

## Chapter 1

# *The Right to a Job* *The First Amendment*

### PROBLEM

A difficult truth for both liberals and conservatives is that capitalism does not produce enough jobs to employ all the people who want to work. Liberals don't like to hear that capitalism does not produce enough jobs because their solution to reducing poverty and inequality focuses on equal opportunity. Over the past fifty years, liberals have argued that if you provide equal opportunity, all people, including the working class and poor, will have the ability to move up the economic ladder. In fact, almost all of the War on Poverty programs were based on equal opportunity. Underlying the War on Poverty was the belief that there was not something wrong with American-style capitalism, but rather extreme inequality and poverty could be solved if people were educated through projects such as Head Start, Follow Through, Upward Bound, Job Corps, and VISTA, while at the same time removing racist structures. For liberals, equal opportunity has been the panacea.

Yet, the problem with the economic opportunity model is that it fails to acknowledge that even in good economic times, the unemployment rate for Americans living in poverty tends to be much higher than those of the middle and upper classes. And when the economy is bad, like during the Great Recession of 2007–2009, this unemployment gap becomes even larger. For example, during that recession the unemployment rate was just 3.2 percent for

households making \$150,000 or more and 4 percent for households making \$100,000–\$149,000, in comparison to a 19.1 percent unemployment rate for households making \$12,500 to \$20,000, and a staggering 30.8 percent for those under \$12,499. Thus, while the unemployment rate of the upper middle class and rich was relatively low, the rate for working-class and poor Americans approached Great Depression levels. Interestingly, King’s curious formula still applies, for in 2012 white unemployment was 7 percent, compared to 14 percent for black unemployment. Thus, no matter how much education people have or how many racial barriers are torn down, industrial capitalism does not produce enough jobs to employ all the people who would like to work.<sup>1</sup>

At the same time, conservatives don’t like to hear that capitalism does not produce enough jobs. This is difficult for conservatives to accept because they have an undying belief in the power of the individual and personal responsibility. And while people need to take responsibility for their own lives and work hard to achieve their goals, it must also be recognized that there is a flaw in the American capitalist system, since no matter how hard one works, the unemployment rate for the working class and poor is high, as witnessed in the prior example. In addition, even when modern capitalism has been in “recovery,” as in the early 1990s, early 2000s, and from 2010 to 2014, it has been a “jobless recovery” due to technological advances that have replaced humans with machines and the outsourcing of jobs. In June 2014, after more than four years of economic recovery, there are still 9.5 million Americans unemployed, with 3.8 million who have been out of work for six months or longer.<sup>2</sup>

This jobs crisis is hidden from public view due to the way in which the unemployment rate is calculated, which counts people as unemployed only if they don’t have a job and have looked for employment in the past four weeks. For example, in June 2013, the overall unemployment rate was 7.6 percent, which is not great, but it is much better than the 10 percent unemployment rate during 2009 and 2010. However, if the unemployment rate took into account the people who want a job but haven’t looked for the past four weeks or who took a part-time job because they couldn’t find full-time employment, the unemployment rate almost doubles to 14.3 percent. Thus, the method for calculating the rate of unemployment underestimates the true nature of our jobs crisis.<sup>3</sup>

In the end, both liberals and conservatives do not see the flaw within the American capitalist system. To correct this wrong, there must be a new right, and it is the right to a job. Recognizing the principle of a right to a job does not undermine the nation’s work ethic or the importance of education. However, these alone will not solve poverty and excessive inequality: a right to a job will. Only by recognizing that a job is a right will the United States take a major step in ending poverty and extreme inequality. Historically, this

right to a job has been expressed through public works, where the government hires people directly or funds businesses to conduct public works projects. At the same time, the right to a job is different from the right to a living-wage job. This latter point will be discussed in Chapter 2.

