A CONCEPTUAL ANALYSIS AND EVALUATION
OF PUBLIC SERVICE EMPLOYMENT

A THESIS
Presented to
The Faculty of the Division of Graduate
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By
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In Partial Fulfillment
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Master of City Planning

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A CONCEPTUAL ANALYSIS AND EVALUATION
OF PUBLIC SERVICE EMPLOYMENT

Approved:

Edward L. Keating, Thesis Advisor
James Snyder
Mack A. Moore

Date approved by Advisor: _____
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</tr>
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</tr>
</tbody>
</table>
INTRODUCTION

The purpose of this thesis is to provide a conceptual analysis and evaluation of a proposal for implementing large-scale public service employment programs as a method for reducing the massive unemployment and underemployment concentrated in the ghettos of many of our metropolitan areas.

The author has identified the discriminatory operation of the urban labor market as a root cause of the high unemployment rates for inner-city residents, particularly racial minorities. Therefore, the analysis and evaluation of public service employment and its effects will be premised on its potential for altering the labor market's discriminatory impact on racial minorities and on its ability to reduce the magnitude of unemployment and underemployment.

In Chapter I the parameters of the problem are set forth and the issues raised describe the broader social, political and economic factors which will form the basis for an evaluation of the concept of public service employment. The nature and extent of unemployment and underemployment, and the racial bias of the urban labor market are discussed and documented. The efforts of government in the past to respond to the problem of unemployment are briefly noted. The arguments are then set forth as to why government should expand its programs to alleviate the high unemployment and
underemployment rates for minorities.

Chapter II provides a generalized description of the public service employment concept. The term is defined and the historical evolution of the program is recorded. Recalling the conclusions drawn in the previous chapter, the overall elements which comprise any public service employment endeavor are described. The responsiveness of public service employment program elements to the problem of racial discrimination in labor markets is substantiated. The chapter seeks to provide a macro analysis of public service employment.

The third chapter strives to draw attention to the specific factors which would affect the public service employment program design process. It is an analysis of the discrete components which will help determine the final structure of a public service employment program. The chapter also considers those forces which could work to obstruct or retard the implementation of a public service employment program.

Chapter IV analyzes and evaluates the effect of a public service employment program as its impacts on three primary areas--the labor market, the economy, and the society. Second and third order results are predicted. Possible negative, as well as positive, end states are described.

The brief conclusions of the author are set out in
Chapter V. The author asserts that public service employment is the most appropriate strategy for reducing the problems of unemployment and underemployment in our city slums because it represents an opportunity to alter the racially motivated behavior pattern of the labor market. It is this racial bias which continues to exacerbate the general problem of unemployment for ghetto residents and not a lack of education and training. Public service employment is advocated as the proposal which is most likely to compensate for and partially correct this racial bias.
CHAPTER I

THE PROBLEM STATEMENT

The Nature and Extent of Unemployment

Efforts to devise and implement programs in response to the continuing problem of the high unemployment and underemployment rates in the United States have logically been hampered by our inability to define, much less to understand, the precise nature of the phenomena and to deal with their respective social, political, and economic components. We have not yet been able to assign an explicit quantitative definition to the problem. Aggregate unemployment statistics, the total numbers so frequently cited and juggled by the news media in discussing changes in the unemployment picture, are only indicative of gross changes in the national economy. They provide those individuals who are concerned with human power planning and development with little useful data and, in fact, actually serve to obscure the pervasive nature of the unemployment and underemployment problem in particular areas of this country. For example, the data to follow demonstrates the very high concentration of unemployment and underemployment in many of our major metropolitan areas at a time when the commonly known unemployment rate of four percent was accepted as
portraying the actual situation.

Efforts to bridge this information gap commenced with the Lyndon B. Johnson administration and the work of Willard J. Wirtz, former Secretary of Labor.

The generally accepted definition of unemployment, developed by the Bureau of Labor Statistics and in use during the Johnson administration, counts as employed the person who is working part-time, although trying to find full-time work; gives no consideration to the amount of earnings; omits those who are not actively looking for work—even though the reason for this is their conviction (whether right or wrong) that they can’t find a job, at least one they want; and omits the 'undercount' factor—those who are known to be present in the community but who do not show up at all under the present survey methods.\(^1\)

This limited definition of unemployment, those who are currently available for work and who have engaged in some sort of specific job-seeking activity within the past four weeks, also ignores the concept of underemployment—those full-time workers whose annual salary falls below the poverty level. This definition is still in use by the Department of Labor to compute unemployment figures.

Using the traditional definition of unemployment in 1966, Wirtz directed the conduct of intensive surveys in ghetto areas. The tabulations (see Table 1) indicated an unemployment rate approximately three times the average for the nation as a whole at that time.
Table 1. Unemployment in Selected Ghetto Areas, 1966

<table>
<thead>
<tr>
<th>Area</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nation as a whole</td>
<td>3.7%</td>
</tr>
<tr>
<td>Boston (Roxbury Area)</td>
<td>6.9%</td>
</tr>
<tr>
<td>Cleveland (Hough and Surrounding Neighborhood)</td>
<td>15.6%</td>
</tr>
<tr>
<td>Detroit (Central Woodward Area)</td>
<td>10.1%</td>
</tr>
<tr>
<td>Los Angeles (South Los Angeles)</td>
<td>12.0%</td>
</tr>
<tr>
<td>New Orleans (Several Contiguous Areas)</td>
<td>10.0%</td>
</tr>
<tr>
<td>New York (Harlem)</td>
<td></td>
</tr>
<tr>
<td>(East Harlem)</td>
<td>9.0%</td>
</tr>
<tr>
<td>(Bedford-Stuyvesant)</td>
<td>6.2%</td>
</tr>
<tr>
<td>Oakland (Hayside)</td>
<td>13.0%</td>
</tr>
<tr>
<td>Philadelphia (North Philadelphia)</td>
<td>11.0%</td>
</tr>
<tr>
<td>Phoenix (Salt River Bed Area)</td>
<td>13.2%</td>
</tr>
<tr>
<td>St. Louis (North Side)</td>
<td>12.9%</td>
</tr>
<tr>
<td>San Antonio (East and West Sides)</td>
<td>8.1%</td>
</tr>
<tr>
<td>San Francisco (Mission-Fillmore)</td>
<td>11.1%</td>
</tr>
<tr>
<td>San Juan (El Fanguito)</td>
<td>15.8%</td>
</tr>
</tbody>
</table>


Based on this research, Wirtz devised a sub-employment index which included: 1) those actively looking for work and unable to find it; 2) those working only part-time and trying to get full-time work; 3) those heads of households under 65 years who earn less than $60 per week working full-time and those individuals under 65 who are not heads of households and earn less than $56 per week in a full-time job; 4) half the number of "non-participants" in the male 20-64 age group; and 5) a carefully considered estimate of the male "undercount" group.
The sub-employment analysis of the same ghetto areas (see Table 2) demonstrated an even higher unemployment rate—approximately three times greater than the traditional method of calculation had disclosed.

Table 2. Sub-employment Rates in Selected Ghetto Areas, 1966

<table>
<thead>
<tr>
<th>Area</th>
<th>Sub-employment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>24.2%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>45.3%</td>
</tr>
<tr>
<td>New York (Harlem)</td>
<td>28.6%</td>
</tr>
<tr>
<td>(East Harlem)</td>
<td>33.1%</td>
</tr>
<tr>
<td>(Bedford-Stuyvesant)</td>
<td>27.6%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>34.2%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>41.7%</td>
</tr>
<tr>
<td>St. Louis</td>
<td>38.9%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>47.4%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>24.6%</td>
</tr>
</tbody>
</table>


In order to further refine the new sub-employment index, Wirtz programmed an Urban Employment Survey Questionnaire into the 1970 Census. The information gathered through the Census Employment Survey, conducted as part of the 1970 Census of Population and Housing, was published without any analysis by the Census Bureau.

In an effort to update the 1966 sub-employment data, the staff of the Senate Subcommittee on Employment, Manpower,
and Poverty analyzed the census data using a more traditional interpretation of the Wirtz criteria. No estimate was made of "undercounted" males and people were counted as "non-participants" or "discouraged workers" only if they had looked for, but could not find work. The geographic areas included in the 1970 employment survey were also much larger than the low income neighborhoods included in the 1966 survey.

The Subcommittee's sub-employment index included persons who were: 1) unemployed; 2) working part-time but seeking full-time work; 3) discouraged workers; and 4) full-time workers paid less than $80 a week (enough to earn $4,000 a year, the official poverty level for a family of four) and those paid less than $3.50 an hour (enough to earn $7,000 a year, the Bureau of Labor Statistics' lower level budget for a family of four). Both factors were included in an effort to measure the extent of underemployment. Since there is no consensus as to the most accurate measure of poverty, it was deemed necessary to correlate the data with the two most commonly accepted definitions of poverty.

The figures for 1970 (see Tables 3 and 4) were computed using the more cautious definition of sub-employment and, if anything, probably underestimated the severity of the problem since we have not developed an acceptable definition of worker discouragement, those individuals who have given up the job search, nor a procedure for calculating this very real factor.
Table 3. Sub-employment in Selected Areas, 1970

<table>
<thead>
<tr>
<th>Vol. No.</th>
<th>City</th>
<th>Percent of Survey Area</th>
<th>CES Survey Unemployment Rate</th>
<th>Labor Market Employment Rate for SMSA 1970</th>
<th>Sub-employment Budget, $80 @ wk</th>
<th>BLS Lower Sub-employment Budget, $3.50 @ hr.</th>
<th>BLS Lower Sub-employment Budget, 1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nation as a whole</td>
<td>4.9</td>
<td>16.9</td>
<td>35.1</td>
<td>7,183</td>
<td>59.4</td>
<td>56.0</td>
</tr>
<tr>
<td>1</td>
<td>All cities surveyed</td>
<td>33.5</td>
<td>9.6</td>
<td>5.0 ave.</td>
<td>30.5</td>
<td>61.2</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>New York, N.Y.</td>
<td>31.2</td>
<td>8.1</td>
<td>4.4</td>
<td>22.1</td>
<td>59.4</td>
<td>56.0</td>
</tr>
<tr>
<td>3</td>
<td>Manhattan Borough</td>
<td>8.4</td>
<td>23.2</td>
<td>56.3</td>
<td>56.0</td>
<td>59.4</td>
<td>56.0</td>
</tr>
<tr>
<td>4</td>
<td>Area I</td>
<td>8.1</td>
<td>24.5</td>
<td>63.5</td>
<td>63.5</td>
<td>63.5</td>
<td>63.5</td>
</tr>
<tr>
<td>5</td>
<td>Area II</td>
<td>8.6</td>
<td>22.7</td>
<td>39.9</td>
<td>39.9</td>
<td>39.9</td>
<td>39.9</td>
</tr>
<tr>
<td>6</td>
<td>Brooklyn Borough NYC</td>
<td>7.6</td>
<td>19.3</td>
<td>59.5</td>
<td>59.5</td>
<td>59.5</td>
<td>59.5</td>
</tr>
<tr>
<td>7</td>
<td>Bronx Borough NYC</td>
<td>8.5</td>
<td>25.9</td>
<td>66.0</td>
<td>66.0</td>
<td>66.0</td>
<td>66.0</td>
</tr>
<tr>
<td>8</td>
<td>Queens Borough NYC</td>
<td>9.6</td>
<td>20.0</td>
<td>53.2</td>
<td>53.2</td>
<td>53.2</td>
<td>53.2</td>
</tr>
<tr>
<td>9</td>
<td>Los Angeles, Cal.</td>
<td>26.3</td>
<td>12.5</td>
<td>7.2</td>
<td>33.1</td>
<td>56.0</td>
<td>56.0</td>
</tr>
<tr>
<td>10</td>
<td>Area I</td>
<td>10.9</td>
<td>29.4</td>
<td>58.6</td>
<td>58.6</td>
<td>58.6</td>
<td>58.6</td>
</tr>
<tr>
<td>11</td>
<td>Area II</td>
<td>13.1</td>
<td>34.6</td>
<td>62.9</td>
<td>62.9</td>
<td>62.9</td>
<td>62.9</td>
</tr>
<tr>
<td>12</td>
<td>Chicago, Ill.</td>
<td>27.2</td>
<td>27.7</td>
<td>62.4</td>
<td>62.4</td>
<td>62.4</td>
<td>62.4</td>
</tr>
<tr>
<td>13</td>
<td>Area I</td>
<td>11.0</td>
<td>28.2</td>
<td>67.0</td>
<td>67.0</td>
<td>67.0</td>
<td>67.0</td>
</tr>
<tr>
<td>14</td>
<td>Area II</td>
<td>27.0</td>
<td>56.5</td>
<td>56.5</td>
<td>56.5</td>
<td>56.5</td>
<td>56.5</td>
</tr>
<tr>
<td>15</td>
<td>Philadelphia, Pa.</td>
<td>40.4</td>
<td>27.0</td>
<td>55.2</td>
<td>55.2</td>
<td>55.2</td>
<td>55.2</td>
</tr>
<tr>
<td>16</td>
<td>Area I</td>
<td>8.2</td>
<td>25.5</td>
<td>52.5</td>
<td>52.5</td>
<td>52.5</td>
<td>52.5</td>
</tr>
<tr>
<td>17</td>
<td>Area II</td>
<td>9.2</td>
<td>28.5</td>
<td>58.2</td>
<td>58.2</td>
<td>58.2</td>
<td>58.2</td>
</tr>
<tr>
<td>18</td>
<td>Detroit, Mich.</td>
<td>35.3</td>
<td>34.7</td>
<td>57.5</td>
<td>57.5</td>
<td>57.5</td>
<td>57.5</td>
</tr>
<tr>
<td>19</td>
<td>San Francisco, Cal.</td>
<td>35.4</td>
<td>27.0</td>
<td>54.8</td>
<td>54.8</td>
<td>54.8</td>
<td>54.8</td>
</tr>
<tr>
<td>20</td>
<td>Washington, D.C.</td>
<td>51.9</td>
<td>21.6</td>
<td>59.8</td>
<td>59.8</td>
<td>59.8</td>
<td>59.8</td>
</tr>
<tr>
<td>21</td>
<td>Boston, Mass.</td>
<td>56.7</td>
<td>22.0</td>
<td>52.2</td>
<td>52.2</td>
<td>52.2</td>
<td>52.2</td>
</tr>
<tr>
<td>22</td>
<td>Pittsburgh, Pa.</td>
<td>41.6</td>
<td>29.4</td>
<td>59.6</td>
<td>59.6</td>
<td>59.6</td>
<td>59.6</td>
</tr>
</tbody>
</table>
Table 3. (continued) Sub-employment in Selected Areas, 1970

