In contrast to Bretton Woods, these new agreements are business driven. With prewar exchange rate anarchy and the Great Depression too recent to ignore, Bretton Woods was designed not only to advance world trade (through the stability of fixed exchange rates), but also to advance high employment. Unlike the earlier gold standard prescription of deflation and unemployment, devaluations to remedy balance of payments deficits were allowed – if the alternative was higher unemployment. In sharp contrast, the Maastricht Treaty elevates monetarism to 'the status of supranational law', and subordinates other economic goals to price stability (Huffschmid).

The expansion of global corporations has increased their power at the expense of national power. One indication is the almost universal decline in the share of corporate taxes in the OECD countries (OECD, 1995b: 78). Global firms have also weakened labor by shifting production abroad or by threatening to do so. Global competition leads to unrelenting pressure to cut wages, employment and other costs. The absence of adequate international labor or environmental standards gives an advantage to countries that repress unions or pollute the environment; as a result, national standards deteriorate. A worldwide trend toward deregulation and privatization also increases competition and adds pressure to cut costs.

Short-term Capital Flows and Speculation

Since the end of Bretton Woods and the collapse of fixed exchange rates, short-term capital flows, their speed of movement and, consequently, foreign currency fluctuations have increased. Toward the end of Bretton Woods, about 90 percent of all foreign exchange transactions financed trade and long-term investment, and only about 10 percent were short-term, largely speculative flows. Now short-term flows, which daily exceed the combined reserves of the major industrial countries, are well over 95 percent of all foreign exchange transactions (Eatwell, 1995: 16). These speculative flows seek profits from small changes in rates. Without capital controls, which most industrial countries imposed at times in the postwar era but largely eliminated by the mid-1980s, the threat of currency speculation forces governments to maintain 'credibility' with financial markets by focusing on price stability. As a result, interest rates are kept too high for buoyant economies and full employment. The high returns to speculation also attract funds from productive investment, redistribute income to lenders and speculators and add to deficits by raising the interest costs of debt.

The influence of financial markets on government decisions is a victory of monetarism, which began with the shift to fluctuating rates after the 1973 breakdown of Bretton Woods. Monetarists focus on inflation rather than unemployment as the major economic problem, and consider inflation to be the consequence solely of excessive issue of money. 'Ironically', observes Robert Guttmann, 'it was precisely' the shift to fluctuating rates 'which ... fed inflationary pressures across the globe [in the 1970s]' and gave the monetarists political power (Guttmann, 1994: 151). Since then, the industrial countries have maintained the highest real interest rates of the postwar period (Grunberg, 1996: 34, Table 3.2) even through recession.

The US Federal Reserve Board (Fed) now aims for a maximum growth of 2.5 percent, though it averaged about 3 percent as late as the 1970s and 1980s. And Fed chairman Alan Greenspan's target is zero inflation (Turgeon, 1996: 55), so financial markets react to news of a strengthening economy by bond selling, thus increasing interest rates and dampening expansions. Perversely, then, a fall in unemployment is bad news. The postwar expansionary policies that increased both supply and demand, and helped bring high employment, have been replaced (except perhaps by Japan) by restrictive monetary and fiscal policies. The current mix of policies is more effective in increasing output and especially promoting exports than in creating demand to buy the output. In the USA, the combination of high unemployment and stagnant real wages has slowed growth of government revenues, contributed to tax resistance and to cutbacks in social programs. Policy-makers claim cutbacks are the only remedy for budget deficits, though unemployment itself is a major cause. Balanced budgets have become primary goals, as they were in the early part of the Great Depression in the USA, Weimar Germany and Sweden. In Europe, the Maastricht Agreement, with its harsh targets for government deficits and debt, has imposed spending restraints on member states (see Huffschmid). Thus the drive to cut private sector costs – especially employment and wages – is joined by job and spending cuts in the public sector.

How Does Globalization Affect Employment and Wages?

Is it a coincidence that the serious wage and/or unemployment problems of the industrial economies began as their global integration accelerated? Even boosters of free trade agreements and global capital movements concede that wages or employment of the unskilled will suffer in the short run from imports produced with cheap labor (World Bank, 1995: 56). But for many theorists, the global explanation for declining wages and employment problems, at least in the USA, is exaggerated or wrong. (For differing versions of this position, see Lee, this issue; Gordon, 1996; Krugman and Lawrence, 1994; Bhagwati and Dehejia, 1993). They argue that trade is a small share of domestic spending, that much trade is with high wage economies, and that FDI is concentrated in industrial economies. So imports cannot be a major source of declining wages or of diminished worker power relative to employers. The real problems, they maintain, are slow growth, technology or domestic policies.

