

## **CHAPTER III**

### **SELECTED ECONOMIC POLICY ISSUES**

127. We have outlined this moral vision as a guide to all who seek to be faithful to the Gospel in their daily economic decisions and as a challenge to transform the economic arrangements that shape our lives and our world. These arrangements embody and communicate social values, and therefore have moral significance both in themselves and in their effects. Christians, like all people, must be concerned about how the concrete outcomes of their economic activity serve human dignity; they must assess the extent to which the structures and practices of the economy support or undermine their moral vision.

128. Such an assessment of economic practices, structures, and outcomes leads to a variety of conclusions. Some people argue that an unfettered free-market economy, where owners, workers, and consumers pursue their enlightened self-interest, provides the greatest possible liberty, material welfare, and equity. The policy implication of this view is to intervene in the economy as little as possible because it is such a delicate mechanism that any attempt to improve it is likely to have the opposite effect. Others argue that the capitalist system is inherently inequitable and therefore contradictory to the demands of Christian morality, for it is based on acquisitiveness, competition, and self-centered individualism. They assert that capitalism is fatally flawed and must be replaced by a radically different system that abolishes private property, the profit motive, and the free market.

129. Catholic social teaching has traditionally rejected these ideological extremes because they are likely to produce results contrary to human dignity and economic justice.<sup>(1)</sup> Starting with the assumption that the economy has been created by human beings and can be changed by them, the Church works for improvement in a variety of economic and political contexts; but it is not the Church's role to create or promote a specific new economic system. Rather, the Church must encourage all reforms that hold out hope of transforming our economic arrangements into a fuller systemic realization of the Christian moral vision. The Church must also stand ready to challenge practices and institutions that impede or carry us farther away from realizing this vision.

130. In short, the Church is not bound to any particular economic, political, or social system; it has lived with many forms of economic and social organization and will continue to do so, evaluating each according to moral and ethical principles: What is the impact of the system on people? Does it support or threaten human dignity?

131. In this document we offer reflections on the particular reality that is the U.S. economy. In doing so we are aware of the need to address not only individual issues within the economy but also the larger question of the economic system itself. Our approach in analyzing the U.S. economy is pragmatic and evolutionary in nature. We live in a "mixed" economic system which is the product of a long history of reform and adjustment. It is in the spirit of this American pragmatic tradition of reform that we seek to continue the search for a more just economy. Our nation has many assets to employ in this quest—vast economic, technological, and human resources, and a system of representative government through which we can all help shape economic decisions.

132. Although we have chosen in this chapter to focus primarily on some aspects of the economy where we think reforms are realistically possible, we also emphasize that Catholic social teaching bears directly on larger questions concerning the economic system itself and the values it

expresses—questions that cannot be ignored in the Catholic vision of economic justice.(2) For example, does our economic system place more emphasis on maximizing profits than on meeting human needs and fostering human dignity? Does our economy distribute its benefits equitably or does it concentrate power and resources in the hands of a few? Does it promote excessive materialism and individualism? Does it adequately protect the environment and the nation's natural resources? Does it direct too many scarce resources to military purposes? These and other basic questions about the economy need to be scrutinized in light of the ethical norms we have outlined. We urge continuing exploration of these systemic questions in a more comprehensive way than this document permits.

133. We have selected the following subjects to address here: 1) employment, 2) poverty, 3) food and agriculture, and 4) the U.S. role in the global economy. These topics were chosen because of their relevance to both the economic "signs of the times" and the ethical norms of our tradition. Each exemplifies U.S. policies that are basic to the establishment of economic justice in the nation and the world, and each illustrates key moral principles and norms for action from Catholic social teaching. Our treatment of these issues does not constitute a comprehensive analysis of the U.S. economy. We emphasize that these are illustrative topics intended to exemplify the interaction of moral values and economic issues in our day, not to encompass all such values and issues. This document is not a technical blueprint for economic reform. Rather, it is an attempt to foster a serious moral analysis leading to a more just economy.