<table>
<thead>
<tr>
<th>Vol. No.</th>
<th>City</th>
<th>Percent of Survey</th>
<th>Labor market (SMSA) unemployment rate for 1970</th>
<th>CES survey unemployment (%)</th>
<th>Sub-employment index at $80 @ wk (%)</th>
<th>Sub-employment index at $3.50 @ hr. (%)</th>
<th>BLS lower family budget, 1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>St. Louis, Mo.</td>
<td>50.2</td>
<td>10.5</td>
<td>4.6</td>
<td>34.2</td>
<td>62.0</td>
<td>6,987</td>
</tr>
<tr>
<td>28</td>
<td>Baltimore, Md.</td>
<td>58.7</td>
<td>8.5</td>
<td>4.0</td>
<td>30.9</td>
<td>62.0</td>
<td>7,018</td>
</tr>
<tr>
<td>29</td>
<td>Cleveland, Ohio</td>
<td>43.0</td>
<td>8.9</td>
<td>4.7</td>
<td>28.8</td>
<td>58.8</td>
<td>7,080</td>
</tr>
<tr>
<td>30</td>
<td>Houston, Texas</td>
<td>39.8</td>
<td>5.9</td>
<td>4.0</td>
<td>31.8</td>
<td>61.7</td>
<td>6,481</td>
</tr>
<tr>
<td>31</td>
<td>Newark, N.J.</td>
<td>58.6</td>
<td>10.7</td>
<td>4.3</td>
<td>30.0</td>
<td>63.5</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Dallas, Texas</td>
<td>25.7</td>
<td>9.0</td>
<td>3.8</td>
<td>37.3</td>
<td>69.3</td>
<td>6,683</td>
</tr>
<tr>
<td>33</td>
<td>Minneapolis, Minn.</td>
<td>36.4</td>
<td>7.1</td>
<td>5.2</td>
<td>25.6</td>
<td>56.9</td>
<td>7,140</td>
</tr>
<tr>
<td>34</td>
<td>St. Paul, Minn.</td>
<td>36.8</td>
<td>8.1</td>
<td>5.2</td>
<td>22.4</td>
<td>49.5</td>
<td>7,140</td>
</tr>
<tr>
<td>35</td>
<td>Milwaukee, Wis.</td>
<td>25.6</td>
<td>11.8</td>
<td>4.6</td>
<td>22.5</td>
<td>57.7</td>
<td>7,079</td>
</tr>
<tr>
<td>36</td>
<td>Atlanta, Ga.</td>
<td>40.5</td>
<td>8.2</td>
<td>3.7</td>
<td>38.2</td>
<td>68.6</td>
<td>6,424</td>
</tr>
<tr>
<td>37</td>
<td>Cincinnati, Ohio</td>
<td>36.0</td>
<td>8.4</td>
<td>4.3</td>
<td>32.2</td>
<td>61.6</td>
<td>6,611</td>
</tr>
<tr>
<td>38</td>
<td>Buffalo, N.Y.</td>
<td>29.0</td>
<td>9.7</td>
<td>8.8</td>
<td>30.0</td>
<td>56.7</td>
<td>7,022</td>
</tr>
<tr>
<td>39</td>
<td>San Diego, Cal.</td>
<td>9.0</td>
<td>15.9</td>
<td>6.4</td>
<td>39.9</td>
<td>65.0</td>
<td>7,166</td>
</tr>
<tr>
<td>40</td>
<td>Miami, Fla.</td>
<td>57.2</td>
<td>10.3</td>
<td>5.1</td>
<td>38.2</td>
<td>68.1</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Kansas City, Mo.</td>
<td>27.0</td>
<td>10.0</td>
<td>5.7</td>
<td>35.2</td>
<td>66.1</td>
<td>6,981</td>
</tr>
<tr>
<td>42</td>
<td>Denver, Colo.</td>
<td>25.5</td>
<td>8.5</td>
<td>3.5</td>
<td>32.5</td>
<td>64.0</td>
<td>6,697</td>
</tr>
<tr>
<td>43</td>
<td>Indianapolis, Ind.</td>
<td>22.5</td>
<td>9.0</td>
<td>4.8</td>
<td>32.3</td>
<td>64.8</td>
<td>7,101</td>
</tr>
<tr>
<td>44</td>
<td>New Orleans, La.</td>
<td>59.4</td>
<td>12.5</td>
<td>6.2</td>
<td>41.1</td>
<td>65.2</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>Oakland, Cal.</td>
<td>37.8</td>
<td>17.6</td>
<td>5.4</td>
<td>35.0</td>
<td>59.0</td>
<td>7,686</td>
</tr>
<tr>
<td>46</td>
<td>Tampa, Fla.</td>
<td>39.6</td>
<td>7.7</td>
<td>3.2</td>
<td>40.6</td>
<td>69.4</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Portland, Oreg.</td>
<td>18.1</td>
<td>11.9</td>
<td>5.8</td>
<td>32.8</td>
<td>50.8</td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>Phoenix, Ariz.</td>
<td>24.7</td>
<td>9.6</td>
<td>4.7</td>
<td>33.1</td>
<td>61.8</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Columbus, Ohio</td>
<td>18.7</td>
<td>8.3</td>
<td>3.3</td>
<td>28.5</td>
<td>63.9</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>San Antonio, Tex.</td>
<td>43.7</td>
<td>9.6</td>
<td>5.4</td>
<td>45.9</td>
<td>72.6</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>Dayton, Ohio</td>
<td>25.1</td>
<td>12.9</td>
<td>4.6</td>
<td>36.0</td>
<td>59.6</td>
<td>6,712</td>
</tr>
<tr>
<td>Vol. No.</td>
<td>City</td>
<td>Percent of Survey</td>
<td>Labor market (SMSA) area</td>
<td>CES survey unemployment %</td>
<td>Sub-employment rate for 1970</td>
<td>Sub-employment index at budget, $80 @ wk</td>
<td>Sub-employment index at budget, $3.50 @ hr. (%)</td>
</tr>
<tr>
<td>---------</td>
<td>---------------</td>
<td>-------------------</td>
<td>--------------------------</td>
<td>---------------------------</td>
<td>-----------------------------</td>
<td>------------------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>52</td>
<td>Rochester, N.Y.</td>
<td>26.2</td>
<td>11.3</td>
<td>5.3</td>
<td>30.3</td>
<td>62.5</td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>Louisville, Ky.</td>
<td>37.3</td>
<td>11.6</td>
<td>4.3</td>
<td>39.2</td>
<td>66.0</td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>Memphis, Tenn.</td>
<td>38.3</td>
<td>11.3</td>
<td>3.9</td>
<td>44.1</td>
<td>70.9</td>
<td></td>
</tr>
<tr>
<td>55</td>
<td>Fort Worth, Tex.</td>
<td>27.3</td>
<td>10.6</td>
<td>4.5</td>
<td>39.0</td>
<td>67.2</td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>Birmingham, Ala.</td>
<td>51.2</td>
<td>10.1</td>
<td>4.8</td>
<td>41.0</td>
<td>65.9</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>Toledo, Ohio</td>
<td>22.9</td>
<td>9.2</td>
<td>5.4</td>
<td>30.0</td>
<td>57.7</td>
<td></td>
</tr>
<tr>
<td>58</td>
<td>Akron, Ohio</td>
<td>33.7</td>
<td>10.0</td>
<td>4.4</td>
<td>29.4</td>
<td>55.5</td>
<td></td>
</tr>
<tr>
<td>59</td>
<td>Norfolk, Va.</td>
<td>27.2</td>
<td>8.7</td>
<td>3.9</td>
<td>42.7</td>
<td>67.0</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>Oklahoma City, Okla.</td>
<td>16.2</td>
<td>8.1</td>
<td>3.8</td>
<td>34.8</td>
<td>61.2</td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>Jersey City, N.J.</td>
<td>46.6</td>
<td>7.2</td>
<td>6.2</td>
<td>22.6</td>
<td>61.5</td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>Providence, R.I.</td>
<td>53.4</td>
<td>7.0</td>
<td>6.0</td>
<td>21.9</td>
<td>57.7</td>
<td></td>
</tr>
<tr>
<td>63</td>
<td>Omaha, Neb.</td>
<td>20.5</td>
<td>7.9</td>
<td>3.6</td>
<td>29.9</td>
<td>58.8</td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>Youngstown, Ohio</td>
<td>30.7</td>
<td>11.7</td>
<td>6.5</td>
<td>34.6</td>
<td>57.1</td>
<td></td>
</tr>
<tr>
<td>65</td>
<td>Tulsa, Okla.</td>
<td>15.1</td>
<td>10.0</td>
<td>4.9</td>
<td>37.5</td>
<td>64.2</td>
<td></td>
</tr>
<tr>
<td>66</td>
<td>Charlotte, N.C.</td>
<td>30.4</td>
<td>8.3</td>
<td>3.2</td>
<td>39.2</td>
<td>70.5</td>
<td></td>
</tr>
<tr>
<td>67</td>
<td>Wichita, Kansas</td>
<td>21.5</td>
<td>13.9</td>
<td>10.1</td>
<td>37.0</td>
<td>65.0</td>
<td>6,722</td>
</tr>
<tr>
<td>68</td>
<td>Bridgeport, Conn.</td>
<td>39.3</td>
<td>13.7</td>
<td>8.2</td>
<td>29.9</td>
<td>66.7</td>
<td></td>
</tr>
</tbody>
</table>

(Sub-employment rates were still in 1970, as in 1966, approximately 3 times as great as the overall unemployment rate.)

Table 4. Summary Sub-employment and Unemployment Statistics, 1970

<table>
<thead>
<tr>
<th>Summary for the Nation</th>
<th>Summary for Survey Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Force</td>
<td>82.7 million</td>
</tr>
<tr>
<td>Unemployed</td>
<td>4.1 million</td>
</tr>
<tr>
<td>Rate</td>
<td>4.9%</td>
</tr>
<tr>
<td>Part-time for</td>
<td></td>
</tr>
<tr>
<td>Economic Reasons</td>
<td>2.2 million</td>
</tr>
<tr>
<td>Discouraged Workers</td>
<td>.6 million</td>
</tr>
<tr>
<td>Sub-employment Index</td>
<td></td>
</tr>
<tr>
<td>at $2.00 an hr.</td>
<td>16.9%</td>
</tr>
<tr>
<td>Sub-employment Index</td>
<td></td>
</tr>
<tr>
<td>at $3.50 an hr.</td>
<td>35.1%</td>
</tr>
</tbody>
</table>


The data in Tables 3 and 4 indicates that despite the unparalleled growth of the nation's Gross National Product during the last decade, a large number of Americans are either unable to find work or, depending on which definition of "poverty" is used, approximately 30 percent or 60 percent of the labor force earns less than poverty income.

The parameters of the unemployment and underemployment problem have been further delineated by research which points out that the poor and unemployed living in our metropolitan areas who were counted in the previously cited
surveys are concentrated in our ghettos. In 1969, using Census Bureau data, it was determined that 79 percent of the black families and almost 60 percent of those households of all races with incomes below $4,000 residing in our metropolitan areas were living inside the central city.\textsuperscript{4} This figure probably includes many who would be classified as underemployed.

Limiting one's perception of the problem to those aspects which are readily quantifiable ignores the fact that the true costs to society of this unemployment and underemployment cannot yet be calculated. A Rand memorandum of 1968 noted that unemployment rates are correlated with rates of family separation, prison incarceration, suicide, and mental illness.\textsuperscript{5} Sociologists believe that the emotional stress caused by unemployment contributes to the incidence of all these problems.

In testimony before Congress, economists have attempted to more completely define the nature of the topic by noting that the unemployment-prone segment of the labor market—women, teenagers, and blacks—is increasing to the extent that more women and teenagers are entering the labor market than ever before. For example, Professor Robert A. Gordon of the University of California at Berkeley noted the change in the black teenage unemployment rate from four times the national rate to more recent calculations of almost six times the national rate.\textsuperscript{6}
Why does this disparity continue to grow? The situation may be attributed to several causes, including the evolving nature of work and the changing age and racial composition of the American population. This paper will focus on what researchers have pointed out as the primary causal factor, the discriminatory operation of the labor market.

The Racial Bias of the Urban Labor Market

Nationwide, twice as many blacks are unemployed as whites—5.0 percent compared to 10.0 percent—according to the 1973 Manpower Report of the President. Table 5 indicates a similar discrepancy in comparing the unemployment rates for blacks and whites in 1961 and then a decade later. Among teenagers, however, the gap between the jobless rates for blacks and whites has steadily widened over the decade. The jobless rate for black teenagers was 33.5 percent in 1972, compared with 14.2 percent for white teenagers.\(^7\)

Discrimination against minorities has manifested itself in other documentable forms. A study prepared by the NAACP cited the failure of labor unions, the construction industry, and the government to work together to provide fair employment opportunities for blacks. Although the conclusions and projections of the study were directed toward the entire unemployment picture for blacks, it focused on trade unions because jobs in the construction
Table 5. Actual Unemployment Rates, 1961 and 1971

<table>
<thead>
<tr>
<th></th>
<th>1961</th>
<th>1971</th>
</tr>
</thead>
<tbody>
<tr>
<td>National rate</td>
<td>5.7</td>
<td>5.9</td>
</tr>
<tr>
<td>Age 16-19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>white males</td>
<td>15.9</td>
<td>15.1</td>
</tr>
<tr>
<td>white females</td>
<td>15.4</td>
<td>15.2</td>
</tr>
<tr>
<td>nonwhite males</td>
<td>27.3</td>
<td>28.9</td>
</tr>
<tr>
<td>nonwhite females</td>
<td>34.9</td>
<td>35.6</td>
</tr>
<tr>
<td>Age 20-24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>males</td>
<td>8.8</td>
<td>10.3</td>
</tr>
<tr>
<td>females</td>
<td>8.9</td>
<td>9.6</td>
</tr>
<tr>
<td>All white</td>
<td>5.0</td>
<td>5.4</td>
</tr>
<tr>
<td>All nonwhite</td>
<td>10.8</td>
<td>9.9</td>
</tr>
<tr>
<td>All males</td>
<td>5.2</td>
<td>5.3</td>
</tr>
<tr>
<td>All females</td>
<td>6.5</td>
<td>6.9</td>
</tr>
</tbody>
</table>


industry are of special significance to low income black communities, many of which are located near major building sites. A comparison of 1969 and 1972 data (see Table 6) from the Equal Employment Opportunity Commission indicated only minuscule changes in minority representation in trade union membership.