As stated earlier, progressivism recognizes that economic and social structures are responsible for the social problems of the day, and that social reforms can solve them. The Economic Bill of Rights is within this historical tradition of progressivism since it moves beyond the liberal-conservative shortcomings stated earlier and potentially can unite Americans in the belief that in order to be able to pursue life, liberty, and happiness, the US democratic, capitalist system must be reformed because our current system does not produce enough jobs for all. Clearly, this right to a job through public works is something that both political parties can embrace, for not only the most famous Democrat of the twentieth century supported it, but also one of the most famous Republicans, Ronald Reagan. President Reagan supported public works because it provided socially useful projects and jobs, including one for his father during the Great Depression. Reagan stated, “Now a lot of people remember [the WPA] as boondoggles and raking leaves. . . . Maybe in some places it was. Maybe in the big city machines or something. But I can take you to our town and show you things, like a riverfront that I used to hike through once that was a swamp and is now a beautiful park-like place built by the WPA.” Roosevelt’s and Reagan’s support shows that public works is perhaps the best solution to achieve full employment.<sup>4</sup>

## SOLUTION

The solution to the “wrong” of not enough jobs is the right to a job. This right is based in the belief that there should be jobs for all Americans who want to work. The right to a job is not anticapitalistic, but rather it fixes capitalism’s weakness of not producing enough jobs for all who want to work. In other words, it solves the problem of structural unemployment. The most common public policy that has been suggested to achieve this constitutional commitment of a right to a job has been public works.

## THE HISTORY OF THE RIGHT TO A JOB THROUGH PUBLIC WORKS PROJECTS

Public works has a long history in the United States. The term refers to when the government takes an active role in hiring people who are unemployed. Historically, Americans have turned to public works during an economic crisis when unemployment is high and the private sector has been unable

to create enough jobs. However, in order to make a right to a job a reality, public works must be employed not just when the economy goes through cyclical levels of high unemployment; it must also be used to counteract the structural unemployment caused by capitalism.

In the late nineteenth century, cities created local jobs for the unemployed such as street paving, street cleaning, and sewer construction. Jacob Coxey took this idea to the national level when he called upon the United States in 1893 to employ the unemployed by building roads and civic buildings. Although Coxey and his followers were unsuccessful in convincing Congress to act, his idea found expression forty years later in Roosevelt's New Deal public works programs.

Historically, there have been two different types of public works projects. The first type was federally operated, which means that the government directly hired unemployed workers. Examples of this type of public works project are the Civilian Works Administration (CWA), which employed 4.3 million workers from 1933 to 1934; the Works Progress Administration (WPA), which employed 8.5 million workers from 1935 to 1943; and the Civilian Conservation Corps (CCC), which employed 3.5 million eighteen- to twenty-five-year-olds from 1933 to 1941. The other type of public works project was government funded but operated by private contractors. This was how the Public Works Administration (PWA) operated, which hired about 221,000 workers each year, or about one-eighth of all New Deal public workers. There has since been much analysis of which type of plan was more successful. While any modern-day public works agenda should consider both types, there is no question that if the goal is to hire the greatest number of people, the federally run program is more effective at hiring large numbers of the unemployed.<sup>5</sup>

New Deal public works of the CWA, PWA, WPA, and CCC—this alphabet soup of programs—injected \$336 billion in 2008 dollars into the economy, hired over 10 million people, and in combination with other New Deal initiatives cut unemployment from almost 24 percent in 1933 to 10 percent by 1940. This 13.6 percent decrease was the single greatest drop in the unemployment rate in US history. In addition to reducing unemployment and poverty, New Deal public works built or repaired over 2,500 hospitals, 9,000 parks, 43,000 schools, 125,000 bridges, and almost 1 million miles of highways and roads, and they stocked 1 billion fish and planted 3 billion trees. Public workers literally built the infrastructure that we still utilize. Importantly, the New Deal public workers did more than build and repair infrastructure. Unemployed authors were hired to write books, actors were employed to put on play productions, educators were hired to teach literacy, and musicians were employed to play music. For many in the working class, the concerts held by the 238 WPA orchestras and bands were the first time they had ever heard live music.<sup>6</sup>

The impacts of Roosevelt's public works and other New Deal initiatives are striking. As stated earlier, unemployment was reduced from 23.6 percent in 1933 to 10 percent by 1940. In addition, the US economy began to grow at a rate of about 10 percent per year, with production doubling. Today, some claim that Roosevelt didn't solve the unemployment crisis because he didn't reduce it to 2 percent unemployment, which is where it was in 1942 during World War II. What these critics don't understand is that the over 13 percent cut in unemployment is the single greatest drop in the history of the country. Moreover, if Roosevelt and Congress would have provided more money to public works, as requested by WPA director Harry Hopkins, unemployment would have dropped even more.