134. In focusing on some of the central economic issues and choices in American life in the light of moral principles, we are aware that the movement from principle to policy is complex and difficult and that although moral values are essential in determining public policies, they do not dictate specific solutions. They must interact with empirical data, with historical, social, and political realities, and with competing demands on limited resources. The soundness of our prudential judgments depends not only on the moral force of our principles, but also on the accuracy of our information and the validity of our assumptions.

135. Our judgments and recommendations on specific economic issues, therefore, do not carry the same moral authority as our statements of universal moral principles and formal church teaching; the former are related to circumstances which can change or which can be interpreted differently by people of good will. We expect and welcome debate on our specific policy recommendations. Nevertheless, we want our statements on these matters to be given serious consideration by Catholics as they determine whether their own moral judgments are consistent with the Gospel and with Catholic social teaching. We believe that differences on complex economic questions should be expressed in a spirit of mutual respect and open dialogue.(3)

## **A. Employment**

136. Full employment is the foundation of a just economy. The most urgent priority for domestic economic policy is the creation of new jobs with adequate pay and decent working conditions. We must make it possible as a nation for everyone who is seeking a job to find employment within a reasonable amount of time. Our emphasis on this goal is based on the conviction that human work has a special dignity and is a key to achieving justice in society.(4)

137. Employment is a basic right, a right which protects the freedom of all to participate in the economic life of society. It is a right which flows from the principles of justice which we have outlined above. Corresponding to this right is the duty on the part of society to ensure that the right

is protected. The importance of this right is evident in the fact that for most people employment is crucial to self-realization and essential to the fulfillment of material needs. Since so few in our economy own productive property, employment also forms the first line of defense against poverty. Jobs benefit society as well as workers, for they enable more people to contribute to the common good and to the productivity required for a healthy economy.

## 1. The Scope and Effects of Unemployment

138. Joblessness is becoming a more widespread and deep-seated problem in our nation. There are about 8 million people in the United States looking for a job who cannot find one. They represent about 7 percent of the labor force.(5) The official rate of unemployment does not include those who have given up looking for work or those who are working part-time, but want to work full-time. When these categories are added, it becomes clear that about one-eighth of the workforce is directly affected by unemployment.(6) The severity of the unemployment problem is compounded by the fact that almost three-fourths of those who are unemployed receive no unemployment insurance benefits.(7)

139. In recent years there has been a steady trend toward higher and higher levels of unemployment, even in good times. Between 1950 and 1980 the annual unemployment rate exceeded current levels only during the recession years of 1975 and 1976. Periods of economic recovery during these three decades brought unemployment rates down to 3 and 4 percent. Since 1979, however, the rate has generally been above 7 percent.

140. Who are the unemployed? Blacks, Hispanics, Native Americans, young adults, female heads of households, and those who are inadequately educated are represented disproportionately among the ranks of the unemployed. The unemployment rate among minorities is almost twice as high as the rate among whites. For female heads of households the unemployment rate is over 10 percent. Among black teenagers, unemployment reaches the scandalous rate of more than one in three.(8)

141. The severe human costs of high unemployment levels become vividly clear when we examine the impact of joblessness on human lives and human dignity. It is a deep conviction of American culture that work is central to the freedom and well-being of people. The unemployed often come to feel they are worthless and without a productive role in society. Each day they are unemployed our society tells them: We don't need your talent. We don't need your initiative. We don't need you. Unemployment takes a terrible toll on the health and stability of both individuals and families. It gives rise to family quarrels, greater consumption of alcohol, child abuse, spouse abuse, divorce, and higher rates of infant mortality.(9) People who are unemployed often feel that society blames them for being unemployed. Very few people survive long periods of unemployment without some psychological damage even if they have sufficient funds to meet their needs.(10) At the extreme, the strains of job loss may drive individuals to suicide.(11)

