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ABSTRACT

Improvements in the quality of national--and particularly of urban--life will require even greater expenditures than at present on the delivery of crucial services as education, health protection, recreation, waste disposal, and police and fire protection. Simultaneously, the problem of poverty continues to plague millions, even many who are in the labor force. For those who are underemployed, for the 2 million who have given up looking for jobs, and for those unemployed, the rapidly expanding demand for public service workers constitutes an important opportunity for advancement. The expanding need for important public services and the requirements of the disadvantaged for more and better work opportunities may each carry the solution to the other. This is the rationale for a program to stimulate public employment of the disadvantaged. Five reasons why such a program can be expected to improve the economic welfare of the disadvantaged, particularly of the urban residents, are: (1) public service is growing much faster than those private industries that have traditionally absorbed the poor; (2) government jobs pay substantially higher wages than the poor are currently earning; (3) there are important fringe benefits uniquely associated with public service; (4) the location of public work places in the central city means ease of accessibility for the vary large numbers of the disadvantaged residing in the urban core; and, (5) public service has historically served as the entry point into the world of work for many white ethnic groups. (Author/RJ)

Public Employment and Urban Poverty

Bennett Harrison

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ABSTRACT

A fifth of all wage and salary employees in America already work in federal, state, and local government, and the incidence of public employment is increasing; one out of every four new jobs in the economy is in the public sector. The relative importance of government employment is even greater in the nation's cities, where in some cases, over one out of every three new workers is engaged in the delivery of such crucial services as education, health protection, recreation, waste disposal, police and fire protection. Many would agree that improvements in the quality of national--and particularly of urban--life will require even greater expenditures on these and related activities.

At the same time, the problem of poverty continues to plague millions of American citizens--even many who are in the labor force. In 1966, 6.8 million persons worked 50-52 weeks but still earned less than $3,000. For these underemployed citizens--as for the 2 million who have given up looking for jobs and for the much larger number who are unemployed--the rapidly expanding demand for public service workers (primarily in state and local government) constitutes an important opportunity for advancement.

These two areas of national concern--the expanding need for important public services and the requirements of the disadvantaged for more and better work opportunities--may each carry the solution to the other. This is the rationale for a program to stimulate public employment of the disadvantaged.

There are at least five reasons why a public employment program can be expected to improve the economic welfare of the disadvantaged, particularly those living within the corporate boundaries of the nation's cities. First, the public service is growing much faster than those private industries in which the poor have traditionally been employed. Moreover, there is some evidence that a substantial share of these public sector jobs require relatively modest skills. Second, government jobs pay substantially higher wages--especially at the entry level--than the poor are currently earning. In fact, there are relatively fewer "working poor" employed in the public sector than in the private sector. Third, there are important non-wage benefits uniquely associated with public employment, including virtually automatic tenure and (even through the 1970 recession) secular job stability. To a group such as the disadvantaged--many of whom have come to regard legal work opportunities as inevitably irregular--the stability of public employment may be exactly what is needed to motivate the development of new attitudes toward the world of work. Fourth, the propensity of public employers for central city locations means that, for the very large numbers of disadvantaged households residing in the urban core, public work places are relatively

accessible. The significance of this is even greater in light of the argument that an increasing number of private urban employers are choosing suburban or exurban locations, inaccessible to all but the most fortunate residents of the central ghettos. Fifth, the public service has historically served as the point of entry into the American world of work for many white ethnic groups. Indeed, many ethnic monopolies have been established in the past within various branches of the public service.

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by

Bennett Harrison**

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I. Introduction

A number of recent research monographs have demonstrated the existence of a rapidly growing demand for public services, and the derived demand for public service workers.[1] A fifth of all wage and salary employees in America already work in federal, state, and local government,

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**Assistant Professor of Economics, University of Maryland.

[1]Victor Fuchs, The Service Economy (New York: National Bureau of Economic Research, Columbia University Press, 1969); Bennett Harrison, "Public Service Jobs for Urban Ghetto Residents," Good Government, Fall, 1969, reprinted in U.S. Senate Subcommittee on Employment, Manpower, and Poverty, Hearings, 91st Congress, 2nd Session (April 1, 1970), pp. 1422-1449; Harold L. Sheppard, The Nature of the Job Problem and the Role of New Public Employment (Kalamazoo, Michigan: W. E. Upjohn Institute, 1969).

and the incidence of public employment is increasing; one out of every four new jobs in the economy is in the public sector.[2] The relative importance of government employment is even greater in the nation's cities, where in some cases (see Table 1), over one out of every three new workers is engaged in the delivery of such crucial services as education, health protection, recreation, waste disposal, police and fire protection.[3] Many would agree that improvements in the quality of national--and particularly of urban--life will require even greater expenditures on these and related activities.

At the same time, the problem of poverty continues to plague millions of American citizens--even many who are in the labor force. In 1966, 6.8 million persons worked 50-52 weeks but still earned less than $3,000. For these underemployed citizens--as for the 2 million who had given up looking for jobs and for the much larger number who were (and continue to be) unemployed[4]--the rapidly expanding demand for public service workers (primarily in state and local government) constitutes an important opportunity for advancement. This may be especially true for the urban poor, whose residences are to a great extent still concentrated in the central

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[2]The U.S. Department of Labor projected an increase of 12.5 million new jobs in the service industries between 1966 and 1975, as against 2.7 million new jobs in the goods-producing industries. And government alone was expected to contribute nearly a third of the new service jobs. Harrison, op. cit., p. 5.