Information was cited in the same report which was taken from a Pennsylvania state government study on a program conducted by a local operating engineers union. The
Table 6. Comparison of 1969 and 1972 Minority Representation in Trade Unions

<table>
<thead>
<tr>
<th></th>
<th>1969</th>
<th>1972</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheet metal workers</td>
<td>0.2%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Plumbers</td>
<td>0.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Elevator contractors</td>
<td>0.4%</td>
<td>not available</td>
</tr>
<tr>
<td>Electrical workers</td>
<td>1.7%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Carpenters</td>
<td>1.6%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Iron workers</td>
<td>1.7%</td>
<td>not available</td>
</tr>
<tr>
<td>Asbestos workers</td>
<td>0.9%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>


study noted that black trainees were placed on the lowest, least desirable, out-of-work list . . . . Although they reported daily for union referrals, the vast majority of these men were not referred to work at all for almost two months. The report speculated that work referrals probably never would have begun had the union not started receiving adverse publicity.

A report for the Federal Reserve System prepared by one of its Governors, Andrew F. Brimmer, confirmed the existence of patterns of discrimination. According to Brimmer, over one out of every four businesses with 15 or more employees did not have a single black employee. Today, a decade after the passage of the Civil Rights Act made discriminatory hiring illegal, there are still almost 40,000
all-white business firms in this country.  

In our larger metropolitan areas, blacks are grossly underrepresented in white collar jobs. The Chicago Institute of Urban Life reported that of the city's 106 largest corporations, many of which are major national firms, 101 did not have a single black director and 105 did not have a single black officer.  

Bennett Harrison, an economist at Massachusetts Institute of Technology, has done extensive work in providing a quantitative analysis of the impact of this discriminatory operation of the labor market. The results of the research conducted by Harrison and his associates have done much to contradict the beliefs implicit in human power planning. Many of the human power programs of the last decade were predicated on a belief that it was necessary to improve the quality of the ghetto labor force. Program planners and administrators reasoned that if the minority worker received compensatory education and training, he or she would be able to compete effectively for jobs and a livable wage. Harrison's conclusions refute this thesis and substantiate the charge of a racially biased labor market.  

Harrison has determined that there is a lack of return to minority workers for increased investment in their human capital for continuing their education. Three broad conclusions may be drawn.

1. Educated minority workers are no more likely to
be employed than lesser educated workers.

2. The wages for minority employees who are working do not reflect increased educational background.

3. White workers who experience the same inferior ghetto education as minority workers get paid more and are less likely to be unemployed.

According to Harrison:

Multivariate regression analysis showed (1) that ghetto nonwhites lag significantly behind even ghetto whites in terms of economic welfare; (2) that the economic welfare of urban nonwhites is relatively insensitive to variations in intrametropolitan residential location, although the economic welfare of white increased substantially with the "move" from ghetto to nonghetto central city of suburbs; and (3) that the return to education for ghetto nonwhites is significant in terms of improved occupational status, nominal in terms of higher wages, and statistically insignificant in terms of reduced probabilities of unemployment.11

Lack of Return to Minority Workers for Investment in Human Capital

The inadequate financial compensation to ghetto nonwhites for their education was noted in testimony before a Congressional Committee where the following figures were cited. Within the central city ghettos, the average difference between the weekly wages of the black high school graduate, and the black 8th grade dropout, is about $8 a week, or $400 a year.12

Table 7 indicates that dropping out of school, for ghetto nonwhites in Harlem, represents an economically logical and accurate decision. There seems to be no financial reward for completing a high school education unless one continues on to college.
Table 7. Education and Employment Status in Harlem

<table>
<thead>
<tr>
<th>Highest Grade-Years Attended</th>
<th>% Employed</th>
<th>% Unemployed</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 years or less</td>
<td>25.8</td>
<td>18.1</td>
<td>28.1</td>
</tr>
<tr>
<td>9-11 years</td>
<td>26.7</td>
<td>36.1</td>
<td>28.9</td>
</tr>
<tr>
<td>12 years</td>
<td>38.1</td>
<td>39.8</td>
<td>35.2</td>
</tr>
<tr>
<td>13 years or more</td>
<td>9.4</td>
<td>6.0</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
</tr>
</tbody>
</table>


Completing a high school education, according to the above chart, does not increase one's chance of securing employment unless one goes on to college. However, even if a nonwhite ghetto worker were to be employed, the reward for the possession of the high school diploma is much less than for the ghetto white.

In 1965-66, a study was conducted in the poverty areas of the nation's twelve largest cities which showed that:

... a high school diploma had three times as high a marginal earnings pay-off for ghetto whites as for ghetto nonwhites. For the latter, the present value of a high school diploma was estimated at about $6,000, a figure ... well below the returns available in any number of illicit 'street activities' in the ghetto.13

Perhaps this explains the high unemployment rate for ghetto workers with a high school education. These high school
graduates may have chosen nonlegal methods of earning a living rather than accepting menial jobs or poverty wages.

Investments in human capital through training result in the same discrepancies. One study of federal training efforts calculated that, after controlling for variables, white Job Corps enrollees enjoyed an earnings advantage of $34 per month over nonwhite Job Corps participants.14

By all of the available measures, whites in the ghetto do much better financially than the blacks. Moreover, ghetto whites have lower probabilities of unemployment than do ghetto nonwhites.15

The fact that earnings for racial minorities do not increase significantly despite education and training indicates that this group of participants in the labor force receives special treatment by the labor market. For minorities, the color of one's skin may well be the primary factor which determines earning capacity.

Lack of Effect of Intrametropolitan Location on the Economic Welfare of Minority Workers

The conventional belief has long prescribed relocation from the central city ghetto to the suburbs as an appropriate strategy for improving the economic welfare of ghetto residents. And to a limited degree, the wisdom of this strategy has been substantiated. The move out of the ghetto, first to the nonghetto central city, and then to the suburbs either provides or reflects proportionate growth in economic benefits
for whites. For blacks, extensive analysis of data from the Survey of Economic Opportunity has shown that the economic welfare of racial minorities is relatively insensitive to where they reside. Blacks in the suburbs and in the ghetto earn equally low returns for education and training. Suburban blacks are unemployed as often as those in the ghetto.  

**Summary and Conclusions.** Earlier employment policy was based on a presumption that certain groups were unable to compete successfully in the labor market because of individual shortcomings including such factors as a lack of education and training or the inaccessibility of job opportunities. The preceding discussion presented data which indicates that the same groups remain unemployed or receive lower wages for performing the same work even when their educational background and training is comparable to that of others. Relocation to suburban areas, long perceived as a solution to unemployment, has been shown to have little effect on the economic welfare of the most frequently unemployed segment of our population.

This evidence supports the thesis that these groups, racial minorities residing in urban ghetto areas, are systematically excluded from opportunities to compete in the labor market. Therefore, the proposals for reducing the minority unemployment and underemployment rate introduced in this paper must address themselves to this fundamental need to reduce the potential for racially motivated decision-making in the labor market.
The Role of Government

The Response of Government in the Past

Government activities directed toward the alleviation of the problem of chronic unemployment and underemployment can be categorized into three broad conceptual schemes: monetary and fiscal policies, social welfare programs, and training programs. A foundation for the evaluation of these efforts must be established prior to further discussion.

Government strategies in the area of employment policy have been hampered by the inadequate and incomplete understanding of the labor market's operation as previously noted. Secondly, employment and economic policy in this country must serve many masters. For years, the decision to provide additional jobs through a stimulation of purchasing power has been couched in terms of an inflation/unemployment trade-off.

The economy is presently structured so that it seems possible to have a lower rate of unemployment only by sustaining a higher rate of inflation. In a report by the Urban Institute concerned with this subject, the authors noted that when unemployment has been low, the wage and price levels have increased markedly. Unemployment has risen to serious levels as a result of efforts to restrain the inflation rate. The authors further assert that the objectives of full employment and stable prices should be considered jointly and that they are incompatible when using only
monetary and fiscal policy alone to achieve both goals. According to the Institute, policy measures designed to influence the structure of the economy through human power programs can alter the traditional relationship between unemployment and inflation. The Institute concluded that the policy measures of the past have never been designed in a manner so as to make the achievement of both goals a possibility.

Fiscal and monetary policies have been instituted by the government in order to stimulate greater demand and thereby produce more jobs. These policies have taken several general forms. Tax cuts for individuals or businesses have been enacted to increase spending. Tax credits for businesses have been used as an incentive for investment. Reduced interest rates have also been implemented in an effort to induce greater investment by industry and increased spending by consumers. All these strategies have failed to reduce unemployment without causing inflation. The stimulation of general spending has served to increase the demand for skilled labor, much of which is already in short supply. This is clearly an inflationary effect. The demand for the semi-skilled or unskilled unemployed ghetto residents has remained unaffected.

The major shortcomings of the monetary and fiscal policies result from two defects. There is a considerable time-lag between the time when the policy change is
implemented and when its effect is registered in the economy. Also, such policies attack the problem of unem­ployment only indirectly through the stimulation of spending.

Private employers do not necessarily and immediately respond to increased spending by increasing employment. To some extent, they can reduce inventories, increase hours for the existing work force, and even raise prices. Only gradually, as employers become confident that the increase in spending will be sustained, and they come more effectively to utilize those already employed, will they hire new workers. And the delays in hiring will be significant as the increase in demands works its way back from retailers, and manufacturers of finished goods to the suppliers of parts and materials.  

In addition to the undesirable attribute of a long lead time, general stimulation of the economy has a negative side effect. Increased federal spending, a tax cut, or business incentives all stimulate the demand for labor in general. This means that the demand for skilled and educated labor will increase, having an inflationary effect. Public service employment avoids this inflationary tendency by directing its impact to that segment of the labor force which is not in demand— the unemployed and underemployed ghetto minority residents.

Another general response of government to unemploy­ment has been the myriad of public assistance programs. The litany of failure of welfare programs has been recited by many and is probably familiar to most Americans. Public assistance programs provide a subsidy large enough only to support the lowest standard of living. At this time, an increase in payments large enough to enable individuals to
exist at "decent" levels is not a political likelihood. Such transfer mechanisms, as administered today, actually subsidize low wage employment. Finally, welfare programs do not help individuals to marshal their own resources to improve their relative economic status.

The last decade has witnessed the implementation and demise of many programs which may be classified in the third general category: training programs geared toward providing people with the skills and education which would make them more desirable employees. Again, the result has been largely one of failure and frustration. The inefficiency and inefficacy of the training programs were rooted in an assumption that the cause of poverty lay in the disadvantaged condition of individuals, not in the inadequacies of the urban job market.19

This incomplete understanding manifested itself in the design of numerous unsuccessful programs. Many training projects were doomed because of their commitment to recruiting the hardcore unemployed and those most strongly attached to street life. Because of this, work orientation training was required, as well as basic skills and general education efforts. The difficulty of achieving socialization to the work ethic was soon recognized. Other problems were caused by the training programs geared toward industrial jobs which are declining in importance. In one extreme case, trainees were taught to operate machinery which had already been
abandoned by industry as obsolete.

In examining the effects of human power programs, Daniel S. Hamermesh noted that if most of the data available was reasonably accurate, "the main effect of training programs has been to match the unemployed with low level jobs that are already filled by non-subsidized, low income workers." In other words, a series of very efficient mechanisms was developed which served to recycle the poor among a class of low paying jobs. A study of institutional training conducted by the Metropolitan Development and Training Administration tends to substantiate this contention. The researcher concluded that although graduates were able to find employment, the new work was essentially similar and paid the same wages as the old work. Neither the extent nor the quality of most training programs had a significant impact on the caliber of job placements.

One of the most important lessons which has been learned as a result of previous training efforts is the success of on-the-job training in comparison to other methods. The incentive of the job itself, the exposure to working conditions and the opportunity to practice skills being taught, and the absence of a classroom atmosphere all combined to produce the most effective training schemata.

Those who designed, administered, and evaluated the human power programs of the last decade concluded in public hearings before Congress that not enough jobs which pay
decent wages and which are readily available to minorities exist in the economy. Without the establishment of additional job opportunities for blacks either by increasing their eligibility for existing jobs or the creation of more jobs which are especially reserved, improving the qualifications of one segment of the labor force through training simply meant that a new group—those not trained—became the last-hired, first-fired from the same low-status, low paying jobs. The programs had not affected the operation of the labor market, which continued to discriminate successfully against minorities.

The Case for Government Intervention

The previous discussion, while criticizing the form of government efforts to reduce the magnitude of unemployment and underemployment, has not considered the more basic issue of whether this area is, in fact, an appropriate realm for government intervention.

Given the previously noted persistent patterns of discrimination a decade after the enactment of the Civil Rights Act and despite the stringent court mandates in this area, a strong case can be made for the need for government efforts to change the operation of the labor market. These efforts would be based on a recognition that the potential for and probability of this change occurring through self-correcting actions taken by the labor market is non-existent.

The most persuasive arguments for government inter-
vention can best be presented in the context of a social welfare function—people should not be forced to live in poverty because of the impact of forces beyond their control and the rest of society should not be affected by the negative effects which result from poverty. This would include crime, disease, mental illness and other manifestations of the culture of poverty which fall under the general rubric of "social ills."

Donald F. Mazziotti, a professor at the University of Iowa, offers a logical, if somewhat more strident, extension of this argument. Mazziotti's assertions are premised on a recognition that the administration of our government and its laws have long served the particular needs of a single segment of society, the economic elite.

. . . Social, cultural, and regional underdevelopment on the one hand and rapid development of "affluent" consumer goods and service industries on the other are simply two sides of the same reality. If collective needs of people are not being satisfied in social and public services, education, urban and rural development, and the entire spectrum of conditions which have been identified as "social problems," while at the same time the oligopolies, monopolies, and conglomerates which produce articles for individual consumption enjoy a spectacular prosperity and control over the political economy, the reason is not that the public goods are collective in nature and the individual consumptive needs are private in nature. On the contrary, the reason for the scandalous disparities between social need and social satisfaction of those needs is explained by the phenomenon of contemporary corporate capitalism—supported and advanced by the state—which has secured the position of the driving role in economic development and political control of present-day society.23

This discussion of government's role in the area of reducing unemployment and underemployment does not suggest that
government assume a new function in serving its citizens but that it expand the number of the beneficiaries of its operation.