For others (Wood, 1994; Sachs and Shatz, 1994), trade is a significant part of the explanation for declining unskilled wages and rising inequality. As they describe it, trade between industrial and developing countries is based on the difference in their relative supplies of skilled and unskilled labor (and therefore of wages), rather than of capital (Wood, 1994: 4–5). The decline of unskilled jobs in several industrial countries because of imports was not offset by the very modest related increase in the number of skilled jobs (Wood, 1994: 10–11). In the USA, as this trade expanded, the decline in manufacturing jobs accelerated. A price squeeze in the low skill sector from trade was reinforced by import of goods produced in low wage countries by US firms (Sachs and Shatz, 1994: 7, 38, 51).

Lee and Huffschmid illustrate two different views of the global economy. Lee believes that slow growth, not globalization, is the source of employment problems, and that policy-makers can still affect the level of employment. To relax external constraints on expansion, he recommends that the G-7 coordinate an expansionary policy and strengthen global regulation of trade, finance and foreign investment. Huffschmid believes the drive to compete in world markets reinforces the chronic tendency of capitalist economies to generate unemployment, except under such extraordinary circumstances as postwar reconstruction. He shows that market pressures threaten employment and social welfare even in a country successful in world markets.

Labor Market Rigidity

Many economists argue that labor market rigidity, resulting from strong unions, job security and generous income support, is the cause of Europe's high unemployment rate compared to the USA. Wages in Europe, they charge, are too high, and thus curb the use of labor and reduce profits and investment. Contrary to this view, however, by the end of the 1980s, the share of wages in value added had fallen to the level of the early 1970s, and profit margins were restored; yet unemployment remained high. The ILO concludes that 'excessive' wages are not the cause of Europe's persistently high unemployment (ILO, 1995: 145). Nobel laureate Robert Solow, for one, believes that labor market rigidity has been 'a comforting alibi' for policy authorities in Europe (Solow, 1994). He points instead to the European shift to tight macroeconomic policies that put expansionary policies off limits. The commitment of the European monetary system to fixed exchange rates abets the fiscal constraints.

Eatwell (1995) has shown that weakening labor market constraints and reducing social welfare reduce wages and force the unemployed to take jobs where productivity and pay are low, job security weak, work onerous and health and safety protection nonexistent, as in the sweatshops proliferating in modern American cities. When denied the ability to squeeze labor, employers are forced to compete through better management, better products and closer attention to the needs of markets and customers.

Technology and Worktime

The rapid spread of information and computer technology (ICT) has evoked apocalyptic visions of a 'jobless future' and 'the end of work' (Aronowitz and DeFazio, 1994; Rifkin, 1995). If technology has made work obsolete, then full employment is no longer possible.

Undeniably, ICT is changing how work is done, destroying jobs and industries. Technology has always done this. Yet it also creates new jobs and industries such as computers, cellular telephones and the Internet, and expands markets by lowering prices. Industrial nations show neither a decline in the overall quantity of work nor accelerated growth in labor productivity (Lee). And since 1973, their output growth has become more, not less, labor-utilizing. Thus, Lee says, high unemployment has been caused by slower growth, not less employment-intensive growth. Nor would rapid growth of labor productivity make the end of work inevitable.

Technology can lay the foundation for a virtuous circle of growth, as in the 1950s and 1960s. Then, investment was high and labor productivity grew fast but output grew even faster (ILO, 1995: 57–8). Such a scenario would require supportive macroeconomic policies, not the current restrictive ones, like the balanced budget drive in the USA or the EU convergence criteria (see Huffschmid).

Rather than 'the end of work', there is an enormous need for more paid work. In the USA there are vast urban slums, overcrowded schools, lack of affordable housing, child and health care, and inadequate public transport. So, too, in Britain (Berry et al., 1995) and, in varying degrees, elsewhere. If full employment includes women as well as men, then employment is also generated by the need for family care. Public sector stinginess, not technology, fails to translate these needs into jobs, or destroys them with cutbacks.

Even without *net* destruction of jobs, people, industries and regions can be hard hit. Given adequate aggregate demand, labor market training and other government policies can be very useful. Layard believes that a Swedish-type active labor market policy (not designed to counter mass unemployment) can still lead the fight against unemployment.

Productivity gains can also be the basis for reduced worktime. While not the sole answer, we believe it is important in a full employment program, as both Huffschmid and Takahashi propose. Satisfying in itself, shorter worktime would expand free time for everyone and make work and family more compatible. It could make it easier for women to achieve equality by helping to alter the present unfair distribution of part-time work, which is overwhelmingly women's work. Delsen argues, however, that societies can no longer provide everyone with a paid, full-time job. So full employment should be redefined to include a right to part-time work and a (partial) basic income. This, he reasons, would allow more participation of certain groups underutilized in the labor market, such as mothers of young children, older workers and the disabled.