[3]Based on calculations for a selected sample of metropolitan areas, using Labor Department data (see Table 1). The eight-year (1962-69) 27 SMSA average is 34 percent--better than one out of every three new jobs.

[4]Manpower Administration, U.S. Department of Labor, Public Service Careers Program: A General Description, August, 1969, p. 3.

Table 1

INCREMENTAL GROWTH OF THE RELATIVE IMPORTANCE OF PUBLIC SECTOR EMPLOYMENT IN SELECTED METROPOLITAN AREAS: 1962-1969

SMSA	Annual change in public sector employment as percent of change in total employment [a]							Average annual rate of change for the 8-year period
	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	
	SMSA's with population over 250,000							
Atlanta	14.4%	7.6%	12.1%	20.4%	30.0%	14.2%	11.7%	15.8%
Baltimore	30.7	37.9	35.3	24.9	40.2	44.1	25.2	34.0
Chicago	44.4	5.3	57.1	12.3	25.5	26.6	12.9	26.3
Denver	45.1	66.7	17.8	13.6	38.7	17.2	3.4	28.9
Kansas City	28.4	32.3	20.3	12.8	23.1	21.2	22.4	22.9
Los Angeles	15.7	17.5	23.0	15.0	23.5	18.5	17.9	18.7
New Haven	17.2	31.0	12.5	24.3	30.4	50.0	42.3	29.7
New Orleans	14.0	11.9	8.3	9.1	120.0 [b]	45.2	117.4 [b]	46.6
New York	172.2 [b]	31.3	33.8	38.7	33.5	29.9	26.0	52.2
Omaha	400.0 [b]	22.6	25.0	17.5	28.6	13.5	15.7	74.7
Philadelphia	-218.2 [c]	20.1	13.2	24.7	31.1	19.7	24.6	50.2
Phoenix	17.4	21.0	37.9	15.5	30.0	12.8	5.9	20.1
Pittsburgh	104.6 [b]	18.9	16.0	19.1	35.3	16.2	10.9	31.6
Sacramento	21.8	43.9	87.1	95.0	113.2 [b]	65.3	61.5	69.7
St. Louis	15.6	18.1	15.3	21.9	44.0	37.3	10.3	23.2
San Antonio	-	-	-	41.8	36.1	17.3	29.4	31.2
San Francisco	25.8	26.2	31.4	37.0	44.6	22.8	13.0	28.7
Seattle	-	-	16.7	7.2	13.7	16.5	33.3	17.5
							18 SMSA average = 34.6%	

Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, May, 1965, pp. 74-81; May, 1966, pp. 102-111; May, 1967, pp. 100-109; May, 1968, pp. 108-117; May, 1969, pp. 122-131. Data refer to federal, state, municipal and special district full-time-equivalent employment. Government contractors are not included.

Table 1--Continued

SMSA	Annual change in public sector employment as percent of change in total employment [a]							Average annual rate of change for the 8-year period
	1962-63	1963-64	1964-65	1965-66	1966-67	1067-68	1968-69	
	SMSA's with population under 250,000							
Atlantic City	20.0%	20.0%	41.7%	12.9%	10.0%	5.6%	5.9%	16.6%
Bay City	-	11.2	4.2	5.3	100.0	166.7 [b]	25.0	52.0
Billings	-	22.2	50.0	28.6	27.3	40.0	50.0	36.4
Cedar Rapids	10.0	6.3	8.7	8.7	6.7	53.3	35.7	18.5
Jackson	57.1	25.0	12.0	24.0	39.1	24.3	14.7	28.0
Portland(Me.)	150.0 [b]	42.9	15.0	27.3	10.0	23.1	12.5	40.1
Racine	5.6	8.3	9.4	13.6	150.0 [b]	[d]	16.7	43.4 [e]
Santa Barbara	19.8	100.0	66.7	34.0	64.0	55.6	30.7	53.0
Wheeling	66.7	42.9	15.4	18.2	0.0	18.2	20.0	25.9
							9 SMSA average = 34.9%	

[a] $$\left[\frac{EMP_t^{public} - EMP_{t-1}^{public}}{EMP_t^{total} - EMP_{t-1}^{total}}\right] \times 100 \quad ; t = 1963, \ldots, 1969 .$$

[b] Increments larger than 100 percent indicate that, during the year, private sector employment fell, while public sector employment rose by an amount sufficient to raise total employment.

[c] Negative sign indicates, not that public employment fell over the year, but that it rose while total employment fell (due to a very steep decline in private employment).

[d] Public employment rose, private employment fell, but total employment did not change.

[e] 1967-68 value of 100.0 is assumed in the calculation of the 8-year average.

city.[5] During an era in which large numbers of new private establishments have shown a preference for suburban exurban locations, public employers appear to be highly concentrated in or near the urban core, where they are relatively accessible from most central city low-income neighborhoods. (See Table 2.)