A further rationale for the performance of such a function by government—beyond the social welfare argument—is fairly straightforward. It is a reflection of the growing demands being placed on governments for increased quantities and qualities of public services. The expanding role of government in protecting and enhancing the quality of life for its citizens is correlated with growth in industrialization and national income. A greater demand for public services is the result of attitude changes which are stimulated by an increasing per capita income and the phenomena has been noted in all industrialized nations.

Professor Mack A. Moore, a member of the faculty at Georgia Institute of Technology, argues against this notion. He has commented that:

The party line assumes that the growth of the public sector reflects a growing demand for services on the part of those who would consume such services. Yet the irrefutable fact is that the demand is from those who would supply them. For example, the current "demand" for kindergartens in Georgia is not coming from parents but from educators and other vendors of education goods/services. And since every major candidate for Governor is promising kindergartens, then those who will finance them have no choice, individually or collectively.24

Based on personal experience as an employee in four different local government agencies, the author cannot accept Moore's contention. Demands in areas such as improved
garbage pick-up service, more frequent inspections of restaurants by the Health Department, and increased police patrols are real and insistent demands of citizens. Perhaps educators do stimulate the demand for education, but a desire for more trained park personnel is not stimulated by recreation directors. It is the result of the angry realization of parents that facilities are under-utilized and young people unoccupied because of the lack of adequate supervision and leadership in community parks.

In theory, governments were created and exist to serve the needs of the citizens—to provide services which can only be rendered collectively. In the area of reducing unemployment, the understanding of government's appropriate role has expanded commensurate to our growing affluence.

Professor Edward L. Keating of the City Planning Department at Georgia Institute of Technology argues that the reduction of unemployment and underemployment is a social imperative. He warns against over reliance on the contention of some economists that we are in an era of expanding services so that we can more easily afford to "do" something about unemployment. The demand for increased services should be seen only as a convenient circumstance which facilitates the government action which must be taken in the area of employment policy.

Another rationale for the demand for increased services is offered by those who see the current shifts to
the proliferation of services as an extension of a continuous social class movement to secure improved economic positions for the middle class. They view the employment needs of the middle class as a basic reason for the expansion of the service economy.

It helps to explain why we have opted for welfare institutionalism as the 'answer' to our social problems . . . . Hence we choose to create services employment--most of which in the public sector is intended to alleviate current 'social problems'--which appears more and more to have little true effect except to distribute various forms of personal income to service professionals and their clients.25

This argument must ultimately be rejected as being too simplistic. The current institutions were created based on a middle class perspective of the nature of unemployment and underemployment; not solely to create jobs.

The following conclusion should be drawn from the preceding discussion. The advocate of public service employment as an appropriate strategy to reduce unemployment and underemployment must be prepared to argue, and it can be done persuasively, that the most valid reason for government's moving is to advance the good of society, that good being defined as reducing unemployment and underemployment and expanding the services provided to citizens.

Summary

Evidence has been submitted to substantiate the contention that the true nature of unemployment and underemployment has been misunderstood and misinterpreted. The lack of
adequate data has hindered government program efforts in this area. The research which has been conducted has documented the discriminatory impact of the labor market on racial minorities. This fact has been identified as the major cause of the exorbitant unemployment and underemployment rates in our central city ghettos. Government has an obvious responsibility to take action to change the discriminatory operation of the labor market. However, future government efforts in this realm must be predicated on an understanding and acceptance of the reality of the impact of racial prejudice on the labor market.
CHAPTER I

FOOTNOTES


2Wirtz' "non-participants" were defined as those persons in the survey area who should be working, are not working, and are not looking for work.

3Wirtz' "under-count" figures were based on the assumption that the number of males in the area should approximate the number of females as indicated by the general female to male relationship in the population; and on the further assumption that half of the unfound males are sub-employed.


10Ibid.


13 Bennett Harrison, Education, Training and the Urban Ghetto, p. 156.


16 Ibid.


19 Ibid., 2284.

20 Daniel S. Hamermesh, Economic Aspects of Manpower Training Programs (Lexington, Mass.: D.C. Heath and Co., 1971), p. 120.


CHAPTER II

PROGRAM DESCRIPTION

A Definition of Public Service Employment

Public service employment, as proposed in this paper, refers to employment in federal, state, county, and municipal governments, special districts, or non-profit agencies which produce and distribute the full range of public services. Employment opportunities could include, but would not be limited to, the areas of public works maintenance, sanitation, construction programs, administrative services, police and fire protection, education, welfare, and health care.¹

The basic idea for public service employment—jobs for those who need them—is as old as the Depression and the Works Progress Administration. The association of the basic elements, work that needs to be done and unemployed workers, received much public attention in the late 1960's. This re-examination of the concept was the result of the continuing expansion of federal programs and the exploration of new policy alternatives in struggling to reduce unemployment and underemployment. Moreover, the proposal is responsive to the unique economic situation in which high rates of unemployment persist in conjunction with high rates of economic growth.
An evaluation of the literature and a consideration of Figure 1 discloses that public service employment is largely a status-quo oriented proposal. It will operate comfortably within the existing socio-economic-political structure. Although public service employment represents a redefinition of the unemployment problem in terms of the failure of the labor market rather than the inadequacies of the labor market participants, the reform which is being proposed is ameliorative and not a radical transformation.

The concept of public service employment, matching the work that needs to be done with people who need the work, remains intact throughout the public service employment literature. However, various proponents have alternately described the concept as being capable of providing a confusing and sometimes conflicting array of public benefits. The literature suggests that the proposal would serve such widely diverse objectives as providing lifelong career opportunities for all the poor who wish to work and serving as a counter-cyclical tool of aggregate economic policy.

Figure 1 was prepared for purposes of comparison. It summarizes the end-results attributed to public service employment by various authors.

Consonant with the issues raised in the preceding chapter, the author advocates a version of public service employment which has as its major goal to reduce the incidence of unemployment and underemployment among minorities. This
understanding of the purpose of public service employment recognizes the primary importance of restructuring the operation of the labor market in order to reduce its racially discriminatory impact.
GOAL

Reduce unemployment and underemployment.

DESIRED END-RESULTS

Impact on the Economic System

Time Dimension

<table>
<thead>
<tr>
<th>Short Run</th>
<th>Long Run</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Reduce overall high rate of unemployment quickly. (Public Service Employment tied to trigger mechanism.)</td>
<td>1) Reduce differentially high unemployment and underemployment rates for minorities.</td>
</tr>
<tr>
<td>2) Provide fiscal relief to local and state governments through federal financing.</td>
<td>2) Improve unemployment/inflation trade-off.</td>
</tr>
</tbody>
</table>

Impact on the Social System

Reduce problems of personal and family disorganization.

Impact on the Labor Market

Improve the quality of jobs available to those previously excluded from the labor market.

GOAL

Provide training and education for the unskilled.

DESIRED END-RESULTS

Impact on the Social System

1) Provide lifelong career opportunities.
2) Alter public understanding of "professional" training to include experience.

Impact on the Labor Market

1) Provide opportunities for the motivated and capable to advance to professional status.
2) Provide a vehicle for civil service reform.

Fig. 1. Goals of Public Service Employment
GOAL

Expand public services.

DESIRED END-RESULTS

Impact on the Social System

1) Reduce the magnitude of poverty.
2) Improve the quality of public services.
3) Institute client-oriented approaches within human service agencies.

Impact on the Labor Market

Reduce the large pool of unemployed and underemployed minority workers.

Fig. 1. Continued

While considerable variations exist among the definitions and purposes of public service employment as proposed by various authors, there is agreement regarding what would not be an accurate description of the program. Public service employment is not a method for recruiting low wage workers to do the less desirable work of society. There are some types of jobs which cannot be automated or eliminated within the near future and others which are unlikely ever to be automated; for example, those related to patient care in hospitals. For those jobs which either lack status or have a high degree of distastefulness associated with them but which still must be done, public service employment would provide an adequate living wage. Because these jobs would command higher wages, such a strategy would encourage industry to move rapidly to
mechanize these jobs where practicable.

**The Characteristics of Public Service Employment**

Public service employment is proposed as the most appropriate method for altering the discriminatory pattern of the labor market's operation. This potential exists because of five characteristics of government employment: accessibility, stability, security, salaries, and training required.

**Accessibility of Public Service Employment**

Public service employment offers job opportunities which are readily accessible to ghetto residents. In the early 1960's, Louis K. Lowenstein conducted a research project which charted the location patterns of eight major employment sectors within 39 large metropolitan areas. The only significant concentration of land allotted to public administration activities was located entirely within the central city. Lowenstein also found that manufacturing activities, where many of the underemployed currently work, tended to be dispersed away from the core.²

Research carried out in the mid-sixties indicated that in the metropolitan areas surveyed, an average of two-thirds of all urban public jobs were located in the central city (see Table 8).

An earlier section of this paper established that the unemployed and underemployed residents of metropolitan areas are concentrated in central city ghettos. The creation
Table 8. The Intrametropolitan Location of Public Sector Jobs in Fourteen SMSA's: 1966 (by place of work)

<table>
<thead>
<tr>
<th>Metropolitan Area</th>
<th>Total</th>
<th>Central City</th>
<th>Ring</th>
<th>Central City as % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almeda-Oakland</td>
<td>223,753</td>
<td>156,825</td>
<td>66,928</td>
<td>70.1</td>
</tr>
<tr>
<td>Baltimore</td>
<td>91,712</td>
<td>56,611</td>
<td>35,101</td>
<td>61.7</td>
</tr>
<tr>
<td>Boston</td>
<td>155,320</td>
<td>68,597</td>
<td>86,723</td>
<td>44.4</td>
</tr>
<tr>
<td>Denver</td>
<td>77,917</td>
<td>45,351</td>
<td>36,566</td>
<td>53.1</td>
</tr>
<tr>
<td>Houston</td>
<td>85,961</td>
<td>76,441</td>
<td>9,520</td>
<td>88.9</td>
</tr>
<tr>
<td>Memphis</td>
<td>49,923</td>
<td>47,871</td>
<td>2,052</td>
<td>95.9</td>
</tr>
<tr>
<td>Montgomery</td>
<td>11,239</td>
<td>10,059</td>
<td>1,180</td>
<td>89.5</td>
</tr>
<tr>
<td>New Orleans</td>
<td>57,047</td>
<td>39,571</td>
<td>17,476</td>
<td>69.4</td>
</tr>
<tr>
<td>New York</td>
<td>662,253</td>
<td>488,179</td>
<td>174,074</td>
<td>73.7</td>
</tr>
<tr>
<td>Omaha</td>
<td>31,482</td>
<td>23,850</td>
<td>7,632</td>
<td>75.8</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>246,038</td>
<td>144,251</td>
<td>101,787</td>
<td>58.6</td>
</tr>
<tr>
<td>Richmond</td>
<td>27,881</td>
<td>18,022</td>
<td>9,859</td>
<td>64.6</td>
</tr>
<tr>
<td>San Antonio</td>
<td>67,860</td>
<td>66,651</td>
<td>1,209</td>
<td>98.2</td>
</tr>
<tr>
<td>St. Louis</td>
<td>122,074</td>
<td>58,730</td>
<td>63,344</td>
<td>48.1</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>1,910,460</strong></td>
<td><strong>1,297,009</strong></td>
<td><strong>613,451</strong></td>
<td><strong>67.9</strong></td>
</tr>
</tbody>
</table>


of new jobs in the government would result in employment opportunities in geographic areas which are readily accessible to the poor. Employment in the central city would eliminate the need for the costly and largely unsuccessful reverse commuting programs which have accompanied other job training and development efforts.

Stability of Public Service Employment

An examination of the long-term trends in our economy indicates that the service sector is becoming the predominant
element. Today about 60 percent of the labor force is engaged in the production of services; by 1980 the figure will increase to 70 percent, according to present projections.³ Within the service sector, public employment represents a stable, growth-oriented industry. It already provides a major portion of all the jobs in our cities. A fifth of all wage and salary employees currently work for government. Of all the new jobs being created annually, one out of every four is in the public sector.⁴

Data from the Department of Labor demonstrates that in the larger SMSA's over one out of every three new workers was engaged in the delivery of public services (see Table 9). This is especially significant in light of the large concentration of unemployed workers in the major metropolitan areas.

This expansion is partially the result of the nature of the services provided by governments--they require a great deal of record management and person-to-person contact.

Another important feature of the public service industry is its relative stability in times of economic cyclical variations. Figure 2 shows that there have been no downturns in the rate of growth of public employment since 1948, although there were three downturns in the rate of private growth. According to the Bureau of Labor Statistics, current information indicates that these trends have held constant even through the current recession.⁵ Figure 3 illustrates

<table>
<thead>
<tr>
<th>SMSA</th>
<th>Average annual rate of change in public sector employment as percent of change in total employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>15.8%</td>
</tr>
<tr>
<td>Baltimore</td>
<td>34.0</td>
</tr>
<tr>
<td>Chicago</td>
<td>26.3</td>
</tr>
<tr>
<td>Denver</td>
<td>28.9</td>
</tr>
<tr>
<td>Kansas City</td>
<td>22.9</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>18.7</td>
</tr>
<tr>
<td>New Haven</td>
<td>29.7</td>
</tr>
<tr>
<td>New Orleans</td>
<td>46.6</td>
</tr>
<tr>
<td>New York</td>
<td>52.2</td>
</tr>
<tr>
<td>Omaha</td>
<td>74.7</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>50.2</td>
</tr>
<tr>
<td>Phoenix</td>
<td>20.1</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td>31.6</td>
</tr>
<tr>
<td>Sacramento</td>
<td>69.7</td>
</tr>
<tr>
<td>St. Louis</td>
<td>23.2</td>
</tr>
<tr>
<td>San Antonio</td>
<td>31.2</td>
</tr>
<tr>
<td>San Francisco</td>
<td>28.7</td>
</tr>
<tr>
<td>Seattle</td>
<td>17.5</td>
</tr>
<tr>
<td>18 SMSA average</td>
<td>34.6%</td>
</tr>
</tbody>
</table>

Note: Data refers to federal, state, municipal, and special district full-time equivalent employment. Government contractors are not included.


the magnitude of growth in government employment. Since 1970, the tendency to expand has been most pronounced at the state and local level.
Fig. 2. Private and Public Sector Employment in the United States: 1948-1965

Security of Public Service Employment

Most government employees are usually granted tenure after successful performance during a probationary period of approximately one year. This type of job security means that: 1) an adequate annual income can be obtained even if the job may pay relatively low wages because the work is steady; and 2) with the reduced risk of lay-offs, employees have a greater opportunity to earn the increased benefits and wages that accrue with seniority and are therefore less likely to be the "first fired" employees.
Salaries Paid to Public Service Employees

Almost any employment will improve the economic standards of the unemployed. However, public service employment will cause a distinctive rise in income level since higher wages are benefits already being paid by public rather than private employers for comparable work. Selected jobs in various local government agencies in twelve metropolitan areas were surveyed in 1966 to determine current salary ranges. These salary ranges were then compared with the median monthly wages earned by a sample of workers in urban ghettos. The figures indicated that those ghetto residents who could obtain employment in public service capacities in their respective cities might anticipate an increase in their wages by a factor of between one and three times.