Full Employment and the Welfare State

The welfare state expanded during the 'full employment' era but is weakened now by high unemployment and globalization. Leaders in rich countries try to convince their populations that taxes and benefits must be reduced to maintain international competitiveness. Because they think high unemployment is inevitable, some now propose unlinking income from work (see Lee), which would expand the welfare state. They see a basic income as necessary and even superior to full employment. Not only does such an expansion seem quite unlikely at a time when government spending is being cut, the welfare state functions best when people who want jobs get them. By expanding output, full employment provides the foundation for a secure welfare state. Unemployment does the opposite. It reduces output and revenues. Had US unemployment been 4 percent in 1994 instead of 6.1 percent, roughly $280 billion in additional goods and services would have been produced (Ginsburg, 1995). Unemployment also adds to the budget deficit. A sustained rise of only one percentage point in unemployment from 1995 through 2000 would cost the US treasury a cumulative loss of more than $400 billion (CBO, 1995: 78). Huffschmid makes similar points about Germany.

Unemployment simultaneously increases the need to maintain working-age people and diminishes the revenues to do so. The erosion of political solidarity can generate resentment, as fewer workers must support more jobless. The need to preserve work incentives is then used to justify benefit cuts and implicitly shift the blame for unemployment to its victims.

Similarly, nations with ageing populations project deficits in pension funds, then justify reductions in pensions because of a decrease in the ratio of workers to retirees. But demography is not necessarily destiny. Full employment means higher output and less need to support working-age people. It wound be far easier to provide for the elderly, some of whom might even prefer to work. Jobs for all at decent wages would prevent the decay of intergenerational bonds, so politically essential. This is especially necessary because so many youths are jobless or, as in the USA, earn considerably less than their parents did when they were young.

Although unemployment reduces the resources for a welfare state, weak protection is also an expression of the economic, political and ideological strength of elites. Currently, Ethan Kapstein of the influential (US) Council on Foreign Relations laments, 'Just when working people are most in need of the nation state as a buffer from the world economy, it is abandoning them' (Kapstein, 1996: 16). Unemployment, underemployment and/or low wages are now denying sufficient earnings to millions of people on both sides of the Atlantic. At the same time the welfare state is everywhere in retreat. Policy-makers ignore or seem to have forgotten the powerful countercyclical and economic stabilizing effects the welfare state has had since the Great Depression.

Rising unemployment and welfare state cuts go together. First Sweden abandoned its commitment to full employment. Though unemployment soared, cuts were made in unemployment insurance benefits, sick pay, parental insurance, pensions and child and housing allowances. In France and Germany, where unemployment has been high for more than a decade, the welfare state is under attack. In France, it took a general strike to thwart cuts in pensions of government workers. However, soon after, the French government proposed extensive cuts in the health care system. In Germany, the welfare state has been cut back for 20 years (Huffschmid, this issue).

In the USA, what was at best a 'semiwelfare state' (Katz, 1986) has been besieged since the late 1970s. This has affected almost all programs. When unemployment rates rose to double digits during the Reagan recession, extended unemployment insurance was cut. Currently, only about one-third of the unemployed actually collect benefits. Especially beleaguered is the social assistance that goes largely to single mothers and their children, over half of whom are black or Hispanic. Since 1975, the real value of these benefits has declined nationally by 37 percent (Center on Social Welfare Policy and Law, 1994: 8) and even more drastic changes were enacted in 1996. These include the elimination of the federal guarantee of cash assistance to poor children, which has existed since 1935, time limits for aid and stringent work requirements in a bleak job market for unskilled workers.

These countries shrinking benefits are rich, not poor. For most, their output per capita has risen (US Bureau of Labor Statistics, 1994: 26), even during the period of retrenchment. Despite their pleas of state impoverishment, much of it is self-imposed, even planned. US politicians cut taxes for the wealthy and stepped up defense spending – and then used the increased budget deficit as a pretext for diminishing, if not dismantling, the welfare state (Schlesinger, 1986: 241). From 1978 to 1992, tax cuts for the richest 1 million Americans are estimated to have added more than $1 trillion to the federal debt (McIntyre, 1991). Swedish tax reform favored the well-off and helped deplete the government's coffers. Then, to curb a burgeoning deficit, caused largely by tax reduction and rising unemployment, Sweden enacted social cuts. EU deficit and debt requirements are having a similar effect. Although the EU can force a member to bring down its public debt and deficit, it cannot force or even encourage a member to use public expenditures to reduce unemployment (see Huffschmid, this issue).

Progressive tax reform, increased output and government revenues from lower unemployment are some of the potential sources for additional funding of welfare states. Especially in the USA, funds could come from shrinking the military budget. Still bloated despite the end of the Cold War, in 1995 the US military budget was four times that of Russia and nearly 17 times as large as the combined military spending of the six nations (Iran, Iraq, Syria, North Korea, Libya and Cuba) often identified by the Pentagon as the most likely adversaries of the USA. France, the United Kingdom and Germany together spend more than twice what Russia spends on defense (*Defense Monitor*, 1995).