These two areas of national concern--the expanding need for important public services and the requirements of the disadvantaged for more and better work opportunities--may each carry the solution to the other. This is the rationale for a program to stimulate public employment of the disadvantaged.[6]

But there are obstacles to such a strategy for attacking poverty through public sector employment, and these go far beyond straightforward racial discrimination. There are many institutional barriers, frequently bound up with the administration of civil service regulations. These often have little or nothing to do with race (although minorities are apparently rejected disproportionately because of these barriers). Among the most serious of these institutional barriers are the lack of outreach

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[5]A preliminary analysis of the 1970 Census has revealed that "about 5 percent of the nation's suburban population is black--approximately the same proportion as 10 years ago, sample surveys have indicated. These are regarded as meager changes by the Census authorities, particularly for a decade which saw passage of a federal fair housing law, many similar local and state laws, and determined efforts by private groups to open suburbia to Negro homeowners." William Chapman, "Integration in Suburbs Found Slight in 1960's," The Washington Post, January 16, 1971, p. A6.

[6]See, for example, the testimony of Mortimer Caplin, President of the National Civil Service League, before the Senate Subcommittee on Employment, Manpower and Poverty, Senate Report No. 91-1136, Employment and Training Opportunities Act of 1970 (S.3867), 91st Congress, 2nd Session, August 20, 1970, p. 9.

Table 2

THE INTRAMETROPOLITAN LOCATION OF PUBLIC SECTOR JOBS IN FOURTEEN SMSA's: 1966
(by place of work)

Metropolitan Area	Federal				State and Local				All Public Employment			
	Total	Central City	Ring	Central City as Percent of Total	Total	Central City	Ring	Central City as Percent of Total	Total	Central City	Ring	Central City as Percent of Total
Almeda-Oakland	84,548	74,062	10,486	87.6	139,205	82,763	56,442	59.5	223,753	156,825	66,928	70.1
Baltimore	17,436	12,587	4,849	72.2	74,276	44,024	30,252	59.3	91,712	56,611	35,101	61.7
Boston	46,257	29,797	16,480	64.4	109,063	38,800	70,263	35.6	155,320	68,597	86,723	44.4
Denver	22,440	16,254	6,186	72.4	55,477	25,097	30,380	45.2	77,917	41,351	36,566	53.1
Houston	14,914	14,472	442	97.0	71,647	61,969	9,078	87.2	85,961	76,441	9,520	88.9
Memphis	11,998	11,895	103	99.1	37,925	35,976	1,949	94.9	49,923	47,871	2,052	95.9
Montgomery	4,594	4,522	72	98.4	6,645	5,537	1,108	83.3	11,239	10,059	1,180	89.5
New Orleans	12,818	12,163	655	94.9	44,229	27,408	16,821	62.0	57,047	39,571	17,476	69.4
New York	122,585	104,449	18,136	85.2	539,668	383,730	155,938	71.1	662,253	488,179	174,074	73.7
Omaha	7,509	5,522	1,987	73.5	23,973	18,328	5,645	76.5	31,482	23,850	7,632	75.8
Philadelphia	79,917	63,144	16,773	79.0	166,121	81,107	85,014	48.8	246,038	144,251	101,787	58.6
Richmond	5,331	5,230	101	98.1	22,550	12,792	9,758	56.7	27,881	18,022	9,859	64.6
San Antonio	36,566	36,480	86	99.8	31,294	30,171	1,123	96.4	67,860	66,651	1,209	98.2
St. Louis	33,777	25,526	8,251	75.6	88,297	33,204	55,093	37.6	122,074	58,730	63,344	48.1
Totals									1,910,460	1,297,009	613,451	67.9

Sources: The Maryland Regional Forecasting Project, Professor Curtis Harris, Director; U.S. Department of Commerce, Bureau of the Census, County and City Data Book, 1967; U.S. Civil Service Commission, Statistical Section, Federal Civilian Employment in the United States, by Geographic Area, May, 1968.

recruiting, the nearly wholesale use of written exams for all classes of jobs, and the insistence upon frequently job-irrelevant educational credentials.[7]

In assessing the possibilities for 'brokering' the public service on behalf of the poor, it is important to distinguish between the need for changes in civil service administrative rules on the one hand, and state and local laws governing public employment on the other. According to Jean Couturier, Executive Director of the National Civil Service League, "There is almost no need for change of a local or state civil service law to create job opportunities for the disadvantaged under merit principles. Almost all of the changes that are needed are either in attitudes or in unstated administrative policies and on rare occasions in rules and regulations. But almost never is there need for a change in law."[8]

Experimental programs are currently underway whose objective is to study various merit systems and to recommend institutional and procedural changes which, by modernizing local civil service, would also expand employment opportunities for the disadvantaged. A number of individual state and local programs were described in a recent Presidential Manpower

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[7]S.M. Miller, Breaking the Credentials Barrier (New York: The Ford Foundation, 1968); S.M. Miller and Marsha Kroll, "Strategies for Reducing Credentialism," Good Government, Summer, 1970. In a unanimous decision delivered on March 8, 1971, the Supreme Court (in Griggs vs. Duke Power Co.) interpreted Title 7 of the 1964 Civil Rights Act as prohibiting employers from "screening Negroes out of desirable jobs on the basis of general aptitude tests and educational requirements that are not related to job performance." "Job Tests Held in Violation of Rights Act," The Washington Post, March 9, 1971, p. A1. This decision requires employers to 'validate' any test or credential requirement used in selecting workers. Whether or not and how much impact the decision will have on the problems raised in the text of this paper will depend on the extent to and the methods by which the validation requirement is enforced.