The Bureau of Labor Statistics included a modified version of the urban employment survey in the 1970 Census and administered it to an average of one-third of the population in 52 large central cities. The data yielded from this study, as listed in Table 10, clearly demonstrates the financial superiority of public employment over private for the ghetto poor.

While over 10 percent of the core city privately employed men and 31 percent of the women averaged less than $80 per week in 1970—the current official OEO-SSA poverty line—the corresponding percentages for public employees were only 5.2 percent and 14.7 percent—only half as great. At the other end of the earnings distribution, only 27.7 percent of the privately employed men and 12.4
percent of the women earned $150 or more per week on the average—the equivalent of the BLS' Lower Level Recommended Budget for an urban family of four. In the public sector, nearly 44 percent of the men and 24 percent of the women earned at least this much per week.\(^7\)

Table 10. Average Weekly Earnings in the 51 Central City Census Employment Survey Areas, by Sector; 1970

<table>
<thead>
<tr>
<th>Sector</th>
<th>Men Aged 16-64</th>
<th>Women Aged 16-64</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of persons</td>
<td>1,572,000</td>
<td>923,000</td>
</tr>
<tr>
<td>Pct. with &lt;$80</td>
<td>10.3</td>
<td>31.6</td>
</tr>
<tr>
<td>Pct. with $80-$149</td>
<td>50.7</td>
<td>47.7</td>
</tr>
<tr>
<td>Pct. with &gt; $150</td>
<td>27.7</td>
<td>12.4</td>
</tr>
<tr>
<td>No response</td>
<td>11.3</td>
<td>8.3</td>
</tr>
<tr>
<td>Median wage</td>
<td>$127</td>
<td>$ 95</td>
</tr>
<tr>
<td>Public Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of persons</td>
<td>303,000</td>
<td>210,000</td>
</tr>
<tr>
<td>Pct. with &lt;$80</td>
<td>5.2</td>
<td>14.7</td>
</tr>
<tr>
<td>Pct. with $80-$149</td>
<td>40.9</td>
<td>50.9</td>
</tr>
<tr>
<td>Pct. with &gt; $150</td>
<td>43.6</td>
<td>28.9</td>
</tr>
<tr>
<td>No response</td>
<td>10.3</td>
<td>10.5</td>
</tr>
<tr>
<td>Median wage</td>
<td>$146</td>
<td>$122</td>
</tr>
<tr>
<td>Noneducation Public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of persons</td>
<td>270,000</td>
<td>161,000</td>
</tr>
<tr>
<td>Pct. with &lt;$80</td>
<td>4.8</td>
<td>13.0</td>
</tr>
<tr>
<td>Pct. with $80-$149</td>
<td>41.1</td>
<td>54.6</td>
</tr>
<tr>
<td>Pct. with &gt; $150</td>
<td>43.8</td>
<td>22.4</td>
</tr>
<tr>
<td>No response</td>
<td>10.3</td>
<td>10.0</td>
</tr>
<tr>
<td>Median wage</td>
<td>$149</td>
<td>$120</td>
</tr>
</tbody>
</table>


Table 11 further establishes that the fiscal advantage of public sector earnings over private wages is actually greater for non-whites than for whites. This is especially
true for non-white women.

The figures in Table 12 demonstrate that, for both races and sexes, there are proportionally fewer poverty-level jobs in the public than in the private sector.

Table 11. Mean Weekly Earnings in the Public and Private Sectors of Twelve Large Metropolitan Areas, by Race, Sex for Residents of Central City Poverty Areas—March, 1966

<table>
<thead>
<tr>
<th>Race</th>
<th>Public Sector</th>
<th>Private Sector</th>
<th>Nonwhite</th>
<th>Public Sector</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
</tr>
<tr>
<td>White</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$145$</td>
</tr>
<tr>
<td>Nonwhite</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Tables 10 and 11 confirm that jobs offered through a public service employment program would provide significant improvement in the standard of living of the newly employed. This contrasts to previous government training and education efforts which frequently result in jobs which did not pay an adequate wage.

**Lower Training Requirements of Public Service Employment**

A notable aspect of the higher wages paid by public employers is the fact that:

Local governments pay relatively more for unskilled, semi-skilled, and skilled craft workers but relatively less for high level professionals, managerial and executive employees, than employers in the private sector.8
This fact assumes greater significance when one considers that only a modest skill level is required to fill many of the public service jobs. Non-professional workers, including office, clerical, and blue collar employees, comprise approximately 60 percent of the total public service labor force.\(^9\)

It can therefore be assumed that the scope of job training

| Table 12. Earnings Distribution for Full-Time, Year-Round Workers in 1968 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                             | Percent earning below:      |                             |                             |                             |
|                             | $3,000 | $4,000 | $5,000 | $6,000 |
| **Public Sector**           |                     |                             |                             |                             |
| All employees               |                     |                             |                             |                             |
| (includes teachers)         |                     |                             |                             |                             |
| Women                       | 9.4    | 19.6   | 35.8   | 56.7   |
| Men                         | 3.1    | 4.4    | 8.2    | 15.9   |
| **Clerical Workers**        |                     |                             |                             |                             |
| Women                       | 6.1    | 20.6   | 39.5   | 63.0   |
| Men                         | 1.6    | 3.7    | 7.6    | 15.6   |
| **Craftsmen & Operatives**  |                     |                             |                             |                             |
| Women                       | a      | a      | a      | a      |
| Men                         | 1.9    | 4.7    | 8.5    | 16.5   |
| **Other**                   |                     |                             |                             |                             |
| Women                       | a      | a      | a      | a      |
| Men                         | 4.8    | 9.8    | 16.7   | 27.0   |
| **Private Sector**          |                     |                             |                             |                             |
| All employees               |                     |                             |                             |                             |
| Women                       | 21.0   | 45.2   | 66.4   | 81.7   |
| Men                         | 5.3    | 10.5   | 17.9   | 27.9   |

Note: \(^a\)Not available

required prior to successful placement in public service jobs is significantly less than that which is required to develop a satisfactory industrial employee. Moreover, the minimal skill level is more highly rewarded in the public sector.

**Summary**

Public service jobs are located within a convenient transportation radius for the unemployed and underemployed who are concentrated in central cities. Wages paid to public service employees do not discriminate against minorities, nor are there many situations in which a public employee would be likely to earn a substandard wage. Public service jobs are more secure than private sector jobs. Many of the existing jobs require a modest skill level. Given this environment, public service employment programs should be structured to increase the relative participation rates of the unemployed and underemployed in the existing public jobs and should increase the absolute number of jobs made available to the unemployed and underemployed.
FOOTNOTES

CHAPTER II

1This definition is based on one developed by Bennett Harrison and Paul Osterman.


4Bennett Harrison, Public Employment and Urban Poverty, p. 32.

5Ibid.

6Ibid., p. 25.


CHAPTER III

PROGRAM DESIGN CONSIDERATIONS

The previous chapter outlined the general form of the public service employment concept. This chapter sets forth the specific program elements which must be evaluated by a jurisdiction wishing to design and implement a public service employment program.

Defining the Target Population

The universe of the target population, those who would be recruited to participate in a public service employment program, has been described in very general terms as being the unemployed and underemployed. Documentation has been provided which indicates that racial minorities living in city ghettos are disproportionately represented in the ranks of the unemployed and underemployed. It was then argued that this segment of the population ought to be the primary target group.

Studies of the nature of unemployment and the problems of the unemployed have shown that the ghetto minority unemployed and underemployed are comprised of numerous distinct categories of workers who have been discriminated against in the labor market. In studies performed by the National Civil Service League, two subcategories of the
unemployed were identified in terms of their respective disadvantages in competing in the labor market. The procedurally disadvantaged were described in terms of having the capability to become full productive employees after only a brief period of orientation to the new work situation. However, these individuals were excluded from employment consideration because of procedural barriers such as performance on irrelevant written examinations, lack of educational prerequisites and credentials, and minor prison records. The substantively disadvantaged, the other category, were defined as those individuals who lack the qualifications necessary to perform satisfactorily on the job without considerable training.

The concept of the procedurally and substantively disadvantaged overlaps more specific categories of the unemployed and underemployed ghetto labor force which have been noted by others who have studied the labor market.

1. Teenagers with little or no work experience.
2. Persons with stable, but low-wage work experience.
3. Adults with a work history of chronic turnover and poor work habits.
4. Persons with clearly defined obstacles to employment such as the aged and mothers of young children.
5. Persons who are not in the labor force who have competing sources of income such as welfare and illicit activities.

An examination of past government efforts to reduce the magnitude of unemployment would lead one to conclude
that the previous programs have been targeted to specific elements of the procedurally disadvantaged and substantively disadvantaged, perhaps to the detriment of their overall impact. For example, the differences (rather than the similarities) among the unemployed and underemployed have been emphasized with the development of a myriad of special projects which restricted participation to certain of the above-cited categories. One result has been an overlapping and elaborate administrative structure for the various programs.

Public service employment seeks to rethink the definitions and problems of the unemployed by noting the commonalities of their situation and proposing one program which would include provisions for participation by people in each of the sub-categories. Under an umbrella public service employment concept, the jobs to be made available could be competently filled by many of the unemployed and underemployed regardless of their age, previous work experience, or advanced educational and/or training attainments. The overall program should also provide for variable support and training services responsive to the employment needs of the particular government agency and the abilities of the new public service employees. Later sections of the paper will discuss the various services which may be required.

**Job Opportunities Under Public Service Employment**

An examination of previous efforts to employ poverty neighborhood residents reveals a tendency toward the
development of three generalized staffing patterns. In the first, the employees were tracked into minimal skill jobs which offered no training opportunities. In the second staffing pattern, a sharp distinction was retained between program participants and the regular employees. Although limited opportunities existed for advancement based on experience and training, all upgrading occurred within the rigidly prescribed roles. The third was termed the "new careers concept" by Arthur Pearl. Under this approach, education was combined with jobs in an effort to establish a continuous link between sub-professional and professional status.

There are substantial differences between a public service employment program and earlier government efforts. Employees recruited under a public service employment program would be "regular" in the sense that it would not be necessary to have special slots created for the formerly unemployed and underemployed ghetto residents since they are largely capable of performing many of the existing jobs. This is possible because the personnel systems of our governments in metropolitan areas already include elaborate classification schemes which provide for trainee positions and for advancement to the upper ranks based on achievement and time in grade. Such systems are expanded daily as government continually reorganizes and reassesses its role and responsibility to provide public services. The inclusion of new job
classifications which might result from the implementation of a public service employment program would present minimal difficulty.

There are notable advantages to the "new careers" staffing pattern. It recognizes that both experience and education are valid criteria in assessing professional competence and takes into account the unique skills possessed by indigenous personnel which contribute to their ability to perform in a competent and professional manner and which have previously been ignored in establishing criteria for the attainment of professional status. It makes an effort to expand the often limited horizons of the poor by providing them with the opportunity to observe and experience firsthand many new skills and occupations and thereby provides them with alternative role models and introduces the possibility for alternative career aspirations.

However, there are others who would suggest that public service employment advocates have over-emphasized the careers concept and believe it is a mistake to conceive of the two as being inextricably linked. Firstly, it ignores the fact that most of the existing public service jobs are non-professional in nature and, therefore, can hardly be presumed to be a career in the sense of being a profession for which one trains and which is undertaken as a permanent calling. Secondly, not everyone in society is career oriented. An adequate wage level is apparently far more
important.

Sociological and public opinion inquiries have often concluded that an amazing proportion of the men and women who do dull work claim to like what they do, conceivably because more of the tedium is in the eye of the beholder than in the actual experience of the worker. In 1971 . . . Americans ranked a good job and congenial work fourth from the bottom in the list of fifteen personal aspirations. At the head of the list were a respondent's good health and better standard of living.4

Moreover, if the jobs to be included in a public service employment program are designed to provide steps toward ultimate career status, recruitment would have to be restricted to potential professionals. This would exclude many of the unemployed and underemployed from participating in such a program. It would also thwart the achievement of the major goal of public service employment—a change in the operation of the labor market by increasing the demand for that labor which is normally in excess supply, the less skilled minority ghetto resident.

In making the final determination about the types of jobs which will become available through a public service employment program, the most influential factor must be the service needs of the jurisdiction. The following section explains how, based on an analysis of community needs, jobs for public service employees can be developed.

Methods of Job Development

Job development occurs through job design and job restructuring. Job design is derived from an effort to identify the nature of the services offered by government
and methods for improving the manner in which these services are provided. New positions are created to bridge the gaps which are identified in the analysis.

A review of program goals, policies, and procedures is an important means of identifying areas where new and better services can be provided. Evaluation of organizational structure and staffing patterns, both current and projected, can reveal new ways of improved personnel utilization. 

Job restructuring involves a study of the specific tasks performed in the process of doing one's job. Once the evaluation is completed, it becomes possible to group together the related and less difficult tasks which may have previously been performed by several individuals and combine them into a new job.

There is a need for both approaches in any public service employment program. It has been suggested that job restructuring is most suitable for craft and technician jobs since there already exists in these areas a tradition of giving credit for experience and a recognition of performance ability for its own sake. In the long run, the development strategy provides a sounder basis for initiating new careers in the professional work fields, although great care must be taken to avoid the creation of a caste system of strictly professional and non-professional jobs. With job development, jobs can be structured in a logical series which requires the application of increasing skills and abilities which are learned on the job.
Both the restructuring and the design efforts will be affected by the skills already available in the segment of the population to be recruited and also by the amount of funds available for training and support activities.