142. In addition to the terrible waste of individual talent and creativity, unemployment also harms society at large. Jobless people pay little or no taxes, thus lowering the revenues for city, state and the federal governments. At the same time, rising unemployment requires greater expenditures for unemployment compensation, food stamps, welfare, and other assistance. It is estimated that in 1986, for every one percentage point increase in the rate of unemployment, there will be roughly a \$40 billion increase in the federal deficit.(12) The costs to society are also evident in the rise in crime associated with joblessness. The Federal Bureau of Prisons reports that increases in unemployment have been followed by increases in the prison population. Other studies have

shown links between the rate of joblessness and the frequency of homicides, robberies, larcenies, narcotics arrests, and youth crimes.(13)

143. Our own experiences with the individuals, families, and communities that suffer the burdens of unemployment compel us to the conviction that as a nation we simply cannot afford to have millions of able-bodied men and women unemployed. We cannot afford the economic costs, the social dislocation, and the enormous human tragedies caused by unemployment. In the end, however, what we can least afford is the assault on human dignity that occurs when millions are left without adequate employment. Therefore, we cannot but conclude that current levels of unemployment are intolerable, and they impose on us a moral obligation to work for policies that will reduce joblessness.

## **2. Unemployment in a Changing Economy**

144. The structure of the U.S. economy is undergoing a transformation that affects both the quantity and the quality of jobs in our nation. The size and makeup of the work force, for example, have changed markedly in recent years. For a number of reasons, there are now more people in the labor market than ever before in our history. Population growth has pushed up the supply of potential workers. In addition, large numbers of women have entered the labor force in order to put their talents and education to greater use and out of economic necessity. Many families need two salaries if they are to live in a decently human fashion. Female-headed households often depend heavily on the mother's income to stay off the welfare rolls. Immigrants seeking a better existence in the United States have also added to the size of the labor force. These demographic changes, however, cannot fully explain the higher levels of unemployment.

145. Technological changes are also having dramatic impacts on the employment picture in the United States. Advancing technology brings many benefits, but it can also bring social and economic costs, including the downgrading and displacement of workers. High technology and advanced automation are changing the very face of our nation's industries and occupations. In the 1970s, about 90 percent of all new jobs were in service occupations. By 1990, service industries are expected to employ 72 percent of the labor force. Much of the job growth in the 1980s is expected to be in traditionally low-paying, high-turnover jobs such as sales, clerical, janitorial, and food service.(14) Too often these jobs do not have career ladders leading to higher skilled, higher paying jobs. Thus the changing industrial and occupational mix in the U.S. economy could result in a shift toward lower paying and lower skilled jobs.

146. Increased competition in world markets is another factor influencing the rate of joblessness in our nation. Many other exporting nations have acquired and developed up-to-the-minute technology, enabling them to increase productivity dramatically. Combined with very low wages in many nations, this has allowed them to gain a larger share of the U.S. market to cut into U.S. export markets. At the same time many corporations have closed plants in the United States and moved their capital, technology, and jobs to foreign affiliates.

147. Discrimination in employment is one of the causes for high rates of joblessness and low pay among racial minorities and women. Beyond the normal problems of locating a job, blacks, Hispanics, Native Americans, immigrants, and other minorities bear this added burden of discrimination. Discrimination against women is compounded by the lack of adequate child care services and by the unwillingness of many employers to provide flexible employment or extend fringe benefits to part-time employees.

148. High levels of defense spending also have an effect on the number of jobs in our economy. In our pastoral letter, *The Challenge of Peace*, we noted the serious economic distortions caused by the arms race and the disastrous effects that it has on society's ability to care for the poor and the needy. Employment is one area in which this interconnection is very evident. The hundreds of billions of dollars spent by our nation each year on the arms race create a massive drain on the U.S. economy as well as a very serious "brain drain." Such spending on the arms race means a net loss in the number of jobs created in the economy, because defense industries are less labor-intensive than other major sectors of the economy.<sup>(15)</sup> Moreover, nearly half of the American scientific and engineering force works in defense-related programs, and over 60 percent of the entire federal research and development budget goes to the military.<sup>(16)</sup> We must ask whether our nation will ever be able to modernize our economy and achieve full employment if we continue to devote so much of our financial and human resources to defense-related activities.