Reduction of benefits and public sector cutbacks are political decisions, not economic necessities. A dominant neo-liberal ideology favors public sector shrinkage, reducing tax burdens on business and the well-off, and budget balancing. This attack on full employment, the welfare state and living standards must be countered politically. Commitment to the welfare state and to full employment often have similar roots. In Britain, commitment to both stemmed from the solidarity needed to endure and win the Second World War. Whatever their origin in different countries, full employment and strong welfare states meant a considerable gain for working people and recognition of their power or potential power. After the war, the threat of communism in Europe contributed to support for full employment and welfare state policies. Now that it is no longer necessary to compete with socialism, European capitalists may feel freer to follow the American model.

The USA: A Model?

Most US workers have yet to gain from the global economy. Growing corporate power and an increasingly conservative political climate have led to continuing assaults on unions – membership is down to under 16 percent of employed workers. By 1996, before a modest increase, the real value of the legal minimum wage was near a 40-year low. Since 1979, 43 million jobs have disappeared, and while the total number has grown, the new ones pay, on average, less than the old (Whalen, 1996) and more US workers have no health benefits. Many high wage jobs have fled to low wage areas at home and abroad. Faced with unemployment and a tattered safety net, workers must often accept whatever jobs they can find, whether low paid, temporary or part-time instead of full-time. Some are working longer hours or holding down more than one job. By 1995, average real wages were down to their 1965 level (Whalen, 1996). In contrast, just since 1980, the pay of US chief executives has risen from 42 to 141 times (1995) that of the average production worker (*Business Week*, 1996). The executive pay gap is far larger than that of any other industrial country and is growing faster (Mishel and Bernstein, 1994: 185–7).

Eatwell (1995) regards many US low wage, low productivity jobs as 'disguised unemployment', generally associated with poor countries. Yet many Europeans talk of 'flexibility' and 'lower costs', and envy what they consider low US unemployment. But is it? In 1995, the official rate averaged 5.6 percent, or some 7.5 million people. But this excludes another 5.7 million who wanted jobs but were not actively searching for them, as well as 4.5 million forced to work part-time because they could not find full-time work (US Bureau of Labor Statistics, 1996: Table 1, 19, 35). Had they been included, the jobless rate would have more than doubled, to over 12 percent. The average also does not reveal the very high black and Hispanic unemployment, rising to 36 percent for black youths. The looseness of the US labor market is repeatedly demonstrated by job vacancy surveys that find several job seekers for each job even in cities with below average unemployment. Also, the US imprisonment rate is about ten times Europe's. The rapidly rising US prison population, 1.6 million in 1995, has doubled in a decade. Prisoners are disproportionately comprised of minority men and youths with high unemployment and dismal labor market prospects. Not unrelated, public jobs in criminal justice absorb 2 percent of US employment (Baxandall, 1996), and that does not include huge private security forces. Prisons are the fastest growth item in most state budgets (Butterfield, 1996). Most European nations have relatively more long-term unemployment than the USA (Layard), but millions of working men have simply disappeared from the official US labor force statistics (Thurow, 1996). Moreover, repeated bouts of short-term unemployment are common. These may push people to the economic and social margins.

However one interprets US unemployment and low wages, their effects, combined with low social benefits, are rates of poverty and inequality unequaled among the wealthy nations. In 1994, 30 percent of blacks and Hispanics and over two-fifths of single-mother families fell below the country's low poverty standard; so did more than one-fifth of American children (US Bureau of the Census, 1996). Using a standardized measure, poverty rates for families with children in the mid-1980s were 24 percent in the USA, nearly double that of the United Kingdom, and more than triple that of West Germany and Sweden (Smeeding and Rainwater, 1991). For single-parent families the rates ranged from 53.3 percent in the USA to 5.5 percent in Sweden, and the feminization of poverty had progressed further in the USA than in other industrialized countries (Goldberg and Kremen, 1990). Income inequality in the USA is high and increasing. In 1994, the richest one-fifth of all households had almost 14 times the share of the bottom fifth (US Bureau of the Census, 1996); neither Japan nor any wealthy European nation comes close to that income gap (Atkinson et al., 1995). Consider the social problems associated with these conditions: high rates of teenage pregnancy, high crime rates, deteriorating school performance and, contrary to the prevailing wisdom about inequality and efficiency, even low rates of economic and productivity growth (Glyn and Miliband, 1994; Persson and Tabellini, 1994; Weatherley, 1987; Hagan, 1994). Income distribution is the most important explanation of differences in average life span among countries (Wilkinson, 1994). Thus, despite the highest per capita health expenditures in the world, the USA ranks 21st among the nations in life expectancy at birth (UNDP, 1996). In a country with no universal health system, more Americans than ever – about 40 million – lack health care coverage.

The USA is still the world's richest nation in terms of production. But GDP is neither fairly distributed nor wisely used. The Genuine Progress Indicator (GPI), a measure that includes some costs of crime, inequality and pollution, tells another story. Since 1970, there has been a wide and growing divergence between GDP and GPI. That explains some of the malaise so many Americans feel, despite official claims of economic progress (Cobb et al., 1995). While corporate chiefs and conservative policy-makers may think that it is good bargaining to offer workers either low wages and benefits or insufficient jobs, that is a false choice. If it were so, low wage Spain would not have Europe's highest unemployment, and Margaret Thatcher would have brought the UK to full employment. Those who opt for the current US model should understand what else they may be choosing.