After the death of Roosevelt, the new president, Harry Truman, tried to bring about FDR's first amendment to the Economic Bill of Rights by supporting the Full Employment Act of 1945. This bill, which was introduced by Sen. Robert Wagner (D-NY) and Sen. James Murray (D-MT) in January 1945, declared that all Americans were "entitled to an opportunity for useful and remunerative, regular, and full time employment" and that the government was to provide the investment and expenditures to achieve full employment. The Full Employment Act was supported by labor, civil rights, faith, and social welfare organizations. They argued that if full employment was achieved as a result of World War II, why couldn't full employment be achieved during peacetime. There was also concern that the private sector alone could not achieve full employment with the return of 12 million troops.<sup>7</sup>

The Full Employment Act stated that when the private sector failed to create jobs for all, the federal government would step in to create these jobs through federal investment and spending. The act went on to describe that the type of investment and spending that would be allowed included public works, as well as outlays for public services to home owners, veterans, business, agriculture, and consumers. Each quarter, the president would examine the jobs numbers and make alterations to the federal investment and expenditures to ensure jobs for all.

In September 1945 the act was passed, 71 to 10, in the Senate. However, in the House of Representatives, critics put forth an alternative bill entitled the Employment Protection Act. This second bill did not include the words *full employment* but rather promoted the idea of "maximum employment." Also, the Employment Protection Act removed the language of federal investment and spending and specifically took out any reference to public works. Conservative critics argued that the Senate bill would cost too much and cause inflation. They also argued that the bill was paternalistic and socialist, and perhaps even communist. After defeating the Full Employment Act, the alternative bill passed the House, 255 to 126. In the Senate Joint Conference Committee, the conservative alternative was also victorious, and

Truman signed it into law. Gone was any reference to public works, federal expenditures, and full employment.<sup>8</sup>

The idea of the right to a job remained dormant in the 1950s but reemerged after the great civil rights victories of the 1960s. With the Civil Rights Act of 1964 and the Voting Rights act of 1965, Dr. Martin Luther King Jr. and the civil rights movement had destroyed the legal apparatus supporting Jim Crow segregation and ensured the voting rights guaranteed in the 14th and 15th Amendments. However, the unemployment and underemployment caused by capitalism had not been dealt with. King thought that American-style capitalism was flawed, and he looked to FDR's Economic Bill of Rights as the solution. King believed that the most effective way to achieve full employment was to guarantee a job through public works. In one of his last interviews before his murder, King argued for an Economic Bill of Rights, which guaranteed "a job to all people who want to work and are able to work," carried out by "creating certain public works jobs." This would provide poor people of all races the money necessary to pay for housing, food, transportation, and health care. King recognized the program would cost money, but he felt that the richest nation in the world had the financial resources to provide full employment. King declared, "It didn't cost the nation one penny to integrate lunch counters. It didn't cost the nation one penny to guarantee the right to vote. But now we are dealing with issues that cannot be solved without the nation spending billions of dollars and undergoing a radical redistribution of economic power."<sup>9</sup>

In 1968, King was planning to lead a nonviolent army of 3,000 people from ten urban and five rural areas to Washington, DC, so as to shut down the city by disrupting the daily operation in order to force the nation to respond to his demands to end poverty through public works, a guaranteed income, and construction of low-income housing. King's vision to end poverty in America was shattered when he was tragically murdered in Memphis, Tennessee, where he had gone to support striking garbage workers.

Yet, the idea of public works as a way to bring about jobs for all would not die. In 1974, six years after King's death, his widow, Coretta, formed and co-chaired the National Committee for Full Employment. The committee was a coalition of forty labor, civil rights, religious, and civic organizations. This committee argued that there was not a welfare problem in this country, but rather an unemployment crisis. Coretta King reached out to then governor of Georgia Jimmy Carter and sent him the committee's material calling for development of full employment legislation. Carter joined the committee, and four years later, when he was president, he signed into law the Full Employment and Balanced Growth Act.<sup>10</sup>