Public service employment legislation should include a provision which would require all subsequently enacted laws which result in the creation of additional jobs to reserve a certain percentage of these new employment opportunities for public service employment. Forty-percent would be a reasonable figure, since approximately one-fifth of all federal grants are spent on administrative activities, especially record maintenance, and since minimal job restructuring efforts can readily break-out less difficult tasks.

Providing Training and Support Activities

The extent of the support services required to enable the target population to make a successful adjustment to the public service work experience depends on the characteristics of the new employees. For example, recruiting the hard core unemployed, those most attached to "street life," will require extensive and expensive support services. This writer believes that the primary target population should not include the hard core unemployed. By hiring those who are more likely to be readily acclimated to the work environment, the money available to support a public service employment program can be used to provide salaries for employees rather than salaries for professionals who offer support services.
This will broaden the impact of the program by increasing the standard of living for more disadvantaged individuals.

The apparent result of this recommendation is to leave the hard core unemployed without work. Studies have indicated, however, that the designated "hard core unemployed" are very adept at earning a living through illicit activities. The recommendation is, therefore, premised on the argument that no one is being consigned to poverty, but that it is necessary to recognize that many traditional forms of employment are simply not as lucrative nor do they use the same set of skills as do illicit activities.

The support services which would be required—training, education, and on-the-job supervision—are already basic elements of personnel administration in our governments in metropolitan areas. Under public service employment, a careful effort must be made to synthesize all of these into a flexible instrument for continuous personal development. Such services must be appropriate to the work assignment, accessible to the employee, and must allow for combinations of work and study away from and within the work situation.

Public service employment efforts in the past have employed two general patterns for training. One, the career ladder, represents an orderly progression through a series of prescribed levels to an eventual high status and high paying position. The career lattice concept is used to describe training for a job which is general enough to lead
to several alternative positions. An example of the latter would be the training of a social service aide who might work in any number of human service agencies or departments. Figure 4 illustrates both of these concepts.

It should also be noted that training and support services must be carefully structured so that they increase the chances for promotion for both old and new employees and so that the old employees are encouraged to participate in the programs. Such training and support activities will be the most effective weapon available to the local government agencies to counteract the prejudice which is likely to exist among those less skilled employees who are most likely to feel directly threatened by the implementation of a public service employment program.

A wider range of services might be required, depending on the needs of those who are employed, and could include: child care; transportation; vocation, education, and work adjustment counseling; and medical attention. It should be noted that many of these services already are provided to employees in both the private and public sector.

The counseling services, if provided through a "coach" or "buddy," are termed high-support because of the intense personal, one-to-one contact involved. This approach proved to be extremely successful when employed by industry. A "coach," preferably a member of a peer group, could help a new public service employee to learn to control unacceptable
Fig. 4. Career Ladder and Career Lattice Job Opportunities

social responses to the new and unfamiliar work environment. Offering general emotional support in times of stress, the coach may also provide counsel about financial problems, legal assistance, and provide follow-up services.

**Constraints to Program Implementation**

Public service employment programs will need to surmount several tangible obstacles.

**Civil Service Entrance Barriers**

Existing civil service systems have presented three major obstacles to the employment of ghetto residents. One is the use of written examinations for all positions. Another is the reliance on the use of educational requirements of limited relevance.

The National Civil Service League, in conducting a survey of written examinations used by local governments, concluded that there is a great discrepancy between the difficulty of the tests and the actual nature of the jobs. In Syracuse, New York, the following question appeared on an examination for the position of Maintenance Man:

Assume that in quantity purchases, the city receives a discount of 33-1/3 percent. If one gallon of paint retails at $5.33 per gallon, the cost of 375 gallons of this paint is most nearly

(a) $1,332.50  (b) $1,332.75  (c) $1,333.00  (d) $1,333.25

The author of the study further pointed out that this question was not among the most difficult or the most unusual he had encountered during the course of his research.
When the requirement of a high school diploma was examined in light of its relevance to the work performed by the personnel department of the State of Pennsylvania, the requirement was eliminated in various entry level classes of work involving approximately 20,000 positions.9

The reliance on educational attainments of limited relevance to the job in the form of either a high school diploma or an examination which tests mathematical or language abilities presumably developed in high school presents a formidable barrier to those black ghetto residents who are least likely to have completed high school. When such requirements are part of the examination procedures for jobs which do not include the use of senior high skills as part of the job's duties, they reinforce the limited opportunities of capable individuals who are competent and anxious to do the work which should be available to them.

A third obstacle exists in the form of reliance on arrest and/or conviction records to determine character suitability with no consideration for extenuating circumstances. The National Civil Service League has recommended that arrest records not be considered at all and that only convictions for crimes of a serious nature be considered as relevant information.10

Although all of the above-mentioned criteria were developed as techniques for screening into public service the most desirable employees, they have also been very
successful in screening out minorities as evidenced by recent decisions of the courts which have mandated reforms in testing procedures.\footnote{11}

Under public service employment, the employee selection plan would be designed in compliance with the new guidelines which have been established by the judiciary. According to studies of the National Civil Service League, this form of examination, known as performance testing, is the simplest and most economical type of test to prepare and administer. More importantly, performance testing has yielded more reliable results than either written or oral exams in terms of identifying candidates who will perform most successfully on the job.\footnote{12} Care must be used in selecting the examination contents which are employed to determine if an individual is capable of performing the work which is actually required on the job. There are, however, thousands of work projects which can be converted to this special usage.\footnote{13} Appendix I provides an example of the method used to develop a performance test for the position of painter.

The goal of all the newly revised test procedures must be to determine what education and skills are required to perform the job and then to test these abilities.

Other general reforms of civil service systems which will be required prior to the successful implementation of public service employment programs include the development of new job classifications and the reduction of entry level
requirements premised on a concept of hiring employees on the basis of potential rather than proven achievement.

**Securing Cooperation from Program Participants and Program Administrators**

An entrenched and therefore powerful bureaucracy at all levels of government has been developed to administer a series of human power programs predicated on the failure or inability of individuals to compete effectively in the labor market. Public service employment represents a redefinition of the problem in terms of a failure of the labor market instead. Acceptance of this principle requires a substantial revision of attitudes.

In *Public Planning: Failure and Redirection*, Robert A. Levine argues that many of the failures of public planning in the past can be attributed to the wide latitude and administrative discretion (and hence power) which have accrued to the middle levels of management which develop the rules and procedures required to institute the programs which have been devised at other levels. The subversions and distortions which have resulted in the past are a force with which the advocates of public service employment must prepare to reckon. The categories of those to be hired must be carefully defined and adhered to in order to assure that the jobs are made available to those who need them most—the ghetto underemployed and unemployed.

It is preferable to avoid the creation of an additional
administrative bureaucracy which would provide another example of human power money being diverted away from program participants. Previous efforts to employ ghetto workers in private industry have demonstrated that if the commitment is sincere at the upper levels of management, then those charged with the actual day-to-day responsibility will conform to expectations. The same principle is likely to hold true with respect to the implementation of a public service employment program. Mayors, governors, and public administrators will have to want the program to succeed in order for it to be a success.

The attitudes of administrators, politicians, and potential program participants toward public service employment are likely to be affected by the stigma which has been associated with earlier public service employment programs. Many will view it as work for people who were not capable of getting any other jobs. This is an attitudinal problem for which there is no easy solution. Time and slow success will hopefully resolve this issue.

Another problem may exist in the form of a "credibility gap" between program planners and the target population. The public service employment proposals advanced to date represent a concept which has been rejected by many planners in recent years—planning for people. This term refers to the exclusion of potential program participants from the planning process. Today, planners prefer the more popular phraseology
of planning with people which implies that clients are included in the planning efforts.

Even if client involvement follows initial planning, it is likely that there will be an opportunity for consumers to contribute to program development discussions prior to the enactment of a public service employment program. The heritage of the last decade of government social welfare activity includes a legitimization of the need for citizen participation in the planning and development of social welfare programs. In the area of human power planning, the responsibility for handling programs was often contracted out to local community groups.

Citizen participation will become crucial when the nature of the jobs to be developed is being defined. It is likely that citizen groups, in analyzing the services already being provided by government, will wish to use the new public service employees in activities which are most visible and have a high ratio of client contact—health, education, welfare, police, sanitation, etc. A legitimate yet competing perspective by a city manager, for example, might indicate that a new infusion of energy ought to be directed toward some of the blue collar technical work performed in construction and maintenance activities.

In terms of the ultimate impact of public service employment and the attainment of the primary goal, it is the quantity of the jobs made accessible to the unemployed and
underemployed which is most significant. The debate between consumers and suppliers of public services could become more important if it appeared to have the power to impede the implementation of a public service employment program because of the related controversy. It is, therefore, necessary to institutionalize the strife by providing opportunities for citizen prerogatives in the decision-making process.

**Program Evaluation Activities**

In designing a major social welfare program such as public service employment, serious consideration must be given to the program evaluation responsibility. Program evaluation should provide the quantitative calculations required to determine if specific objectives are being met. This limited concept is often referred to as project monitoring and is oriented to the study of day-to-day operations. Appendix II lists many of the questions which could be included in project monitoring activities.

The most useful information, however, will result from research conducted under program evaluation. Using the information from project monitoring reports as a base, program evaluation will be directed toward efforts to relate public service employment to an improved understanding of the functioning of the labor market and its impact on minorities.

Tentative predictions have been made about the results of the public service proposal. Program evaluation must
first direct attention to determining how and when the results can be gauged. Projected growth in scope and cost of the program must be related to an assessment of the need for the program and not exclude the possibility that the need for the program might diminish at some future point in time.

In order to evaluate the impact of public service employment, major attention must be directed toward a comparison of the employability of urban ghetto racial minorities versus that of urban ghetto whites. Preliminary work indicates conclusively that despite comparable education and training, minority residents of the urban ghetto earn less and are unemployed more than their white counterparts. This racial bias accounts for the crux of the need for public service employment and must, therefore, form the core of all program evaluation endeavors. A report which notes that fewer people are unemployed after the implementation of a public service employment program is not a useful product of program evaluation activities. The research must be oriented toward a determination of whether Blacks and Whites with similar social and educational backgrounds now have the same probability of standing side-by-side in either the unemployment line or the employees' cafeteria line.

Although the process of measuring goal attainment is readily described, it is difficult to actually measure. The traditional paradigm for planners suggests that deter-
mination of goals and objectives, analysis of needs and
alternatives, program selection and implementation, and
evaluation flow in an orderly succession in which evaluation
is linked into the determination of goals and objectives to
form a harmonious unity. The purpose of evaluation is to
determine why events occurred in a locality which might not
have conformed to national experience and to note how local
events might change the rationale for the national program.
This is an appropriate role for evaluation. It directs
itself to a consideration of micro behavior as it advances
or retards the achievement of macro behavior.

A major confrontation between evaluation in theory
and evaluation in fact arises because local agencies are
likely to gauge performance against internal efficiency
measures rather than to the underlying criteria established
by the goals of the program. The result of this tendency is
dismal in terms of the achievement of the ultimate goal
although some good may occur as a spin-off effect.

Consider, for example, the vocational rehabilitation
program developed after World War II. That program was
designed to bring disabled people into the work force.
Congress wished to make the agency tow the mark and
forced upon it a set of performance specifications based
on "numbers of rehabilitations" achieved per year. A
"rehabilitation" was defined as a "person trained so
that he acquires a job and holds on to it for three
months." The effect of the position of that criterion
was the following: 1) It made vocational rehabilitation
agencies seek out the most capable clients and refuse
the least capable; the most capable were the ones that
you could most easily insert into a job; and 2) It made
the agencies change the entry level of the jobs because
it was easier to put a person into a low-level than a
high-level job; and 3) It made them distinguish systematically between a "person" and a "case" so that, looking at records, you never knew whether you were looking at seventy thousand cases or at the same person seventy thousand times; and 4) It induced them never to follow up after three months.14

A similar example, more relevant to a consideration of public service employment, is illustrated by the following citation from a newspaper article which dealt with the failure of the government's work incentive program

WIN's argument is that the job training classes weren't training anyone for jobs that existed and seemed to benefit only the persons who got paid for doing the training.

'I reviewed hundreds of cases and found that we were using these people for our own purposes--you know, we were worrying about whether all the chairs (in training classes) were full . . . . We were just putting them all into training programs and not into jobs.'15

The conclusion of the WIN administrators was that the numbers showed that training programs were a failure. Therefore, real efficiency dictated the elimination rather than the improvement of training efforts.

One method for overcoming this bias toward efficiency, as demonstrated by the achievement of quantifiable targets, suggests that the program evaluation function should be retrained by the planning rather than the administrative agency.

Evaluation by a more objective unit will also facilitate a judgment of the operation of the institution itself in terms of responsiveness, innovativeness, and effectiveness, as well as efficiency. An apparent "failure" of a public
service employment program might indicate to thoughtful evaluators the nature of shortcomings and inadequacies of the administrative unit rather than a weakness inherent in the public service employment concept. In the long run, evaluation activities should be able to provide specific information which will result in structural innovation in guidance systems. This critical activity is best performed by individuals not overly attuned to the prevailing ethic within the administering entity. Such research might best be conducted by a team which traveled around the country lending its expertise to jurisdictions of all sizes.

Program evaluation work must also present its findings in light of those areas which are not being successfully addressed through a public service employment program. For example, the problems of the rural poor related to unemployment will not be affected by public service employment. It should be emphasized that it is not intended to permit equally critical concerns to fall by the wayside.

Summary

An analysis and evaluation of public service employment must include a consideration of the various program elements which would be part of a program design or which would affect the design process. The discussion in this chapter has included a treatment of some of the more prominent factors. The potential target population was defined, and the job opportunities which could be made available to
program participants were identified. Methods for developing such employment opportunities through job design and job restructuring projects were discussed. The critical need for training and support activities was emphasized. Constraints to program implementation in the form of civil service barriers and bureaucratic inertia were considered. The importance of program evaluation activities was stressed. The conclusion can be drawn that the problems which were noted are resolvable without excessive or unduly expensive efforts and that their successful resolution will make a strong contribution to the achievement of the primary goal—a change in the operation of the labor market.
FOOTNOTES

CHAPTER III


13 Ibid.


CHAPTER IV

CONCEPTUAL EVALUATION OF THE PROGRAM

The conceptual evaluation of public service employment which follows organizes and differentiates among the postulated effects in terms of their impact on the labor market, the economy, and the society. Comments contrasting properties of public service employment with other human power programs will be included only in the case of the most readily identified differences and in the cases where these differences represent strengths and weaknesses of public service employment. For the most part, the evaluation will be internal in nature and will refer to the aspects of public service employment which have been cited in previous chapters.

