PUBLIC SERVICE EMPLOYMENT
A Path to Full Employment

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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

Percent Job Losses in Post WWII Recessions

- Current Employment Recession
- Dotted Line ex-Census Hiring

Number of Months After Peak Employment

http://www.calculatedriskblog.com/
Map of Unemployment, 1990-2016

https://www.youtube.com/watch?v=shqJR_OWdrl
Distribution of Average Income Growth During Expansions

- bottom 90%
- top 10%

source: Pavlina R. Tcherneva analysis based on Piketty/Saez data and NBER
including capital gains
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 CDCs 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