



PUBLIC SERVICE EMPLOYMENT

A Path to Full Employment

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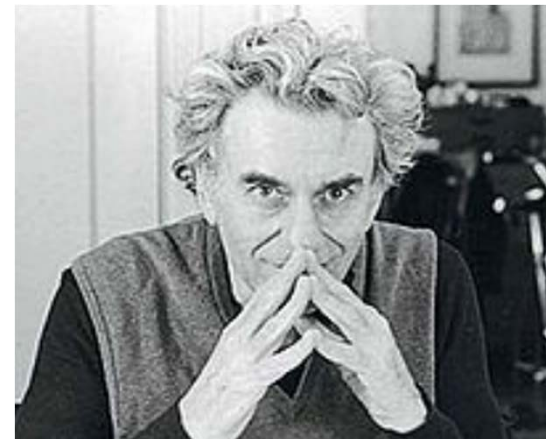


Report co-authored with L. Randall Wray: Senior Scholar, Levy Economics Institute; Flavia Dantas: Associate Professor of Economics, SUNY Cortland; Scott T. Fullwiler: Associate Professor, University of Missouri-Kansas City; and Stephanie Kelton, Professor of Public Policy and Economics, Stony Brook University



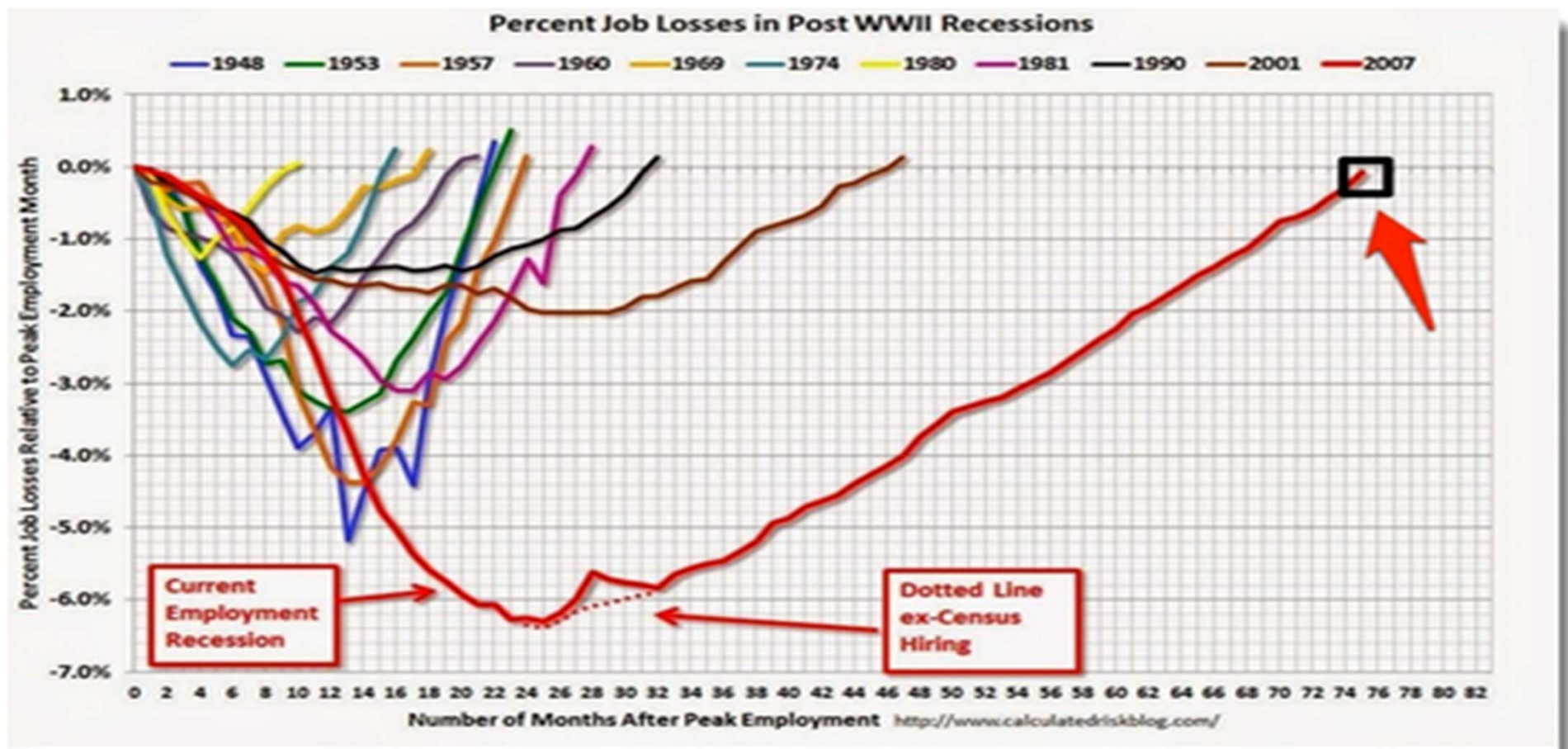
Minsky on Employment

- The failure of the current approach
 - Aggregate demand management, pro-investment, pro-growth orientation
 - Financial Instability
 - Inherently heterogeneous labor markets
 - Chronic unemployment
 - Paradox: labor shortages, while millions are seeking work
 - Inequality