149. These are some of the factors that have driven up the rate of unemployment in recent years. Although our economy has created more than 20 million new jobs since 1970,<sup>(17)</sup> there continues to be a chronic and growing job shortage. In the face of this challenge, our nation's economic institutions have failed to adapt adequately and rapidly enough. For example, failure to invest sufficiently in certain industries and regions, inadequate education and training for new workers, and insufficient mechanisms to assist workers displaced by new technology have added to the unemployment problem.

150. Generating an adequate number of jobs in our economy is a complex task in view of the changing and diverse nature of the problem. It involves numerous trade-offs and substantial costs. Nevertheless, it is not an impossible task. Achieving the goal of full employment may require major adjustments and creative strategies that go beyond the limits of existing policies and institutions, but it is a task we must undertake.

### 3. Guidelines for Action

151. We recommend that the nation make a major new commitment to achieve full employment. At present there is nominal endorsement of the full employment ideal, but no firm commitment to bringing it about. If every effort were now being made to create the jobs required, one might argue that the situation today is the best we can do. But such is not the case. The country is doing far less than it might to generate employment.

152. Over the last decade, economists, policy makers, and the general public have shown greater willingness to tolerate unemployment levels of 6 to 7 percent or even more.<sup>(18)</sup> Although we recognize the complexities and trade-offs involved in reducing unemployment, we believe that 6 to 7 percent unemployment is neither inevitable nor acceptable. While a zero unemployment rate is clearly impossible in an economy where people are constantly entering the job market and others are changing jobs, appropriate policies and concerted private and public action can improve the situation considerably, if we have the will to do so. No economy can be considered truly healthy when so many millions of people are denied jobs by forces outside their control. The acceptance of present unemployment rates would have been unthinkable twenty years ago. It should be regarded as intolerable today.

153. We must first establish a consensus that everyone has a right to employment. Then the burden of securing full employment falls on all of us—policy makers, business, labor, and the general public—to create and implement the mechanisms to protect that right. We must work for

the formation of a new national consensus and mobilize the necessary political will at all levels to make the goal of full employment a reality.

154. Expanding employment in our nation will require significant steps in both the private and public sectors, as well as joint action between them. Private initiative and entrepreneurship are essential to this task, for the private sector accounts for about 80 percent of the jobs in the United States, and most new jobs are being created there.(19) Thus a viable strategy for employment generation must assume that a large part of the solution will be with private firms and small businesses. At the same time, it must be recognized that government has a prominent and indispensable role to play in addressing the problem of unemployment. The market alone will not automatically produce full employment. Therefore, the government must act to ensure that this goal is achieved by coordinating general economic policies, by job creation programs and by other appropriate policy measures.

155. Effective action against unemployment will require a careful mix of general economic policies and targeted employment programs. Taken together, these policies and programs should have full employment as their No. 1 goal.

### **a. General Economic Policies**

156. The general or macroeconomic policies of the federal government are essential tools for encouraging the steady economic growth that produces more and better jobs in the economy. *We recommend that the fiscal and monetary policies of the nation—such as federal spending, tax and interest-rate policies—should be coordinated so as to achieve the goal of full employment.*

157. General economic policies that attempt to expand employment must also deal with the problem of inflation.(20) The risk of inflationary pressures resulting from such expansionary policies is very real. Our response to this risk, however, must not be to abandon the goal of full employment, but to develop effective policies that keep inflation under control.