[8]Jean Couturier, "Governments Can Be the Employers of First Resort," Good Government, Summer, 1970, p. 4.

Report;[9] many more are now in progress. On a much larger scale, several new projects are currently being implemented by the Department of Labor, the Office of Economic Opportunity, and the Model Cities Administration of the Department of Housing and Urban Development, all in cooperation with the National Civil Service League. For over two years, teams of personnel specialists from the League have visited over 125 jurisdictions across the country. These site visits have led to the identification of both specific barriers to and potential opportunities for employment of the disadvantaged in the public sector. The findings generated by these site visits have provided critical input into new federal experiments designed to eliminate the barriers to employment of the disadvantaged, particularly in state and local government. These experiments will almost certainly be continued and expanded.

A potential barrier to the employment of the disadvantaged in local government is the possible disparity between the skill requirements of the jobs themselves and the technical competence of the urban poor. There is some evidence--all too incomplete and still largely anecdotal--that the magnitude of the 'skill gap' has been exaggerated, and that many disadvantaged workers are or could economically be helped to become competent public service employees.[10]

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[9]U.S. Department of Labor, 1970 Manpower Report of the President, (Washington, D.C.: U.S. Government Printing Office, 1970), pp. 114-115.

[10]This issue is discussed in several places below. For a comprehensive review of the (remarkably successful) on-the-job performance of the so-called 'hard-core unemployed' in J.O.B.S. and related programs, see Bennett Harrison, Education, Training, and the Urban Ghetto (Ph.D. Thesis, University of Pennsylvania, 1970, to be published by The Johns Hopkins Press), and the references cited therein.

An even greater obstacle to the promotion of public service employment for the disadvantaged lies in the problem of fiscal imbalance exacerbated by the 1970 recession. State and local governments are finding it increasingly more difficult to finance their manpower needs out of locally-generated revenue.[11] Since its inception, the 92nd Congress has heard testimony from numerous mayors and governors on their need for additional revenue, whether through expanded federal grants-in-aid or through full-scale 'revenue-sharing.' The President has called his own revenue sharing legislation (which currently includes $2 billion for 'special manpower revenue') a "transfusion for our hard-pressed States, counties and cities." [12]

The shortage of local revenue has induced three kinds of responses by local governments. Some have simply reduced the rate of growth of public services and the jobs which derive therefrom. Others have left budgeted slots deliberately unfilled, while vacating occupied slots wherever possible through attrition. Finally, some jurisdictions have actually begun to lay off workers.

Testifying before the Senate Subcommittee on Employment, Manpower and Poverty, Seattle's Mayor Wes Uhlman reported that "decreasing tax revenues and increasing costs have forced me to freeze almost all city hiring. We

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[11] For a discussion of some of the relationships among the issues of fiscal imbalance, urban poverty, and intergovernmental relations, see Dick Netzer, "Financing Urban Government," in James Q. Wilson (ed.), The Metropolitan Enigma (New York: Doubleday Anchor Books, 1970); and Netzer, "Tax Structures and Their Impact on the Poor," in John P. Crecine (ed.), Financing the Metropolis (Beverly Hills, California: Sage Publications, 1970).

[12] White House press release of a message to the Congress, March 4, 1971.

have cut back on the number of days our recreation program is operated; we have reduced the maintenance of streets, parks and other facilities; and we have cut back on health and drug programs."[13] Other mayors testified to similar circumstances. Mayor Thomas D'Alesandro of Baltimore informed the Senators: "I am going to have to cut into essential municipal services because I can't get any help from the General Assembly at Annapolis." Mayor John Driggs of Phoenix reported that he would need "800 new positions" in order "simply to maintain the present level of services as expected by the citizens." In Detroit, according to Mayor Roman Gribbs, "in the past year the city has not had the revenue to fill nearly 2,000 vacant positions in the city government. In addition, last year I was forced to lay off some 600 city employees ... I could therefore hire 2,600 people today for the City of Detroit. These are budgeted positions.... They have been budgeted, and have (then) been cut back." In Atlanta, "unmet city department 1971 budget requests indicated a need for 60 professional positions and 225 non-professional positions," according to Mayor Sam Massell. Philadelphia Mayor James Tate reported that "in some of the very important departments of the city government today, we are 70 to 100 behind," while "some of the fire engines in the city of Pittsburgh are going out with only three men--that is, one driver and two people to put out the fire." Chicago's Mayor Richard Daley summarized the argument in this way:

> ... Every mayor here would say that at the present time, in the cities ... there are public services that should be performed which are not being performed, and the only reason they are not being performed is that the city has not got the resources with which to perform them.

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[13] This and the subsequent quotations in this paragraph are drawn from the stenographic transcript of the Hearings before the Subcommittee on Employment, Manpower and Poverty of the U.S. Senate Committee on Labor and Public Welfare, concerning the Emergency Emloyment Act of 1971 (S.31), February 8, 1971.

Thus, although the demand for local public services will undoubtedly continue to grow,[14] the ability of state and local governments to finance the supply of these services may well depend on the provision of new intergovernmental transfers.[15]

While these fiscal constraints may well impede a program to bring the urban poor into the public service, the merits of such a policy goal are nevertheless worthy of our attention. It is to this more narrow question --and to the related issue of civil service reform--that the present paper is for the most part addressed.