Full Employment: Policies and Politics for a Global World

Globalization has reduced the power of nations to manage their economies and thus to achieve full employment. According to the ILO, capital mobility, both financial and corporate, weakens governments' control over interest rates and currency values, and reduces their ability to affect national levels of investment. Resource mobility has also limited their power to impose taxes and thus to support higher expenditures (ILO, 1995: 69). Footloose corporations, increasingly unaccountable to any elected government and its laws, play nations and workers against each other to try to increase profits by lowering taxes, public spending, wages and labor and environmental standards. As more investment decisions are shifted to markets, economies are made more dependent on corporate willingness to invest. This and corporate mobility puts nations, communities and workers in competition, so they must pay more attention to corporate demands. The activity of international institutions such as the EU, the WTO or the World Bank is also shaped by corporate interests. In this game, corporations, currency manipulators and the wealthy are the winners; workers and other ordinary people are the losers.

Conventional wisdom ordains that full employment is unattainable – a relic of a bygone era. However, while it is now more difficult, full employment is still achievable. What can governments do? One possibility is a Global New Deal. For example, the Trade Union Advisory Committee (TUAC) to the OECD recently proposed an 'Alliance for Employment', with simultaneous expansion by the G-7 countries. This would, together with other policies, cut interest rates, regulate financial markets and tax international currency transactions, which would restrain speculation (Huffschmid believes this tax could be applied even in one large country). Some economists have recommended a variety of capital controls (Akyüz and Cornford, 1995). The TUAC (1996) also proposes investment in environmental improvement, providing jobs for youth and the long-term unemployed, and safeguarding income security.

The TUAC has also called for a new program of sustainable growth in poor countries financed multilaterally by rich countries, and backed by trade and investment rules to link economic development with social goals. This could be a major step toward increasing jobs in both sets of countries. The developing world is an enormous potential market, but the poorest countries are poor customers without means of payment. Debt relief is sorely needed.

Global trade and capital agreements should include standards for the environment and labor. Changes are also needed to regulate corporate behavior toward unions, the environment and taxes. Labor rights are particularly important in eliminating discrepancies in standards as a basis for competition in global markets to curb a race to the bottom. The principle of universally applicable labor rights is a vital component of a decent world economic order, and fully consistent with full employment (TUAC, 1996).

Although we have repeatedly mentioned slow growth as a factor causing major employment problems, we do not propose growth for its own sake. Our vision of full employment gives priority to jobs that are useful and environmentally sustainable. At the national level, expansionary policies, with emphasis on human services, education, infrastructure and environmental improvement, are appropriate. Many of these are in the public sector. Happily, jobs that serve unmet human needs tend to be more labor intensive and environmentally benign as well. A more equal income distribution would stimulate domestic demand, an important source of job growth that has been neglected in favour of exports. However, until we get rid of deficit fixation and renegotiate Maastricht and other treaties, these steps are unlikely. They are also unlikely so long as slow growth and unemployment are used as tools against inflation.

Many technical tools are already available to attain full employment and, with a will to do so, others can be discovered. When US elites wanted to send a human being to the moon or to develop high-tech weapons – both of dubious benefit – major research efforts were made; when medical scientists lack a cure for an epidemic disease, research funds are provided. But when faced with unemployment, some economists, governments and the corporate interests they often reflect proclaim it cannot be cured or it does not exist or it is 'natural'.

The Kreisky Commission (Commission on Employment Issues in Europe, 1989), which studied European unemployment a decade ago, concluded that the chief barrier to full employment is political, not economic. We agree. Employment and living standards must be increased, especially for the poorest, in both rich and poor countries. The power of global capital should not paralyze our will to change policies both nationally and internationally. Governments still have power. Indeed, the governments of rich countries have rewritten national and global rules to privilege short-term private interests over the long-term needs of their people. They can reverse these rule changes. To make a balanced budget or EU convergence criteria the driving force of economic policy and then cry helplessness is analogous to a son who murders his parents and then asks for sympathy as an orphan.

However, policies to reduce unemployment will not be implemented without enormous political pressure for change at the national level, where many governments have become captive to business and financial interests. Nationally, it is easier to organize, and politicians are more accountable. If governments are not challenged at the national level, why would they change their ways at the international level? So it is necessary to work for change at both levels, with international cooperation to increase political leverage and even plan joint actions.

This political struggle will take different forms. Changes in the leadership of the US labor movement may be a sign that an almost moribund movement will play a more active role; and France and Germany have shown that large-scale labor action with strong public support can challenge moves to weaken social protections. But everywhere there is a need for commitment to making full employment and a strong welfare state the central aim of economic policy-making. This often means that groups must link up that have not always worked together: labor, environmentalists, women, minorities and immigrants.