Jobless Recoveries

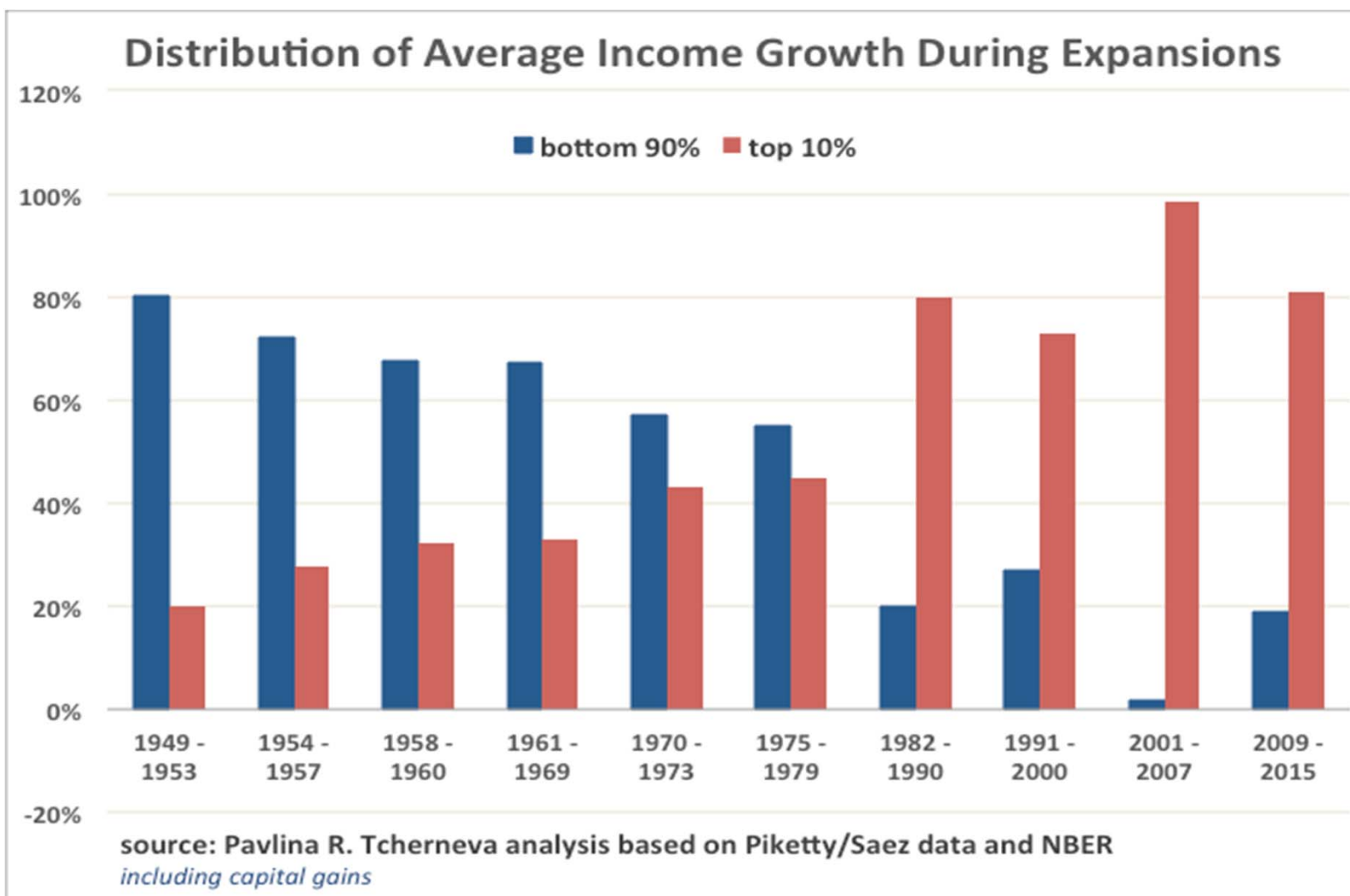




Chronic

Map of Unemployment, 1990-2016

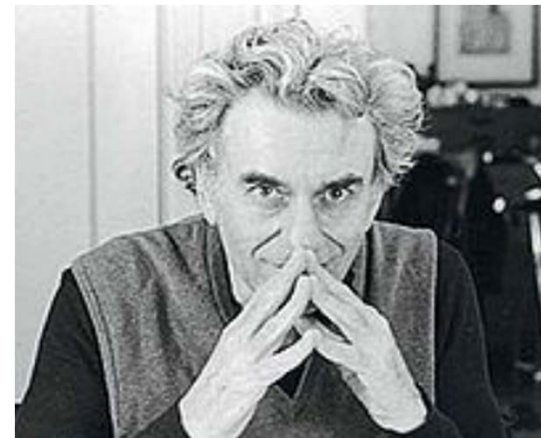
https://www.youtube.com/watch?v=shqJR_0Wdrl





Minsky on Employment

- The alternative
 - Direct employment via the Employer of Last Resort
 - An infinitely elastic demand for labor at a base wage
 - A bubble-up approach
- Our reinterpretation
 - “Public Service Employment: a Path to Full Employment”





Our Proposal

- A **public option** for jobs offering decent work at decent pay
- **Permanent** program
 - part of bold **structural** reform agenda
 - **Federally** funded, **locally** administered
- **Universal** access
 - **Voluntary** employment opportunities **on demand**
 - **Open to all** people of legal working age who want to work, irrespective of labor market status, race, sex, color, or creed
- **Good jobs**
 - A **living wage** (\$15/hr + basic benefits) for **public service** work in the community
- An employment **safety-net** and a **transitional** job opportunity





What it is Not

- Not compulsory workfare
- Not a handout or make work
- Not temporary
- Not 100% employment
- Not based on the NAIRU
 - Doesn't target a specific labor force participation rate or # of people
- Not “just another infrastructure program”





Benefits from the Direct Approach



- Full employment
- Softer business cycles (unemployment vs. employment buffer stocks)
- Secure wage floor and a labor standard
- Distressed areas
- Pre-distribution (strengthening labor share of income)
- Prevention, not just cure
- Social costs of unemployment
- Part of a broader policy agenda (not a panacea)



How Our Proposal Differs from Others

- **Simpler**
 - Jobs for all, not NAIRU; Direct/targeted employment not subsidies/incentives