II. Why Public Employment for the Poor?[16]

There are at least five reasons why a public employment program can be expected to improve the economic welfare of the disadvantaged, particularly those living within the corporate boundaries of the nation's cities.

First, the public service is growing much faster than those private industries in which the poor have traditionally been employed. Moreover,

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[14]Between 1963 and 1970, state and local public employment in the U.S. (defined as the sum of employment in "general government" and employment in "government enterprises") grew from 7.1 million to 10.1 million jobs. Extrapolating from this trend, i.e., ignoring the increasing severity of fiscal imbalance, the Department of Labor projects a further increase to better than 13.5 million jobs by 1980. U.S. Department of Labor, 1971 Manpower Report of the President (Washington, D.C.: U.S. Government Printing Office, 1971), pp. 162, 327.

[15]See pp. 50-55 below for a discussion of legislation designed to provide one form of such transfers: public service wage subsidies.

[16]The reader may construe this section as presenting only evidence and arguments in support of a program of public employment for the disadvantaged. It is true that I make no attempt to argue an explicitly negative position. But the primary purpose of this paper is to disseminate factual information not previously well-known. I have no wish to enter into a debate here which is so profoundly dependent upon normative judgments about the "proper" role of government employment in a "free enterprise" economy, the "reality" of public service jobs, the social cost-effectiveness of the WPA, and so forth.

there is some evidence that a substantial share of these public sector jobs require relatively modest skills.

Second, government jobs pay substantially higher wages--especially at the entry level--than the poor are currently earning. In fact, there are relatively fewer "working poor" employed in the public sector than in the private sector.

Third, there are important non-wage benefits uniquely associated with public employment, including virtually automatic tenure and (even through the 1970 recession) secular job stability. To a group such as the disadvantaged--many of whom have come to regard legal work opportunities as inevitably irregular[17]--the stability of public employment may be exactly what is needed to motivate the development of new attitudes toward the world of work.

Fourth, the propensity of public employers for central city locations means that, for the very large numbers of disadvantaged households residing in the urban core, public work places are relatively accessible. The significance of this is even greater in light of the argument that an increasing number of private urban employers are choosing suburban or exurban locations,[18] inaccessible to all but the most fortunate residents of the central ghettos.

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[17]The stability of work opportunities is a central variable in the theory of the "dual economy"; see, for example, Peter B. Doeringer and Michael J. Piore, Internal Labor Markets and Manpower Analysis (Lexington, Massachusetts: D.C. Heath, 1971). "Irregular" income-generating activity outside the conventional labor market is analyzed by Daniel Fusfeld, "The Basic Economics of the Urban and Racial Crisis," Conference Papers of the Union for Radical Political Economics, December, 1968; reprinted in The Review of Black Political Economy, Spring/Summer, 1970. See also the 1971 Manpower Report of the President, op. cit., pp. 96-99.

[18]The standard work on the "suburbanization" of jobs is by John F. Kain, "The Distribution and Movement of Jobs and Industry," in The

Fifth, the public service has historically served as the point of entry into the American world of work for many white ethnic groups. Indeed, many ethnic monopolies have been established in the past within various branches of the public service.

We shall now consider each of these points in turn.

Growth of Public Service Jobs

We have already cited a Labor Department projection that (based upon recent trends) 4 million new public service jobs are expected to be developed over the decade 1966-1975, as compared with 8.5 million private and nonprofit service jobs and only 2.7 million goods-producing jobs. Insofar as the production functions of service industries require skills which are more similar to one another than to the skills associated with the production functions of goods-producing industries, experiences developed in public service work might well facilitate mobility into private sector service work.[19]

Who are the employers in this large and growing market for public service workers? Among the three broad levels of government (federal, state, and local), the latter has been numerically the most significant in terms of new

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Metropolitan Enigma... op. cit. A growing body of research is challenging both the severity and the conventionally conceived implications of employment decentralization. Much of this work is summarized by Bennett Harrison, "Metropolitan Suburbanization and Minority Economic Opportunity," Urban Institute Working Paper, forthcoming.

[19] I know of no published evidence bearing on this question which is not purely anecdotal. It is certainly a question well worth exploring.

jobs created. "Local" government includes a whole host of jurisdictions, from counties and municipalities (including the city itself) to townships and "special districts" (such as local school districts). The 1950's was the period of most rapid growth in the number of such governments; by 1957, there were more than 18,000 among the nation's metropolitan areas, each an individual employer offering many different kinds of jobs to local residents.

According to a National Civil Service League survey of nearly 400 state and local jurisdictions in 1969-70,[20] annual turnover rates in the nonfederal public sector average a little over 20 percent; one out of every five jobs is vacated each year (during the same period, annual turnover in private manufacturing averaged about 60 percent, according to the Bureau of Labor Statistics). From his private sector studies, Ivar Berg concludes that turnover is to a significant degree a symptom of over-qualification resulting from excessive reliance by employers on educational credentials. "Turnover was positively associated with educational achievement, and less-educated technicians earned higher performance evaluations than their better educated peers."[21] Preliminary findings by OEO Project PACE MAKER field

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[20] This survey is reported in detail in the Spring, 1971 issue of the NCSL journal, Good Government, and is abstracted in a Research Note by the author in Industrial Relations, February, 1971.