Eventually, the entrenched power of transnational corporations must be challenged by the counterpower of new or revitalized movements and parties committed to full employment and social justice. As intellectuals, we have a special responsibility. During the nuclear bomb-testing era, scientists everywhere helped to inform the public of the dangers of testing and to condemn it as immoral. In speaking truth to power, their message inspired others to believe that something could be done, and to create a mass movement against testing. During the Vietnam War, many US academics exposed the government's misinformation. They wrote and sponsored teach-ins, and thereby played an important role in the antiwar movement. Intellectuals could play a similar role in the struggle for full employment. By dispelling economic dogmas and providing feasible programs, they may inspire others to work for what they thought was hopeless.

This is already happening in some countries, where groups of social scientists and others have come together to undertake such a task. We, the guest editors, helped to launch the National Jobs for All Coalition (NJFAC), with academics as well as labor, community, religious and other individuals and organizations. The Coalition provides popular educational material, holds forums, plans demonstrations, stimulates citizen action and has proposed an extensive program to move the USA toward full employment (Collins et al., 1994; NJFAC, 1995). In the UK, the Employment Policy Institute, formed by economists, has issued a full employment program, and the Full Employment Forum, made up of academics, trade unionists and Labour Party politicians, educates and aims to convince the Labour Party to make full employment its central goal. A network of about 800 German economists, the Working Group for Alternative Economic Policy (Arbeitsgruppe Alternative Wirtschaftspolitik), that Jörg Huffschmid and others helped to form in the 1970s, issues a comprehensive annual report that includes policies needed to increase employment. The network also established contacts among critical economists across Europe with an eye to formulating a joint proposal for a new economic policy for Europe. We would welcome knowing about other such groups, and will share information with anyone planning to establish one.[2]

We also want to hear from others interested in calling an international meeting led by academics and other allies to dramatize the employment crisis. Respected social scientists could put their weight behind what the ILO (1995: Part 5) has already concluded: that unemployment is 'morally unacceptable and economically irrational', since it causes wasted resources and tremendous suffering. The consequences have been 'growing social exclusion, rising inequality between and within nations and a host of social ills' that cannot be solved without productive employment. In commenting on the global economy in the journal of the US foreign policy establishment, Kapstein (1996) warns that 'the world may be moving inexorably toward one of those tragic moments that will lead historians to ask, why was nothing done in time?' But if social scientists raise their voices to say that full employment is achievable and would secure the welfare state, they can help stimulate a movement that could turn the tide.

Notes

1. This section draws heavily on Ginsburg (1993).
2. Contact Professor Helen Lachs Ginsburg, Department of Economics, Brooklyn College, Brooklyn, NY 11210, USA; telephone:+1-718-951-5317; fax: +1-718-951-4867; or email Professor June Zaccone [ecojmz@vaxc.hofstra.edu].

References

Akyüz, Y. and A. Cornford (1995) 'International Capital Movements: Some Proposals for Reform', pp.172–96 in J. Michie and J. Grieve Smith (eds) *Managing the Global Economy*. Oxford: Oxford University Press.

Aronowitz, S. and W. DeFazio (1994) *The Jobless Future*. Minneapolis: University of Minnesota Press.

Atkinson, A.B., L. Rainwater and T. Smeeding (1995) *Income Distribution in OECD Countries: Evidence from the Luxembourg Income Study*. Paris: OECD.

Baxandall, P. (1996) 'Jobs vs Wages: The Phony Trade-Off', *Dollars and Sense* 206 (July/August): 8–11, 42.

Berry, R., M. Kitson and J. Michie (1995) *Toward Full Employment: The First Million Jobs*. London: The Full Employment Forum.

Beveridge, W.H. (1944) *Full Employment in a Free Society*. London: Allen and Unwin.

Bhagwati, J. and V. Dehejia (1993) 'Free Trade and Wages of the Unskilled', in J. Bhagwati and M. Kosters (eds) *Trade and Wages*. Washington, DC: American Enterprise Institute.

Bregger, J.E. and S.E. Haugen (1995) 'BLS Introduces New Range of Alternative Unemployment Measures', *Monthly Labor Review* 118(8): 19–26.

Business Week (1996) 'How High Can CEO Pay Go?', 22 April: 100–6.

Butterfield, F. (1996) 'Prison: Where the Money Is', *The New York Times* 2 June (Section 4): 16.

Canova, T. (1994) 'The Swedish Model Betrayed', *Challenge* May/June: 36–40.

Center on Social Welfare Policy and Law (1994) *Living at the Bottom*. New York: Center on Social Welfare Policy and Law.

Cobb, C., T. Halstead and J. Rowe (1995) 'If GDP Is Up, Why Is America Down?', *Atlantic Monthly* October: 59–78.