Impact on the Labor Market

Public service employment can be distinguished from other human power programs on the basis of its ability to provide positive impetus for a change in the operation of the labor market. If stable jobs are available which pay decent wages and which offer opportunities for training and self-improvement, it is likely that those industries and businesses in the urban area which have been able to hire the poor for menial wages will be forced to pay a competitive wage in order to secure the needed labor. In the long run,
a competitive wage will be comparable to the salary range paid by urban governmental units.

This proposition is grounded in the most basic law of economics--supply and demand. Public service employment develops jobs for that segment of the labor force which is in excess supply. If the demand for labor remains fairly constant and as the supply becomes more scarce, the result is likely to be an increase in the price paid for the labor.

Another possible result, the potential demise of many marginal businesses that depend on inexpensive labor, is considered in a later section.

The impact on the labor market will be magnified to the extent that training is included as a component of the public service job experience. Firstly, it can expand the supply of qualified labor in shortage categories, specifically blue collar technical categories. Secondly, public service employment can alter the traditional routes for recruiting and hiring professionals by expanding the opportunities for the less educated or noncollege oriented citizens to track into professional occupations.

A possible negative effect is associated with the extent to which public service employees are hired to fill the jobs previously and potentially held by others. Preferential treatment for minority groups, although justified, may result in temporary displacement for those who are usually employed by government. However, it is argued that most of
these employees are capable of finding new employment with little difficulty because they are not discriminated against by the labor market.

Public service employment will have small impact on the labor market in rural and semi-rural areas where a local government is not prepared to implement a public service employment program. Nor will it be very effective for those parts of the country, particularly some Southern states, where civil servants are paid at approximately the same rate as private sector minority employees. In addition, the fact that public service employment could not possibly respond to all the needs of the urban ghetto labor force, public service employment should be advocated in conjunction with economic development and other human power programs in a comprehensive effort to develop human resources.

**Impact on the Economy**

Simulations by the Federal Reserve Board indicate that public service employment grants to state and local governments will produce more jobs than either deficit spending or an equivalent tax cut designed to stimulate private consumption.

Private consumption and/or investment spending of $1 billion generates about 79,000 new jobs, nearly all of them in the private sector.

Federal non-defense spending of $1 billion generates about 83,000 jobs; 43,000 in the private sector.
Federal defense spending of $1 billion generates about 92,000 jobs; 55,000 in the public sector, and 37,000 in the private sector.

State and local government spending of $1 billion generates about 110,000 jobs; 79,000 in government, and 31,000 in the private sector.²

Further simulations indicated that if the $1 billion were spent solely on the expansion of public employment, in the first year unemployment would be reduced by more than twice as much as would have resulted from an equal reduction in personal income taxes or other federal spending.³

Another important effect on the economy will occur through the generation of additional income taxes and an increased Gross National Product. The Congressional Joint Economic Committee has estimated that approximately $12 to $15 billion a year less accrues to the federal government in the form of tax revenue for every one percent unemployment.⁴

In further discussions before Congress, the considerable multiplier effect of public service employment has been noted. The multiplier effect leads to a substantial stimulation of the economy which consequently results in higher tax revenue in subsequent years. Robert A. Gordon of the University of California has theorized that there would be an increase of $2 in the Gross National Product for each dollar spent on public service employment.⁵

If, in fact, many jobs in a public service employment program are created and filled by the formerly unemployed and underemployed, the possible impact may have some negative
consequences. If those who wish to be employed by local government are able to find work and are receiving higher wages than they would in comparable private employment, many low wage jobs will remain unfilled or will be eliminated. After a long period of time, the jobs may be mechanized. For those industries which cannot readily pass on their costs to consumers because of the marginal or undeveloped nature of the demand for their product, the costs of labor may become excessive. An increase in the cost of labor may result in the elimination of many job opportunities. However, economists have pointed out that the multiplier effect also extends to the creation of additional jobs. Professor Gordon has postulated that every public service job created would generate another job in the private economy which would further stimulate employment, tax revenue, etc.⁶

In the long run, the elimination of many low-paying jobs, as the higher costs of labor in private industry are absorbed by the purchasers of those products and services which continue to be produced, will have been a positive effect of public service employment. However, adequate consideration must be given to the shortage of various job opportunities which is likely to exist, in the short run. This problem can be most successfully resolved by providing public service jobs within all government agencies and departments so that numerous categories of jobs in a variety of settings exist.
Impact on Society

Public service employment is likely to affect the larger social milieu by changing the operation of many human service agencies as a result of the employment of indigenous paraprofessionals. Agency directors and supervisors who have employed paraprofessionals have noted that they contributed to a variety of program activities including servicing more people, offering new services, and providing the project staff with new viewpoints for understanding the client population. The following comment by a health administrator was typical of attitudes encountered:

They brought about a change in atmosphere within the agency and more lively and vital relationships among staff and between patients and staff. . . . Improved morale, better attitudes toward patients, definite improvements in the overall quality of service were other improvements reported. The addition of youthful, untrained personnel within several hospitals makes the older trained personnel reexamine their own roles and the role, structure, and function of the hospital.7

Another important result of the employment of indigenous personnel is a redefinition of the nature of the relationship between the agency and the client population. Agencies were forced into a degree of accountability to the client community which was contrary to the more traditional pattern of operation in which accountability was defined in terms of professional regulation of professional work and responsibility to the entire community.8

These significant results—improved services and increased accountability to the clients—are an outgrowth of
the distinct set of skills and experience which the indigenous staff bring to the job. These include the following six characteristics:

1. The increased ability to enter the milieu of the distressed.
2. The ability to establish peerlike relationships with the needy.
3. The ability to take an active part in the clients' total life situation.
4. The ability to empathize more fully with the clients' style of life.
5. The ability to teach the client, from within the clients' frame of reference, more successful actions.
6. The ability to provide clients with more effective transition to more effective levels of functioning within the social system. 9

To the clients, indigenous personnel will continue to represent a demonstration of agency faith in clients, as well as providing an acceptable role model. For the indigenous paraprofessional, with proper training and educational opportunities, it is now possible to attain professional status through a nontraditional educational route.

Public service employment has expanded our understanding of what capacities are requisite to competent job performance. The Institute for Educational Development performed an in-depth study of the performance of paraprofessionals in New York City public schools. The evaluators found:

... higher achievement in almost half of the schools after the advent of paraprofessionals. As for the students themselves, 90 percent of the elementary
pupils said they enjoyed coming to school more and about 75 percent of the junior high students felt that the schools were doing a better job. Well over three-fourths of all principals, teachers, paraprofessionals, and parents interviewed said that the pupils were taking more pride and more self-confidence in their work.10

Another example of the same phenomenon comes from an extensive study of 17 rehabilitation agencies. Interviews were conducted with 209 counselors, 50 supervisors, and 1,502 patients. The ratings given by patients and supervisors of counselors were correlated with four levels of worker education--post-master's degree, master's degree, bachelor's degree, and less than a bachelor's degree. It was found that:

High levels of academic training of rehabilitation counselors do not result in high supervisor ratings on the dimension of overall effectiveness of the counselor. Higher levels of academic training for rehabilitation counselors do not result in higher client reports of satisfaction with his counselor.11

Quantifiable performance measurements resulted from an evaluation of a Georgia Head Start program. Language achievements of pupils in a class that had both a teacher and a paraprofessional were compared with classes which had only a paraprofessional.

It was found that . . . the children's performance on a linguistic test increased significantly regardless of the training level of the teacher. High school educated teachers and paraprofessionals did just as well as college educated teachers in teaching children as determined by measurements of the children's language behavior.12

This data indicates that individuals, regardless of their educational background, who receive the appropriate
on-the-job training can perform certain tasks as well as professionals who have university-granted degrees. The results demonstrate that many more jobs in the public service and the private sector as well can be capably filled by the less formally educated but equally competent members of society. With the requisite commitment from administrators, these jobs can readily be made available to those who are most in need of the opportunities.

Public service employment is hypothesized to have an equally beneficial effect on the new governmental employees. By providing jobs which pay a livable wage to those who were formerly victims of racial discrimination, public service employment assures the poor of a chance to mobilize their personal resources to improve their own life. The poor will be able to graduate to participant status in the operation of the labor market. The underlying premise has been enunciated by Frank Reissman.

A human is unfulfilled when he is a mere recipient; he needs to be important to others... The need to feel useful is not appreciated by many architects of social rehabilitation. It is not understood by proponents of a guaranteed annual income. The poor will continue to remain poor (by any definition) if they are restricted to recipient roles. They want to be participants. Welfare rights organizations have gained their vitality because they offer persons the chance to be useful in their own behalf.13

Norton Long has described an instructive model of what the city might become once citizens have developed a sense of causal efficacy, the ability to achieve personal goals due to individual action and striving, to change their
personal affairs and then extend their efforts to affect their environment.

In St. Louis, the Hill, an Italian neighborhood, has a crime rate lower than not only the rest of the city, but than most, if not all, of the suburbs as well. Acting through their own organizations, the residents of the Hill have assisted strong young Italian families to buy homes and settle there. As a result, while housing in much of the city is in decay, on the Hill it is well kept and demand outruns supply. The Hill cares for its houses, the appearance and safety of its streets, its children, and the employment of newcomers from Italy in its midst. It amounts to a neighborhood cooperative for the protection, welfare, and advancement of its members. Along many dimensions of the human condition--security, employment, education, and self-respect--it is a powerful instrument to improve the lot of its members of the local territorial community.14

In his Autobiography, Malcolm X presented a testimony as to how the efficacious use of slack resources can result in the transformation of a large number of individuals. Membership in the Black Muslim Church is portrayed as making a tremendous difference in peoples' lives.

... People by the transformation of their own behavior from individually and collectively self-destructive patterns and by the efficient use of their limited resources radically alter their lives for the better.15

Evaluators of programs which employed indigenous personnel noted consequences for the paraprofessionals which confirm the likelihood of public service employment changing peoples' attitudes about themselves. One study in California reported that "the program resulted in increased knowledge about the community and citizenship participation, development of personal skills and potential, changes in social and political outlook, and transformation of personal identity.16
When individuals are able to find work in which they are competent and which is financially rewarding, they are able to develop a clearer concept of their own identity.

An unexpected but repeated effect of paraprofessional employment around the country has been to engender within the employees a deep desire for education. Program administrators and university officials alike have responded with educational opportunities. When the paraprofessionals were enrolled, it was found that they "perform better than most junior college students and perform only slightly lower than university students taken as a group." Efforts by General Foods to infuse on-the-job training with regular jobs has had a similar effect and has whetted workers' appetites for more education. "It has overcome the sense of educational inadequacy which afflicts so many blue collar workers." The desire to increase one's education and training, once minorities are assured that there will be an adequate reward for their efforts, will enable the new minority workers to participate even more effectively in the labor market.

The impact on society of the new public service employment will be enhanced many times over if the newly acquired self-confidence and belief in the individual's ability to affect his or her environment is transferred to the larger community. Evaluation of past performance of paraprofessionals indicates that this "grand leap" has occurred. The work of providing services and serving as
community spokespersons to the agency has provided para-
professionals with a clearer idea of their potential social
function. "Previous moods of apathy and discouragement
were replaced by productive activism and high morale."19

Public service employees have gone on to assume new
leadership positions in community-based institutions. One
example of this occurred in New York City where demonstra-
tion community control projects took place and where
indigenous workers were being heavily used in various serv-
ice agencies and projects. When the ballots were counted,
44 percent of the members of the elected governing board
were paraprofessionals and employees of the anti-poverty
programs.20 A reporter of the previously cited General
Foods experiment noted "... the employees participate in
community and civic activities at rates unexpectedly high
for blue collar workers."21

If ghetto parents demonstrate this sense of causal
efficacy in utilizing instruments of community control and
in creating others, a valuable lesson can be learned by the
children of the ghetto whose current isolation from the
sources of political and economic power teaches lessons of
apathy, passivity, and powerlessness.

This mobilization of resources among the poor will
be facilitated by the growing trend toward unionization
among public employees; provided that the public service
employees, primarily minority members, are able to gain
access to the unions. As the unionization proceeds, it becomes possible to anticipate a future in which the threat of a city-wide strike among public employees could form the core of a political power base for many of the ghetto residents who are to be employed by a public service employment program.

The threat of a strike could create opportunities to use a newly achieved political status to seek a more equitable allocation of society's resources. Unions have already been effective in the public sector in achieving increased salary and fringe benefits. Researchers attribute this to the fact that union members in the private sector base their power on their role as employees. In the public sector they are able to exert their influence as employées, as pressure groups, and as voting citizens. Other possible targets might include the distribution of jobs in the central city area between residents and nonresidents or the sequestering of certain jobs for particular categories of the underemployed and unemployed.

Thus, the advocacy of a nation-wide public service employment program can be seen as taking on critical political implications not only for the potential program participants, but for society as a whole, including those who would suffer as a result of strikes among government employees. The trend to strikes among public employees is established. This author is not suggesting that this is a positive or a
negative force in public management but rather that the beneficiaries of the growing militancy of public workers should include minority ghetto workers.

To the extent that sociologists are correct in their assertions that poverty is a relative concept, another possible negative consequence can be identified. According to social scientists, poverty is defined on the basis of a commonly accepted standard, largely defined by the media, of an acceptable minimum income. It is conceivable that a large enough public service employment program would simply raise the threshold concept of poverty among society as a whole. The poor will continue to be those who earn the least—even if that "least" is an annual income considerably more than the poor might have earned in the past. However, the associated social ills, i.e., hunger, disease, etc., directly attributable to poverty will have been alleviated, and it is argued that the alleviation of these problems is the more important secondary effect of a public service employment program.

Summary

Public service employment has been advocated as the most appropriate solution to the problems of unemployment and underemployment because of its potential ability to change the operation of the labor market. This chapter considered how this effect is to be achieved. Public service employment can be structured to create a demand
for that labor which is currently in excess supply—the unemployed and underemployed minority ghetto worker—and thereby drive up the price of this segment of the labor force.