[21] Ivar Berg, "Education and Work," in Eli Ginzberg (ed.), Manpower Strategy for the Metropolis (New York: Columbia University Press, 1968), p. 31. For a more comprehensive study of the relationship between education, productivity and job performance (as measured by supervisory ratings, turnover and absenteeism), see Ivar Berg, Education and Jobs: The Great Training Robbery (New York: Praeger Publishers, 1970). Education and job performance are shown to be weakly interrelated in ten occupations distributed among fourteen industries in New York and St. Louis; see Daniel E. Diamond and Hrach Bedrosian, Hiring Standards and Job Performance (Washington, D.C.: U.S. Department of Labor, Manpower Research Monograph No. 18, 1970), p. 6.

survey teams indicate that the same phenomenon exists -- and is perhaps even more serious -- in the public sector (see the discussion on pp. 40-42 below). Since public sector turnover is apparently much lower than private sector (or at least manufacturing) turnover, we are led to suspect the presence in the former of important positive benefits which, at least to some extent, compete successfully with the "negative benefit" of job dissatisfaction caused by overqualification. Some of these "positive benefits" -- non-poverty wages, tenure rights and central city location -- will be discussed later.

The opposite contrast obtains for monthly vacancy rates. Compare the early 1970 rates in the NCSL's state and local government survey (mean: 8.7 percent, range: 0-30 percent) with those in private manufacturing in the nation's largest cities, as estimated by the B.L.S. for the same period (mean: 0.8 percent, range: 0.3-1.6 percent). A strong caveat is needed in interpreting these data. The differences between the public and private sector vacancy rates are surely biased upward due to the presence in the public sector of "budgeted" slots which jurisdictions do not intend to fill. Such behavior, designed to provide what is sometimes called "budgetary slack", is quite common among government agencies. The previously cited testimony of the mayors of a number of large cities confirms the existence of the practice (at least during the current "fiscal crisis").

Based upon its sample survey (which did not cover education system employees), the League projects the existence of perhaps 400,000 total current vacancies in state and local government, and over 880,000 job openings each year (vacancies plus normal turnover). Given the qualifications about budgetary slack, these estimates should probably be treated as ceilings.

The demand for public service workers by sub-federal governments is likely to grow, as will the effective demand -- if some form of wage subsidy, expanded grant-in-aid or revenue-sharing can finally be introduced on a national basis. Potential across-the-board growth of local jurisdictions is exemplified by the results of NCSL interviews with officials of the City of Chicago, conducted under the Leagues's M.A.P. project for the U.S. Department of Labor.[22] Each of the principal agency directors of the City was asked what kinds of jobs and how many slots the agency would have to create in each of the next three years in order to meet subjectively determined agency output goals, assuming the availability of financial resources. A sample of the Chicago results is shown in Tables 3 and 4.[23]

Job growth can also be expected as a result of specific new federal government programs in such fields as day care and environmental quality control. For example, the U.S. Department of Health, Education and Welfare has requested budget authority of $386 million for child care for the first year of operation of the Family Assistance Plan. At this level of activity, some 450,000 children would be given service, with employment for at least 20,000 human resource workers.[24] This single program would create

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[22] Manpower Absorption Plan, Labor Department Contract No. 82-09-70-24, Jacob Rutstein, Principal Investigator for NCSL. The MAP project is discussed further on pp. 46-49 below.

[23] The rationale for and limitations associated with such an open-ended questionnaire are discussed on pp. 46-47 below. For the present, interest in these figures lies in the occupational mix which they suggest as relevant to the needs of at least one major city.

[24] U.S. House of Representatives, Committee on Ways and Means, Family Assistance Act of 1970 (H.R. 16311), House Report No. 91-904, March 11, 1970, p. 37.

Table 3

Desired Expansion of Public Service
Jobs in Chicago City Government, by Occupation Class

Occupation Class	Additional Positions Required IMMEDIATELY	1971	1972	1973	3 yr. total
Administrative, Management and Technical	1,149	1,854	1,994	1,764	6,761
Aide, Attendant and Assistant	2,687	5,560	6,176	3,555	17,978
Professional and Legal	544	928	1,036	864	3,372
Sub-professional	212	340	226	166	944
Clerical	2,003	920	654	480	4,057
Blue-collar, skilled and semi-skilled	337	505	159	85	1,086
Custodial; helper	319	955	283	58	1,615
Totals	7,251	11,062	10,528	6,972	35,813

Source: Interviews with Chicago City personnel administrators, conducted by the National Civil Service League, Winter, 1970/71

Table 4

Desired Staffing Plan For The
City of Chicago: Aide and Assistant Positions

Job Title	Additional Positions Required				
	IMMEDIATELY	1971	1972	1973	3-yr total
Children's Welfare Attendant	85	85	65	40	275
Clerical Aide	50	100	100	100	350
Community Service Aide I	102	27	27	27	183
Community Service Aide II	102	27	27	27	183
Counselor Aide	729	41	26	26	822
Foster Grandparents	100	100	100	---	300
Mental Health Aide	62	27	137	63	289
Neighborhood Assistant	49	292	278	250	869
Occupational Educ. Aide	50	100	100	200	450
Parent Educ. Aide	50	50	100	150	350
Teacher Aide	518	405	955	955	2833
Senior Aide	---	2500	2500	---	5000
Recreational Aide	150	150	150	150	600
Youth Worker Trainee	2	500	700	700	1902
Other					
Totals	2687	5560	6176	3555	17,978