158. While economic growth is an important and necessary condition for the reduction of unemployment, it is not sufficient in and of itself. In order to work for full employment and restrain inflation, it is also necessary to adopt more specific programs and policies targeted toward particular aspects of the unemployment problem.(21)

### **b. Targeted Employment Programs**

159. (1) *We recommend expansion of job-training and apprenticeship programs in the private sector administered and supported jointly by business, labor unions, and government.* Any comprehensive employment strategy must include systematic means of developing the technical and professional skills needed for a dynamic and productive economy. Investment in a skilled work force is a prerequisite both for sustaining economic growth and achieving greater justice in the United States. The obligation to contribute to this investment falls on both the private and public sectors. Today business, labor, and government need to coordinate their efforts and pool their resources to promote a substantial increase in the number of apprenticeship programs and to expand on-the-job training programs. We recommend a national commitment to eradicate illiteracy and to provide people with skills necessary to adapt to the changing demands of employment.

160. With the rapid pace of technological change, continuing education and training are even more important today than in the past. Businesses have a stake in providing it, for skilled workers are essential to increased productivity. Labor unions should support it, for their members are increasingly vulnerable to displacement and job loss unless they continue to develop their skills and their flexibility on the job. Local communities have a stake as well, for their economic well-being will suffer serious harm if local industries fail to develop and are forced to shut down.

161. The best medicine for the disease of plant closings is prevention. Prevention depends not only on sustained capital investment to enhance productivity through advanced technology, but also on the training and retraining of workers within the private sector. In circumstances where plants are forced to shut down, management, labor unions, and local communities must see to it that workers are not simply cast aside. Retraining programs will be even more urgently needed in these circumstances.

162. (2) *We recommend increased support for direct job creation programs targeted on the long-term unemployed and those with special needs.* Such programs can take the form of direct public service employment and also of public subsidies for employment in the private sector. Both approaches would provide jobs for those with low skills less expensively and with less inflation than would general stimulation of the economy.(22) The cost of providing jobs must also be balanced against the savings realized by the government through decreased welfare and unemployment insurance expenditures and increased revenues from the taxes paid by the newly employed.

163. Government funds, if used effectively, can also stimulate private sector jobs for the long-term unemployed and for groups particularly hard to employ. Experiments need to be conducted on the precise ways such subsidies would most successfully attract business participation and ensure the generation of permanent jobs.

164. These job generation efforts should aim specifically at bringing marginalized persons into the labor force. They should produce a net increase in the number of jobs rather than displacing the burden of unemployment from one group of persons to another. They should also be aimed at long-term jobs and should include the necessary supportive services to assist the unemployed in finding and keeping jobs.

165. Jobs that are created should produce goods and services needed and valued by society. It is both good common sense and sound economics to create jobs directly for the purpose of meeting society's unmet needs. Across the nation, in every state and locality, there is ample evidence of social needs that are going unmet. Many of our parks and recreation facilities are in need of maintenance and repair. Many of the nation's bridges and highways are in disrepair. We have a desperate need for more low-income housing. Our educational systems, day-care services, senior citizen services and other community programs need to be expanded. These and many other elements of our national life are areas of unmet need. At the same time, there are more than 8 million Americans looking for productive and useful work. Surely we have the capacity to match these needs by giving Americans who are anxious to work a chance for productive employment in jobs that are waiting to be done. The overriding moral value of enabling jobless persons to achieve a new sense of dignity and personal worth through employment also strongly recommends these programs.

166. These job creation efforts will require increased collaboration and fresh alliances between the private and public sectors at all levels. There are already a number of examples of how such efforts can be successful.(23) We believe that the potential of these kinds of partnerships has only begun to be tapped.

### c. Examining New Strategies

167. In addition to the actions suggested above, we believe there is also a need for careful examination and experimentation with alternative approaches that might improve both the quantity and quality of jobs. More extensive use of job sharing, flex time, and a reduced work week are among the topics that should continue to be on the agenda of public discussion. Consideration should also be given to the possibility of limiting or abolishing compulsory overtime work. Similarly, methods might be examined to discourage the overuse of part-time workers, who do not receive fringe benefits.<sup>(24)</sup> New strategies also need to be explored in the area of education and training for the hard-to-employ, displaced workers, the handicapped, and others with special needs. Particular attention is needed to achieve pay equity between men and women, as well as upgrading the pay scale and working conditions of traditionally low-paying jobs. The nation should renew its efforts to develop effective affirmative action policies that assist those who have been excluded by racial or sexual discrimination in the past. New strategies for improving job placement services at the national and local levels are also needed. Improving occupational safety is another important concern that deserves increased attention.