Collins, S., H.L. Ginsburg and G.S. Goldberg (1994) *Jobs for All: A Plan for the Revitalization of America*. New York: Apex Press.

Commission on Employment Issues in Europe (1989) *A Program for Full Employment in the 1990s: Report of the Kreisky Commission*. Oxford: Pergamon Press.

CBO (Congressional Budget Office) (1995) *The Economic and Budget Outlook: Fiscal Years 1996–2000*. Washington, DC: CBO.

Dauber-Gmelin, H. (1980) 'Equal Opportunity for Women in West Germany Today', pp. 329–429 in R.S. Ratner (ed.) *Equal Opportunity Policy for Women: Strategies for Implementation in the United States, Canada, and Western Europe*. Philadelphia: Temple University Press.

Defense Monitor (1995) 'Balanced Budget, Unbalanced Priorities?', *Defense Monitor* 24(7):2.

Eatwell, J. (1995) 'Disguised Unemployment: The G7 Experience', paper based on a report to UNCTAD.

Edin, P.O. and D. Andersson (1995) *7 Myths About Sweden's Economic Crisis*. Stockholm: Swedish Trade Union Federation.

Eisner, R. (1995) 'Our NAIRU Limit: The Governing Myth of Economic Policy', *The American Prospect* Spring: 58–63.

Ginsburg, H. (1983) *Full Employment and Public Policy: The United States and Sweden*. Lexington, MA: Lexington Books.

Ginsburg, H. (1991) 'Changing Concepts of Full Employment: Divergent Concepts, Divergent Goals', *International Journal of Sociology and Social Policy* 11(1/2/3): 18–28.

Ginsburg, H. (1993) 'Jobs for All: Values, Concepts and Policies in the United States, Germany and Sweden', paper presented at the Columbia University Seminar on Full Employment, October.

Ginsburg, H. (1995) *Uncommon Sense*, Parts 1 and 2. New York: National Jobs for All Coalition.

Glyn, A. and D. Miliband (eds) (1994) *Paying for Inequality: The Economic Cost of Social Injustice*. London: IPPR/Rivers Oram Press.

Goldberg, G.S. and E. Kremen (1990) *The Feminization of Poverty: Only in America*. New York: Praeger.

Gordon, D. (1996) *Fat and Mean*. New York: The Free Press.

Gross, B. (1991) 'From Fool Employment to Human Rights', *International Journal of Sociology and Social Policy* 11(1/2/3): 171–91.

Grunberg, I. (1996) *Rival States, Rival Firms: How do People Fit in? The Global Unemployment Challenge*, Discussion Paper Series 4. New York: United Nations, United Nations Development Programme.

Guttmann, R. (1994) *How Credit-Money Shapes the Economy*. Armonk, NY: M.E. Sharpe.

Hagan, J. (1994) 'Crime, Inequality and Inefficiency', pp. 80–99 in A. Glyn and D. Miliband (eds) *Paying for Inequality: The Economic Cost of Social Injustice*. London: IPPR/Rivers Oram Press.

Harvey, P. (1989) *Securing the Right to Employment: Social Welfare Policy and the Unemployed in the United States*. Princeton, NJ: Princeton University Press.

Hermele, K. (1993) 'The End of the Middle Road: What Happened to the Swedish Model?', *Monthly Review* March: 14–24.

ILO (International Labour Organization) (1994) *World Labor Report*. Geneva: ILO.

ILO (International Labour Organization) (1995) *World Employment Report*. Geneva: ILO.

Kapstein, E.B. (1996) 'Workers and the World Economy', *Foreign Affairs* 75 (May/June): 16–37.

Kassalow, E.M. (1969) *Trade Unions and Industrial Relations: An International Comparison*. New York: Random House.

Katz, M.B. (1986) *In the Shadow of the Poorhouse: A Social History of Welfare in America*. New York: Basic Books.

Krugman, P.R. and R.Z. Lawrence (1994) 'Trade, Jobs and Wages', *Scientific American* April: 44–9.

McIntyre, R.S. (1991) *Inequality and the Federal Budget Deficit*. Washington, DC: Citizens for Tax Justice.

Meidner, R. (1993) 'Why Did the Swedish Model Fail?', pp. 211–27 in R. Miliband and L. Panitch (eds) *Real Problems, False Solutions, Socialist Register 1993*. London: Merlin Press.

Mishel, L. and J. Bernstein (1994) *The State of Working America 1994–95*. Armonk, NY: M.E. Sharpe.

NCCB (National Conference of Catholic Bishops) (1986) *Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the US Economy*. Washington, DC: NCCB.

Nixon, R.A. (1973) 'The Historical Development of the Conception and Implementation of Full Employment as Economic Policy', pp. 9–27 in A. Gartner, R.A. Nixon and F. Riessman (eds) *Public Service Employment: An Analysis of its History, Problems and Prospects*. New York: Praeger.

NJFAC (National Jobs For All Coalition) (1995) *A Growth Agenda that Works: A Program for Sustainable Economic Growth and Development*. New York: NJFAC.

