

Domestic Credit by Richard Freeman

A closer look at unemployment

There is a radical change both in the rate and nature of U.S. employment, with serious future consequences.

According to Department of Labor statistics, 1,300,000 workers entered the ranks of the unemployed in the year since February 1980. That is a shocking figure.

In recent testimony to the Senate Banking Committee and the House Ways and Means Committee, Federal Reserve Board Chairman Paul A. Volcker stated that his credit and interest policies would add another million to jobless totals during 1981. That is not shocking; he has already made his intent clear, but it is extremely dangerous.

Behind the gross figures for unemployment lies a more desperate figure for the fate of the U.S. workforce. In the year since February 1980, 835,000 adult women have entered the labor force, essentially to replace the 450,000 adult men and 270,000 teenagers who were unemployed in that period.

The much-vaunted marginal drop in unemployment from January to February 1981 was wholly accounted for by women entering the work force, replacing men who were unemployed.

This shift toward working women in the labor force is the largest since World War II. But the present labor situation is entirely the converse of that period.

While during World War II, women replaced men in industrial production, today those women are largely obtaining poorly paid service industry jobs. Although the unemployment figures remain un-

changed if the husband loses his job and his wife finds one, in fact the family income suffers.

Not only is the family income diminished, but at the present levels of female labor force participation, which was 52.0 percent in February, family formation continues to sharply decline.

Statistics indicate that as female employment rises above a certain level, birth rates collapse. For example, in 1950, female labor-force participation was 33 percent and births per one thousand women was 106.2. By 1960, female labor participation increased to 37 percent, and births per thousand women continued to climb to 118.

However, by 1970 a threshold had been crossed. As labor participation by women increased abruptly to 43.3 percent, births per thousand women fell to 87.9.

By 1980, labor force participation soared to 51.6 percent. Births per thousand women sank to 76.0

Over the past year, American families have been quickly pushed toward a condition traditionally associated with the poorest families: an unemployed father and a working mother.

And Office of Management and Budget Director David Stockman's intention to put 800,000 welfare recipients into "workfare" programs will force a further birth-rate decline.

Stockman has stated that the welfare recipients—mostly mothers

with dependent children—will take "community-level" jobs, replacing many of the 350,000 CETA employees whom Stockman hopes to purge from the Federal budget.

New Hampshire may be the first state to implement workfare. State House Majority Leader Leigh Bosse introduced legislation there on March 10 to put welfare recipients to work at three-fourths of the minimum wage. Anyone refusing to work would lose welfare, unemployment compensation, and Social Security. Elderly aid recipients would not be forced to work, but would be officially required to pay back whatever financial assistance they received!

Thus the real labor story beneath the apparently static unemployment figures is the two attacks on the American family.

Combine Volcker's wrecking of heavy industry with Stockman's desire to drive an additional half to three-quarters of a million women into the labor force, and America is firmly on the road to the 75 million U.S. population goal announced recently by Club of Rome member and University of Florida Prof. Howard Odum.

To unemploy America's most skilled workers in heavy industries and substitute their earnings with their wives' lower skills and earnings means the collapse of both industry and the family.

To eliminate the minimum wage for teenagers might lead to employment of a marginal number of youth as virtual coolie labor, and fix the unemployment statistics in a more speciously cheerful direction, but the result is both loss of labor productivity and loss of that generation of labor. And on that is staked the future of America.