168. Much greater attention also needs to be devoted to the long-term task of converting some of the nation's military production to more peaceful and socially productive purposes. The nation needs to seek more effective ways to retool industries, to retrain workers, and to provide the necessary adjustment assistance for communities affected by this kind of economic conversion.

169. These are among the avenues that need to be explored in the search for just employment policies. A belief in the inherent dignity of human work and in the right to employment should motivate people in all sectors of society to carry on that search in new and creative ways.

## FOOTNOTES

### Chapter III – Employment

1 *Octogesima Adveniens*, 26-41; and *On Human Work*, 7, 13.

2 *Program of Social Reconstruction*, 33-40.

3 See *The Challenge of Peace: God's Promise and Our Response*, 9-10.

4 *On Human Work*, 3.

5 U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation: April 1986* (May 1986).

6 Full Employment Action Council, *Employment in America: Illusory Recovery in a Decade of Decline* (Washington, D.C., February 1985), 19. Calculations based on data from the U.S. Department of Labor's Bureau of Labor Statistics.

7 U.S. Department of Labor, Bureau of Labor Statistics; *The Employment Situation: August 1985* and U.S. Department of Labor, Employment and Training Administration, *Unemployment Insurance Claims*. Reference week of June 22, 1985.

8 *The Employment Situation: August 1985*.

9 Brenner, "Fetal, Infant and Maternal Mortality during Periods of Economic Instability," *International Journal of Health Services* (Summer, 1973); P.H. Ellison, "Neurology of Hard Times," *Clinical Pediatrics* (March 1977); S. V. Kasl and S. Cobb, "Some Mental Health Consequences of Plant Closings and Job Loss," in L. Ferman and J. P. Gordus, eds., *Mental Health and the Economy* (Kalamazoo, Mich.: W. E. Upjohn Institute for Employment

Research, 1979), 255-300; L. E. Kopolow and F. M. Ochberg, "Spinoff from a Downward Swing," *Mental Health* 59 (Summer 1975); D. Shaw, "Unemployment Hurts More Than the Pocketbook," *Today's Health* (March 1978).

10 Richard M. Cohn, *The Consequences of Unemployment on Evaluation of Self*, Doctoral dissertation, Department of Psychology (University of Michigan, 1977); John A. Garraty, *Unemployment in History: Economic Thought and Public Policy* (New York: Harper and Row, 1978); Harry Maurer, *Not Working: An Oral History of the Unemployed* (New York: Holt, Rinehart and Winston, 1979).

11 M. Harvey Brenner, *Estimating the Social Cost of National Economic Policy* (U.S. Congress, Joint Economic Committee, 1976); see Brenner, *Mental Illness and the Economy* (Cambridge, Mass.: Harvard Univ. Press, 1973).

12 Congressional Budget Office, *Economic and Budget Outlook. FY 1986-FY 1990* (Washington, D.C.: February 1985), 75.

13 *Correlation of Unemployment and Federal Prison Population* (Washington, D.C.: U.S. Bureau of Prisons, March 1975); M. Yeager, "Unemployment and Imprisonment," *Journal of Criminal Law and Criminology* 70:4 (1979); *Testimony of M. H. Brenner in Unemployment and Crime* (U.S. Congress, House Hearings, 1977), 25.