Source: Interviews with Chicago City Personnel Administrators, conducted by the National Civil Service League, Winter, 1970/71.

almost as many jobs in its first year of operation as the most widely publicized private sector effort of the last three years: The Job Opportunities in the Business Sector program. As of early 1970, the cumulative number of disadvantaged workers still drawing wages under the J.O.B.S. program across the whole country was only 34,478.[25]

There is some (very limited and impressionistic) evidence that the skill requirements associated with public service jobs are relatively modest. According to a recent Urban Institute study, "the industry-occupation cross classification for governmental employment in the 1960 Census of Population... reveals great similarity between SMSAs. In all cases, professional and technical categories account for about 32 percent of total government employment, office and clerical for another 33 percent, total blue collar for about 28 percent (with service representing about 19 percent), and the remaining 5-6 percent in the officials and managers category."[26] In other words,

skilled public employees = officials + professionals + technicians $\simeq$ 40%

nonskilled public employees = office + clerical + blue collar $\simeq$ 60%

The findings on potential expansion of Chicago city government jobs demonstrate that nonskilled positions (aide + sub-professional + clerical + unskilled blue-collar + custodial) may comprise as many as 75 percent of the extra jobs in 1971, 71 percent in 1972, and 62 percent in 1973, for a three year average share of 69 percent of all new (i.e. intended) slots. Even

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[25] U.S. Senate Committee on Labor and Public Welfare, Employment and Training Opportunities Act of 1970 ..., op. cit., p. 25

[26] Charlotte Fremon, "The Occupational Patterns in Urban Employment Change, 1965-1967," Urban Institute Working Paper No. 113-32, January 16, 1970, p. 7.

though the absolute figures in Tables 3 and 4 are probably inflated somewhat, given the way in which they were obtained, there is no a priori reason to doubt that the officials were not giving their best estimate of the required occupational mix. Indeed, the bias (if any) is probably in the direction of overstating the relative need for skilled personnel. Such was the case in most of Berg's interviews with (private sector) personnel directors.[27]

In the Spring of 1968, the National Urban Coalition solicited from the mayors of 50 large cities (populations of 100,000 or more) information on public service job needs in their municipal agencies. The Coalition asked the mayors to estimate the number of additional personnel needed to improve the delivery of such urban public services as antipollution enforcement, education, health, traffic control, housing inspection, police, fire, recreation, urban renewal (including Model Cities) sanitation, welfare, and general administration, assuming that the usual budgetary constraints were somehow relaxed (e.g., by tax tranfers from the federal government). The mayors were then asked how many of these new jobs could be filled by people without technical or professional training, particularly those from the "inner city".

From a sample of completed questionnaries, Dr. Harold L. Sheppard of the W. E. Upjohn Institute has projected the potential new municipal jobs demands of the 130 American cities with populations of at least 100,000. In Tables 5 and 6, we list these projected demands by urban function, while reminding the reader that--again--the reliability of these absolute numbers is probably less than we would wish. Caveat emptor, there may be as many

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[27] Berg, Education and Jobs ..., op. cit.

Table 5

PROJECTION OF ADDITIONAL PUBLIC SERVICE JOB POSSIBILITIES IN 130 CITIES WITH POPULATION OF 100,000 OR MORE, BY POPULATION SIZE, 1968

Function or program	Total (130 cities)	Population Size		
		100,000-250,000 (80 cities)	250,000-750,000 (40 cities)	750,000 or more (10 cities)
Total	279,415	100,144	74,316	104,955
Antipollution enforcement	1,748	1,072	368	308
Education	84,598	33,944	27,896	22,758
General administration	13,940	5,952	3,064	4,924
Health and hospitals	34,534	12,368	11,920	10,246
Highway and/or traffic	9,786	4,512	3,456	1,818
Housing codes and inspection	5,199	968	1,544	2,687
Library	5,619	2,232	1,804	1,583
Police	37,408	10,016	8.992	18,400
Fire	14,994	7,664	3,348	3,982
Recreation and parks	18,896	7,296	3,800	7,800
Urban renewal (or rehabilitation), including Model Cities	12,198	7,440	1,944	2,814
Sanitation	13,586	4,160	2,416	7,010
Welfare	26,909	2,520	3,764	20,625

Table 6

PROJECTION OF ADDITIONAL NONPROFESSIONAL PUBLIC SERVICE JOB POSSIBILITIES IN 130 CITIES WITH POPULATION OF 100,000 OR MORE, BY POPULATION SIZE, 1968

Function or program	Total (130 cities)	Population Size		
		100,000-250,000 (80 cities)	250,000-750,000 (40 cities)	750,000 or more (10 cities)
Total	141,144	44,920	40,580	55,644
Antipollution enforcement	900	568	232	100
Education	39,134	10,704	15,000	13,430
General administration	5,313	2,864	1,236	1,213
Health and hospitals	18,790	6,120	6,596	6,074
Highway and/or traffic	7,179	3,608	2,168	1,403
Housing codes and inspection	1,473	440	576	457
Library	3,159	1,176	908	1,075
Police	11,616	2,360	3,916	5,340
Fire	5,390	2,720	1,648	1,022
Recreation and costs	14,359	5,696	2,900	5,763
Urban renewal (or rehabilitation), including Model Cities	7,800	5,304	1,104	1,392
Sanitation	7,534	2,816	1,868	2,850
Welfare	18,497	544	2,428	15,525