This law, which is also known as the Humphrey-Hawkins Full Employment Act, strengthened the 1946 employment act by committing the nation to full employment for the first time. Although the act recognized that private

enterprise was still the main sector for American employment, it asserted that the federal government had the responsibility "to use all practicable programs and policies to promote full employment." The act also made clear that if a person was willing to work, he or she had a right to a job. As proclaimed in the opening paragraph of the legislation, the goal of the Humphrey-Hawkins Full Employment Act was "to translate into practical reality the right of all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation." The act based its call for full employment on the fact that the United States had a long history of structural and cyclical unemployment, and that monetary and fiscal policies alone have been unable to achieve full employment. The act stated that "Congress finds the Nation has suffered substantial unemployment and underemployment . . . over long periods of time" and "recognizes that general economic policies alone have been unable to achieve the goals set forth in this Act related to full employment."<sup>11</sup>

Importantly, the Humphrey-Hawkins Full Employment Act provided clear goals to cap the unemployment rate. Specifically, it stated that by 1983, the unemployment rate should not be higher than 3 percent for anyone over age twenty, and that for sixteen- to nineteen-year-olds, it should not be higher than 4 percent. Moreover, it required the president to act if the unemployment rate exceeded these limits, stating that it is "the purpose of this title to require the President to initiate, as the President deems appropriate, with recommendations to Congress when necessary, supplemental programs and policies to the extent that the President finds such action necessary to achieve these goals, including the goals and timetable for the reduction of unemployment." The act then clearly defined what type of employment policies the president can initiate, which included (1) accelerated public works (including the creation of standby public works projects), (2) public service employment, (3) youth employment programs, and (4) training programs, as well as other federal expenditures, including employment tax credits and wage vouchers. Last, the president was instructed to consider "a triggering mechanism" that would implement these programs during recessions, when unemployment rose above 3 percent and 4 percent, and phase them out when unemployment was reduced below these levels. Using the above goals and timetables, the president's actions would create "reservoirs of public employment and private nonprofit employment projects."<sup>12</sup>

It should also be noted that the Full Employment and Balanced Growth Act had a strong focus on youth unemployment. This originated in the National Committee for Full Employment, which had highlighted that the unemployment rate for youths of color was triple the level of the overall unemployment rate. Accordingly, the Humphrey Hawkins Full Employment Act included individuals aged sixteen and over in the public works projects, and called for the creation of youth jobs "through the use of targeted employment tax credits, wage vouchers and other incentives to private sector business."<sup>13</sup>

Some critics complained that the Full Employment Act decentered full employment as the primary national economic goal since it also committed the nation to control inflation and balance the budget. However, proponents argued that this bill was a major accomplishment as it changed the nation's employment goal from "maximum employment" to "full employment," set specific targets for unemployment to stay below, and required the federal government to create public works jobs in order to reduce it to that level.

At the signing ceremony, Coretta King said that the Full Employment and Balanced Growth Act was perhaps as significant as the Civil Rights Act of 1964 and the Voting Rights Act of 1965, adding that it was "a tribute to Martin Luther King, Jr., because in 1968, he started a crusade calling for a job and income for all people who needed a job." Unfortunately, the Full Employment Act didn't turn out the way Coretta King had hoped, as presidents from both the Democratic and Republican parties disregarded most of its provisions regarding full employment. The one major program that was expanded during the Carter administration was the Comprehensive Employment and Training Act (CETA), which had started under President Richard Nixon. Initially, CETA provided public service jobs, but President Carter changed it so that it would be federally funded jobs but with a private contractor. At its height, CETA employed 725,000 people and provided 1 million summer jobs for youth at a cost of \$10 billion, which cut 1 percentage point off the unemployment rate. However, with the budget deficit climbing, Carter began cutting back CETA, and by 1981, it employed just 300,000. CETA was abolished during the Reagan administration, replaced by state grants for job training, with a focus on youth. Reagan's plan also offered a very limited number of summer youth jobs.<sup>14</sup>

With President Reagan's election in 1980, the nation's politics turned much more conservative, and there was no longer talk of a "right to a job" through public works. This held true through the presidencies of George H. W. Bush, Bill Clinton, and George W. Bush. However, the Great Recession changed everything.<sup>15</sup>

### THE HISTORY OF THE RIGHT TO A JOB THROUGH COOPERATIVES

Another enterprise that furthers the idea of a right to a living job is *cooperatives*. From the beginning of human society, people have cooperated and provided mutual aid to one another in order to increase fishing, hunting, gathering food, or meeting other basic needs. In fact, the creation of an agriculture society would not have been possible without the mutual aid provided by farmers to one another as they picked crops, constructed barns, and shared