The chapter also explored some of the likely psychological consequences of financially rewarding employment and suggested that the development of self-confidence and self-respect on the part of new employees could create a fertile environment for increased participation in civic affairs.

The possible effect of public service employment on social service institutions was discussed and the attitudinal changes likely to result from the employment of indigenous paraprofessionals were considered. Social service delivery systems were projected to become more client-oriented as a consequence of public service employment.

The likely impact on the economic system was noted in terms of comparing the effect of public service employment to other methods of reducing unemployment and underemployment. The comparison was premised on a belief that government must and will continue to take a direct role in human power planning. Public service employment is likely to generate more jobs and more significantly reduce the magnitude of unemployment and underemployment than numerous other alternatives.
CHAPTER IV

FOOTNOTES


3Ibid., p. 2129.

4Ibid., p. 2286

5Ibid., p. 1528

6Ibid.


8Ibid., p. 99.

9Ibid., p. 48.


11Alan Gartner, Paraprofessionals and Their Performance, p. 50.

12Ibid., p. 29.


15 Ibid.

16 Alan Gartner, Paraprofessionals and Their Performance, pp. 95-96.

17 Ibid., p. 105.


19 Alan Gartner, Paraprofessionals and Their Performance, p. 96.

20 Ibid., p. 98.


CHAPTER V

CONCLUSIONS

To some, in the current economic recession with numerous political figures calling for an end to inflationary deficit spending, it might seem incongruous to be advocating a proposal for a new government program which would entail the expenditure of large amounts of money. There are two compelling reasons in favor of public service employment despite, or perhaps because of, the conditions of the national economy. Firstly, because of the large number of jobs made available in proportion to the amount of money being expended on a public service employment program, the project is likely to be among the least inflationary of all government expenditures proposed to reduce unemployment. Secondly, and most importantly, the economic instability will have its most severe impact on those who are already oppressed by the current system of economic organization—the unemployed and underemployed racial minorities living in urban ghettos. To suggest that we cannot afford to do something to relieve this situation is to say that certain members of society ought to be prevented from achieving a
minimal state of economic welfare in order to protect the value of the money of those who have been rewarded and assisted by this same discriminatory economic system. We must reject this latter notion.

The costs associated with such a program have been explored recently in the light of current Congressional efforts to adopt legislation which would provide for a federally funded public service program. The several bills under active consideration are proposed in response to the dual problem of rising unemployment and inflation and are not specifically targeted to the needs of the ghetto unemployed and underemployed. However, the cost projections can provide useful guidelines for the establishment of general program costs.

A $4 billion program at $7,000 per job will generate $800 million in federal, state and local taxes and would save $1.3 billion in welfare payments, unemployment benefits, food stamps and medicaid. Therefore . . . providing 570,000 jobs at an initial cost of $4 billion would generate $2.1 billion in savings for an actual cost of $1.9 billion.¹

Attempting to propose reasonable estimates in an effort to establish the magnitude of a program which would be required to significantly reduce the spiralling rate of unemployment for Blacks suggests the conservative projection which follows. In 1972, Black unemployment was 8.6 million² and is unquestionably higher today. If we presume that: 1) 60 percent of these unemployed are
residents of a metropolitan area; and 2) 60 percent of these residents would be willing to and could participate in a public service employment program, then a public service program providing jobs with an annual salary of $7,000 would cost $21 billion. One must resist the temptation to propose lower annual salaries for the purpose of hiring more people with the same amount of money. To create a lower salary base is to subsidize a second class labor force. Individuals cannot support themselves or their families with an annual salary much less than $7,000.

It has been argued that public service employment is the most appropriate vehicle for providing job opportunities for minority ghetto residents by reason of its own merits and in comparison to the alternative strategies which have been used by government in the past. Public service employment is proposed in response to the more complete analysis of unemployment and underemployment in urban slums which was included in this paper.

Aggregate unemployment data used to define and describe the nature of the unemployment problem have actually masked the pervasive reality of unemployment and underemployment in our urban ghettos. Repeated research projects have substantiated an unemployment rate in selected ghetto areas which is three times the national average.
The primary causal factor for this higher rate among Blacks is the racially discriminatory operation of the labor market. Because of prejudiced attitudes, the traditional paths by which the unemployed have been able to improve their economic prospects for the future have been denied to members of racial minority groups. Neither education, nor training, nor relocation to suburban areas alone have improved an unemployed Black's chance of securing a job. Because of this, previous government programs which have attempted to resolve the problems of unemployment through increased educational and training opportunities have had little impact.

Government has an irrefutable responsibility to take action to change this. But future government efforts must be developed based on the more adequate understanding of the operation of the labor market which is proposed in this paper. Public service employment, providing job opportunities of all kinds at various levels of government for previously unemployed and underemployed ghetto residents, is proposed as the most appropriate government response to this problem.

Public service employment, as presented in this paper, is characterized by: 1) its accessibility to the poor located in ghetto areas; 2) its stability in times of economic flux; and 3) the higher salaries paid to public service employees than to private employees for comparable semiskilled and blue collar work.
Public service employment was also considered in light of the activities which must be instituted in order to implement such a program; training and support requirements as well as changes in the procedures of civil service systems.

Finally, a discussion focused on the alterations likely to occur in the economy, the labor market, and the society as a result of public service employment was presented. Public service employment is projected to change the operation of the labor market by creating a demand for that labor which is presently in excess supply, the unemployed and underemployed ghetto worker. It is also suggested that public service employment is likely to have a significant impact on the larger society by providing individuals with the opportunity to marshal their own resources to improve their lives and their environment.

The author contends, and believes that it has been substantiated, that large numbers of people have been prohibited from successfully participating in the labor market because of their race. This nationwide discriminatory impact of unemployment and underemployment must form the central core from which proposals to reduce unemployment and underemployment must emanate. Every program under consideration must be thoroughly evaluated
on the basis of its potential for altering the discriminatory operation of the labor market. Public service employment has been considered within the context of this need and it has been advocated because of its ability to respond to this perceived need for change and to create positive secondary effects within society as a whole. No other program is likely to have the same impact for non-participants as well as participants. An elimination of the racially discriminatory operation of the labor market means an improved standard of living for all racial minorities.

At this critical juncture in time, despite its recognized deficits, public service employment should become the backbone of all efforts directed toward increasing employment in those urban ghettos where the problems of unemployment and underemployment are most severe.
CHAPTER V

FOOTNOTES


APPENDIX I

DEVELOPING A PERFORMANCE TEST FOR PAINTERS

The apprentice painter program was designed through the joint efforts of the Civil Service Department, the Newark Housing Authority and the local painters union. The purpose was to solve an acute shortage of qualified manpower for the authority, and at the same time provide jobs for the disadvantaged in that area. The public job announcement was open to any man between the ages of 18 to 25 in Newark, and although the announcement was widely advertised and distributed, the main thrust of the recruitment effort was toward the disadvantaged. Although the program is now in its fourth year, the initial announcement brought over 200 applicants.

Example 1—Apprentice Painter

The following elements were included in the tentative list of essentials: (1) ability to function at heights, (2) ability to cut and install glass, (3) ability to match colors, (4) a "steady" hand with a brush, (5) ability to recognize colors which do and do not harmonize with other colors, (6) manual dexterity, (7) a sense of spatial relations, (8) ability to follow oral directions and to learn from observation of demonstration, and (9) mechanical aptitude.

Item #1 was tested in a very obvious way--having the candidate climb a ladder, cross a scaffold plank and descend from the other side.

Item #2 was disregarded as such because it would have required background training in glazing. It was combined with item #8.

Item #3 like #2 would ordinarily require background training and so was modified to test the ability to match colors from observation of a demonstration by the test technician.

Item #4 was used as such with the understanding that
there is a measurable inborn or acquired ability not necessarily related to training in painting or any other trade.

Item #5 was used but necessitated numerous modifications from experience with the control groups in order to eliminate cultural contamination.

Item #6 was tested for by using a "breadboard" containing threaded studs onto which the candidate was required to place nuts in a tightly timed exercise. The timing and configuration was achieved through trial and error with the control groups.

Item #7 consisted of the standard block configurations which had to be matched to a stem. To reduce the literacy contamination, the problems were three-dimensional board mounted items.

Item #8 consisted of having the candidate observe the cutting and installation of a glass pane with oral directions accompanying the demonstration. He was asked to demonstrate what he had learned.

Item #9 was a pictorial conversion of basic mechanical aptitude items with oral directions. Standard mechanical aptitude items were selected and reduced to problems which required no reading ability to aid in their solution, e.g., several pictures, each showing a ladder propped against a wall. The examiner would ask the candidate to select the one which showed the ladder most securely placed.

Follow-up on the test results did not reveal significant bias with any of the items in such aspects as race, color, educational level. As far as it was possible to determine, cultural background and job success of these candidates correlated highly with test success. Interestingly enough, one candidate with a fourth grade education did better than one with two years of college, and one candidate who scored very high participated with his wife acting as translator. Subsequent tests were provided with staff translators.

APPENDIX II

ITEMS FOR INCLUSION IN PROJECT MONITORING REPORTS

I. Program Design:

A. Has the program been planned with specific goals and objectives?
B. Is the program plan compatible with existing agency, State, local or Federal programs? Where possible, does it dovetail with similar or complementary programs? Does the plan provide for the inclusion and use of all resources available to the agency?
C. Does the plan provide for the institutionalization of the successful elements of the program? Does the program plan avoid any impression that it is temporary?

II. Supervisory Training and Organizational Orientation:

A. Has the support of top-level officials and administrators been secured? Has existence of such support been made clearly apparent?
B. Has the active support of first-line supervisors been enlisted early in the program by involving them in preliminary planning and program development?
C. Does the program represent a formal policy of the agency?
D. Does the plan provide for central control and coordination? Is responsibility for program design, modification and evaluation clearly identified?
E. Has a systematic method of reporting, evaluating, and providing for needed change been included in the plan? Is the plan flexible enough to allow modification of the program where necessary?
F. Is special training provided in the techniques, skills, and attitudes most useful in supervising the disadvantaged?
   1. Are supervisors able to utilize the unique qualities that the disadvantaged may bring to the job?
   2. Are supervisors able to encourage the development of positive work attitudes and good work habits?
III. Job Design, Classification and Compensation

A. Is job design approached as part of comprehensive organizational and manpower planning?
1. Has the plan begun with a realistic appraisal of the potential benefits of the program? Do such benefits include better manpower planning, better use of professional staff, and improved service delivery?
2. In the design of the program, have agency needs and resources, both long and short-term, been considered? Does planning reflect an appraisal of future agency developments and their possible impact on the program?

B. Are all positions developed for the program meaningful in terms of the functions of the agency?
1. Have positions developed for the program resulted from job redesign and goal and functional analysis leading to the provision of new services?
2. Are minimum qualification requirements related to the duties and responsibilities of the positions?
   (a) Do they reflect the kinds of skills, knowledges, abilities, experience, and education or training necessary for job performance as determined by a systematic evaluation of the position?
   (b) Do they take into consideration the unique skills and knowledges possessed by some of the disadvantaged?
   (c) Do they progress from a requirement of less than grade school and no experience through responsible professional and technical levels?

C. Have career ladders and lattices been constructed to provide for career advancement? Do they provide for a well-defined progression sequence? Do positions reflect increasing responsibility and ability at higher levels in the career sequence?
1. Has provision been made for continuous career advancement through a relevant substitution of training and experience for education?
2. Is there provision for agency sponsorship or subsidizing of training where the employees may acquire further education or training to become eligible for advancement?

3. Is there provision for entry at all points along the career line from basic training and rehabilitation type positions through responsible professional and technical levels?

4. Has provision been made for cross career mobility?

5. Have positions funded under various Federal programs for employment of the disadvantaged been tied directly into funded agency positions on a career ladder? Are they a part of the agency's regular career sequence?

6. As much as possible has the program been incorporated into regular employee development activities? Have career opportunities for continuing employees been expanded for all, to ensure that lower and middle-level jobs will be opened as employees advance to higher-level positions?

7. Is provision made for positions in the career line which offer both useful work and job satisfaction for those who have attained their performance level?

D. Is the compensation plan internally consistent and does it take into account salaries paid for comparable positions in the private sector and in other government agencies?

1. Are the salary levels generally adequate? Are starting salary rates for the lower pay grades adequate?

2. Do employees hired from among the disadvantaged receive the same benefits as other career employees? Do they understand the nature and purpose of the benefits?

IV. Recruiting:

A. Does the recruiting effort utilize special, as well as regular, techniques and sources of referral, including the newspapers, community service groups, welfare organizations, employment security agencies, and other organizations serving the disadvantaged?
B. Is special consideration given to publicizing the program? Have special efforts been made to explain the program to insure that it is understood? Are employees with disadvantaged backgrounds used in these activities?

V. Selections:

A. Do the selection devices measure the aptitudes, skills, or abilities related to adequate job performance? Are special efforts being made to evaluate unused potential?

B. Have selection devices been modified to approximately evaluate the group being examined in relation to job duties? Where appropriate, do selection devices examine needed foreign language skills?

C. Have a variety of selection methods been developed? Do they include appraisal instruments such as measures of ability to follow written and oral instructions, individual and group oral interviews, and work experience and preference measures?

D. At some point in the selection process, has an attempt been made to learn of any unique skills that may be possessed by the disadvantaged?

VI. Training and Education:

A. Has training been provided at all levels in the career lattice?

B. Does training include in-house courses, on-the-job training and remedial academic instruction? Has provision for released time for individually initiated training been included?

C. Does the agency sponsor or provide appropriate training in basic education, work improvement, and preparation for promotion?

D. Has training been provided for supervisors? Does the training focus on attitude and on promoting an understanding of the contributions the disadvantaged will bring to the work situation? Does it emphasize the techniques to be used in training the disadvantaged? Does the training include discussion of the possibility that the disadvantaged person may approach the world of work in different ways?
E. Has the agency insured that rank and file employees are aware of the kinds of problems with which the disadvantaged will need help? Has consideration been given to creating a positive atmosphere within the agency before the program begins?

VII. Supportive Services:

A. Are supervisors able to help the disadvantaged to adjust to the work environment?
B. As part of the total rehabilitative effort, does the program provide for additional services to assist the disadvantaged in adapting to the work situation?
C. Has counseling been provided to assist the disadvantaged to overcome work-related, family, emotional, financial, or legal problems?
D. Have all services been utilized by the agency to assist the disadvantaged in making the best adjustment they can to the world of work?

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