14 Committee on the Evolution of Work, AFL-CIO, *The Future of Work* (Washington, D.C.: AFL-CIO, 1983), 11.

15 Congressional Budget Office, *Defense Spending and the Economy* (Washington, D.C.: Government Printing Office, 1983). See also Michael Edelstein, *The Economic Impact of Military Spending* (New York: Council on Economic Priorities, 1977) and Robert de Grasse Jr., *Military Expansion, Economic Decline* (New York: Council on Economic Priorities, 1983). See also U.S. Department of Labor, Bureau of Labor Statistics Report, "Structure of the U. S. Economy in 1980 and 1985," (Washington, D.C.: Government Printing Office, 1975) and Marion Anderson, *The Empty Pork Barrel* (Lansing, Mich.: Employment Research Associates, 1982).

16 U.S. Office of Management and Budget, *Historical Tables, Budget of the United States Government Fiscal Year 1986* (Washington, D.C.: Government Printing Office, 1985). Table 10.2, 10.2(3). See also, National Science Foundation Report, "Characteristics of Experienced Scientists and Engineers," (1978), *Detailed Statistical Tables* (Washington, D.C.: Government Printing Office, 1978).

17 "Statistical Supplement to International Comparison of Unemployment," Bureau of Labor Statistics (May 1984): 7. Unpublished.

18 Isabel V. Sawhill and Charles F. Stone state the prevailing view among economists this way: "High employment is usually defined as the rate of unemployment consistent with no additional inflation, a rate currently believed by many, but not all, economists to be in the neighborhood of 6 percent." "The Economy: The Key to Success," in John L. Palmer and Isabel V. Sawhill, eds., *The Reagan Record: An Assessment of America's Changing Domestic Priorities* (Cambridge, Mass.: Bollinger, 1984), 72. See also Stanley Fischer and Rudiger Dornbusch, *Economics* (New York: McGraw-Hill, 1983), 731-743.

19 W.L. Birch, "Who Creates Jobs?" *The Public Interest* 65 (Fall): 3-14.

20 Martin Neil Baily and Arthur M. Okun, eds., *The Battle Against Unemployment and Inflation*, third edition (New York: Norton, 1982); and Martin Neil Baily, "Labor Market Performance, Competition and Inflation," in Baily, ed., *Workers, Jobs and Inflation* (Washington, D.C.: The Brookings Institution, 1982). See also, Lawrence Klein, "Reducing Unemployment Without Inflation"; and James Tobin, "Unemployment, Poverty, and Economic Policy," testimony before the Subcommittee on Economic Stabilization, U.S. House of Representatives Committee on Banking, Finance and Urban Affairs (March 19, 1985), serial no. 99-5, (Washington, D.C.: Government Printing Office, 1985), 15-18 and 31-33.

21 Tobin, "Unemployment, Poverty, and Economic Policy"; and Klein, "Reducing Unemployment Without Inflation."

22 Robert H. Haveman, "Toward Efficiency and Equity through Direct Job Creation," *Social Policy* 11:1 (May/June 1980): 48.

23 William H. McCarthy, *Reducing Urban Unemployment: What Works at the Local Level* (Washington, D.C.: National League of Cities, October 1985); William Schweke, "States that Take the Lead on a New Industrial Policy," in Betty G. Lall, ed., *Economic Dislocation and Job Loss* (New York: Cornell University, New York State School of Industrial and Labor Relations, 1985), 97-106; David Robinson, *Training and Jobs Programs in Action: Case Studies in Private Sector Initiatives for the Hard to Employ* (New York: Committee for Economic Development, 1978). See also ch. IV of this pastoral letter.

24 Rudy Oswald, "The Economy and Workers' Jobs, The Living Wage and a Voice," in John W. Houck and Oliver F. Williams, eds., *Catholic Social Teaching and the U.S. Economy: Working Papers for a Bishops' Pastoral* (Washington, D.C.: University Press of America, 1984), 77-89. On the subject of shortening the work week, Oswald points out that in the first 40 years of this century, the average workweek fell from 60 hours to 40 hours. However, the standard workweek has been unchanged now for almost 50 years.