 - Focus on chronic unemployment and most serious unemployment problems
- **Uniform base wage**
 - “a high quality anchor” vs. weak tiered wage structure
 - Less disruptive impact on private sector employment and wages
- **Greater economic stability**
 - Superior buffer stock
 - Lower inflationary impact
- **Locally run**
 - State, Local and Non-profit employment vs. Federal
- **Not “another infrastructure program”**
 - Small vs. large scale projects



What Would It Look Like in the US?





How?

- Preparedness Response
 - Modeled after the CDC's Strategic National Stockpile (SNS)
 - **The Community Jobs Bank** (which warehouse the “on-the-shelf” jobs)
- Funding Mechanism modeled after Disaster Emergency Relief
 - **Unemployment Relief Fund**
 - **Disaster Unemployment Assistance**





Who?

- Department of Labor
- States and Municipalities
- One-Stop Job Centers (aka Unemployment Offices)
- Public Institutions and Community Groups
- NGOs and Social Entrepreneurial Ventures





What?

- **National Care Act**

- care for the environment
- care for the community
- care for the people

- The **Community Jobs Bank** will include a list of:

- monitoring programs
- rehabilitation programs
- public investment programs





Care for the Environment



- **21st century CCC and Tree Army**
- **Soil erosion, flood control**, environmental surveys
- **specie** monitoring, removal of **invasive species**
- **sustainable** agriculture practices to address the “**food desert**” problem
- support for local **fisheries**, CSAs, **rooftop gardens**, tree planting
- **park** maintenance and renewal, small-scale **irrigation** systems
- anti-salinization, storage of runoff waters, **land terracing**
- fire and other **disaster prevention** measures, **weatherization**, composting, etc.