OECD (1995a) *Historical Statistics, 1960–1993*. Paris: OECD.

OECD (1995b) *Revenue Statistics of OECD Member Countries 1965–1994*. Paris: OECD.

OECD (1996) *Main Economic Indicators* (April). Paris: OECD.

Persson, T. and G. Tabellini (1994) 'Is Inequality Harmful for Growth?', *American Economic Review* 84 (June): 600–21.

Rifkin, J. (1995) *The End of Work*. New York: G.P. Putnam.

Rose, N.E. (1994) *Put to Work: Relief Programs in the Great Depression*. New York: Monthly Review Press.

Sachs, J.D. and H.J. Shatz (1994) 'Trade and Jobs in US Manufacturing', *Brookings Papers on Economic Activity* 1: 1–69.

Schlesinger, A.M., Jr (1986) *The Cycles of American History*. Boston, MA: Houghton Mifflin.

Schuster, D. (1985) *The German Trade Union Movement*. Bonn: DGB, Friedrich-Ebert Stifftung.

Smeeding, T.M. and L. Rainwater (1991) 'Cross-National Trends in Income, Poverty, and Dependency: The Evidence for Young Adults in the 80s', Working Paper 67. Syracuse, NY: Syracuse University, Center for Policy Research.

Solow, R.M. (1994) 'Is All That European Unemployment Necessary?', Robbins Lecture.

Sorrentino, C. (1995) 'International Unemployment Indicators, 1983–1993', *Monthly Labor Review* 118(8): 31–50.

Thurow, L. (1996) 'The Crusade That's Killing Prosperity', *The American Prospect* No. 25 (March/April): 54–9.

TUAC (Trade Union Advisory Committee to the OECD) (1996) 'Trade Union Statement to the Lille G-7 Employment Conference', TUAC/OECD, Paris, April.

Turgeon, L. (1996) *Bastard Keynesianism*. Westport, CT: Greenwood Press.

UNCTAD (United Nations Conference on Trade and Development) (1995) *World Investment Report 1995*. New York: United Nations.

UNDP (United Nations Development Programme) (1996) *Human Development Report 1996*. New York: Oxford University Press.

US Bureau of Labor Statistics (1994) *Supplementary Tables to Comparative Real Gross Domestic Product Per Capita and Per Employed Person: Fourteen Countries, 1960–1992*, (March). Washington, DC: US Department of Labor.

US Bureau of Labor Statistics (1996) *Employment and Earnings* 43 (January). Washington, DC: US Department of Labor.

US Bureau of the Census (1996) *Income, Poverty, and Valuation of Noncash Benefits: 1994. Current Population Reports*, Series P60–189. Washington, DC: US Government Printing Office.

Vickrey, W. (1993) 'Today's Task for Economists', *American Economic Review* 83 (March): 1–10.

Weatherley, R.A. (1987) 'Teenage Pregnancy, Professional Agendas and Problem Definitions', *Journal of Sociology and Social Welfare* 14: 5–35.

Whalen, C. (1996) 'High Anxiety: Economic Insecurity and Jobs for All', *Uncommon Sense*, Part 11. New York: National Jobs For All Coalition.

Wilkinson, R. (1994) 'Health, Redistribution and Growth', in A. Glyn and D. Miliband (eds) *Paying for Inequality: The Economic Costs of Social Injustice*. London: IPPR/Rivers Oram Press.

Wood, A. (1994) *North–South Trade, Employment and Inequality*. Oxford: Clarendon Press.

World Bank (1995) *World Development Report 1995: Workers in an Integrating World*. New York: Oxford University Press.

Helen Lachs Ginsburg
is Professor Emerita of Economics, Brooklyn College – City University of New York. Her most recent books are *Jobs For All: A Plan for the Revitalization of America* (co-author) and *Full Employment and Public Policy: The United States and Sweden*.

June Zaccone
is Associate Professor Emerita of Economics at Hofstra University with

interests in development economics, international trade and macroeconomics. She is editor of the National Jobs For All Coalition's *Uncommon Sense* series.

Gertrude Schaffner Goldberg
is Associate Professor and Director, The Center for Social Policy, Adelphi University School of Social Work. Her most recent books are *Jobs For All: A Plan for the Revitalization of America* (co-author) and *The Feminization of Poverty: Only in America?* (co-author).

Sheila D. Collins
is Associate Professor and Chair of Political Science, William Paterson College. Her most recent books are *Let Them Eat Ketchup! The Politics of Poverty and Inequality* and *Jobs For All: A Plan for the Revitalization of America* (co-author).

Sumner M. Rosen
is Professor Emeritus of Social Policy, Columbia University and Visiting Fellow, Cornell University School of Industrial and Labor Relations.

The guest editors are founding members of the Columbia University Seminar on Full Employment, which Rosen co-chairs, and the National Jobs For All Coalition, which Goldberg chairs.