Care for the Community



- **cleanup** of vacant properties, reclaiming materials
- **restoration** and other small infrastructure investments
- **school gardens** and **urban farms**
- **co-working spaces**, **solar** arrays, **tool libraries**, classes and programs
- community **theaters**, **oral histories** projects
- building of playgrounds, pedestrian areas, **bike lanes**
- organizing car-pooling programs, **recycling**, water recycling and reuse programs
- **Beautification** projects



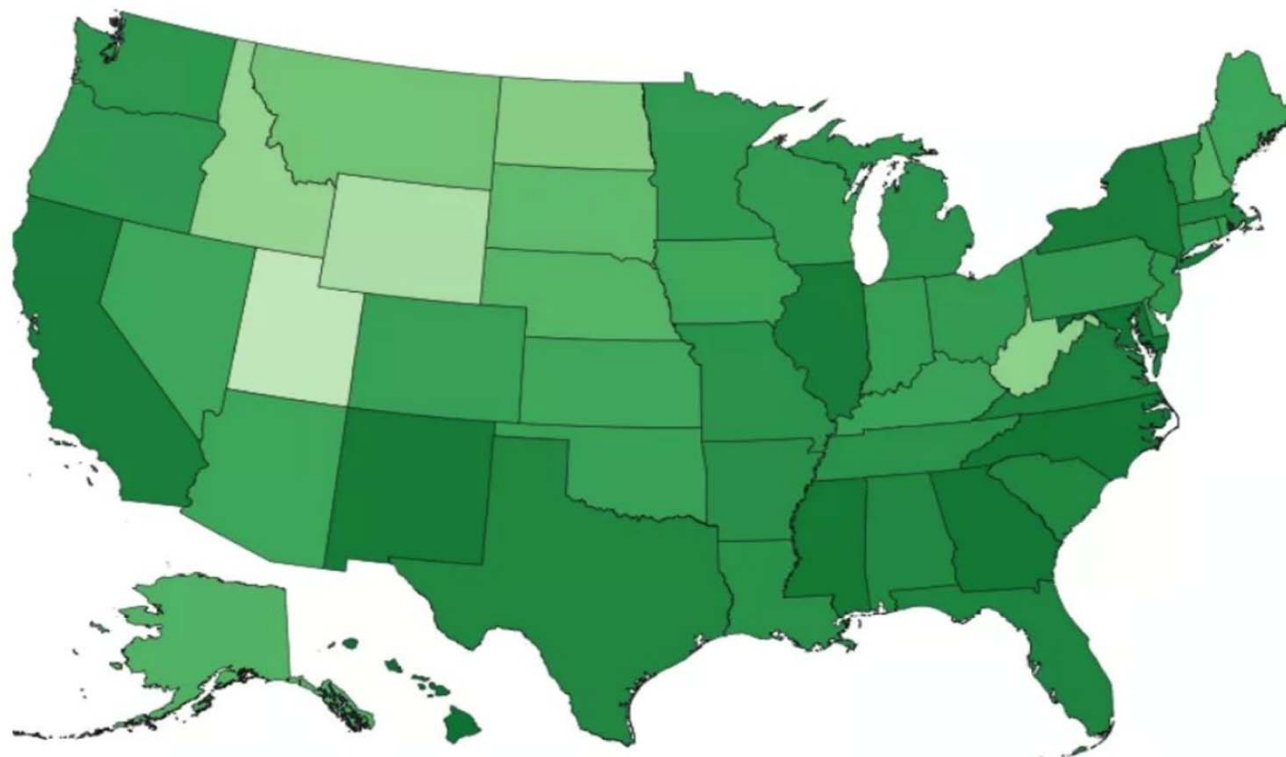
Care for the People



- **afterschool** activities, extended day programs
- **shadowing** and assisting teachers, coaches, hospice workers, librarians
- **nutrition surveys, health awareness** programs for young parents
- **outreach** programs for **veterans, at-risk-youth, former inmates**
- **urban campuses, co-ops, classes and training, apprenticeships** in:
 - sustainable agriculture, and all of the above-mentioned community care jobs, training new generation of urban teachers, artists and artisans, makers, inventors



Support Job Guarantee



DATA FOR **PROGRESS**

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