Source: Harold L. Sheppard, The Nature of the Job Problem and the Role of New Public Service Employment (Kalamazoo, Michigan: W. E. Upjohn Institute, January 1969), pp. 24-25.

as 140,000 public service jobs in the governments of our largest cities which could be filled now by ghetto residents. In another sense, however, this may not be a ceiling estimate. Dr. Sheppard reminds us that the projection covers only the very largest cities, only the municipal agencies of these cities, and only those urban functions which have already been institutionalized. In fact, "not only do we have a backlog of unmet public service needs: there are also a vast amount of unanticipated and unplanned needs for which little preparation has been made."[28]

The most comprehensive manpower projections undertaken in consideration of explicit social development goals are those generated by the National Planning Association for the U.S. Department of Labor. According to NPA, "the fields for which rapid employment growth is projected tend to be associated with the pursuit of four goals -- education, health, research and development, and transportation."[29] All are social goals toward whose attainment the public sector will certainly play a leading role. What kinds of occupations are associated with these "growth industries" of the future? NPA's list of occupations for which projected demand is expected to increase by at least a third between now and 1975 include: personnel and labor relations workers; social, welfare, and recreation workers; technicians; cashiers; office machine operators; secretaries, stenographers and typists; stock clerks; engineering aides; hospital attendants; and practical nurses and nurses' aides. These are occupations for which many of the poor are clearly well suited and for which training requirements are--according to the "new careers" literature--relatively modest.

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[28] Sheppard, op. cit., p. 25.

[29] Leonard Lecht, Manpower Requirements for National Objectives in the 1970's (Washington, D.C.: National Planning Association, Center for Priority Analysis, February, 1968), p. 75.

Public Sector Wage Rates and The "Working Poor"

And what of the jobs themselves? Table 7 lists selected jobs in various local government agencies in 12 metropolitan areas in January, 1969, together with current average salary ranges. For two other cities (Baltimore and Washington, D.C.), we have tabulated the mean salary increases which public employees in these two municipal governments receive after five years of service (Table 8). The jobs run the gamut from account clerk and typist -- whose duties are more or less well known -- to more unusual and innovative positions such as recreation leader (responsible for organizing playground and recreation center activities), nursing assistant, engineering aide (performing field surveys, making simple computations and drawings, and maintaining survey equipment), and teacher's aide.

Compare these salary ranges with the median estimated monthly wage incomes earned by a sample of over 15,000 workers in ten urban ghettos interviewed in November, 1966 by The U. S. Department of Labor (Table 9). Examination of the respective wage and salary levels suggests that those ghetto residents who can be moved into the public service agencies in their respective cities might expect to increase their wage incomes by a factor of between one and three times.

Female clerical workers living in Harlem and heading a family earned about $260 a month in 1966. According to the Public Personnel Association documents, New York City government clerk-typists start at between $363 and $480 a month. In Baltimore City, they start at $377 and progress after five years to $478.

Male household heads living in the North Side ghetto of St. Louis earned wages of about $296 a month in 1966. As computer operators for any one of a number of St. Louis' local governments, they could double their

Table 7

REPRESENTATIVE SALARY RANGES IN SELECTED PUBLIC SERVICE OCCUPATIONS
IN 12 METROPOLITAN AREAS: JANUARY, 1969*
(dollars per month)

	Occupations							
	Typist	Account Clerk	Keypunch Operator	Computer Operator	Recreation Leader	Engineering Aide	Clinical Laboratory Technician	Nursing Assistant
Atlanta	355-438	457-563	386-476	497-612	476-587	370-457	---	---
Boston	329-422	476-630	357-459	456-600	---	405-524	422-548	446-550
Chicago	385-467	404-491	404-491	540-656	445-540	445-540	491-596	367-445
Cleveland	338-484	407-556	338-484	467-645	($6-11/hr)	407-558	---	---
Detroit	442-457	598-639	488-532	733-791	669-721	576-604	681-730	570-574
Houston	234-399	444-668	234-399	392-601	234-399	496-733	---	---
Newark	300-375	325-417	392-467	---	---	650-742	392-458	---
New Orleans	281-358	325-415	310-395	415-530	---	---	395-505	358-458
New York	363-480	383-511	363-480	500-666	625-774	429-549	429-549	454-544
Philadelphia	394-438	481-583	392-473	521-633	591-721	463-560	501-608	417-503
St. Louis	364-442	442-537	382-464	512-622	401-487	720-875	442-537	299-364
San Francisco	400-488	488-593	476-578	578-703	653-795	---	721-876	476-578

Source: Public Personnel Association, Pay Rates in the Public Service, January 1969.

* Average of county, municipal and special district jobs.

Table 8

ENTRY-LEVEL AND FIVE-YEAR WAGE AND SALARY BENCHMARKS IN SELECTED OCCUPATIONS
IN BALTIMORE AND WASHINGTON, D. C.--November, 1968 *

Occupation	Baltimore City Government		Washington City Government	
	Entry Wage	After 5 Years	Entry Wage	After 5 Years
Account clerk	$4,321	$5,469	$5,145	$5,829
Telephone operator	4,321	5,469	-	-
Clerk typist	4,525	5,743	4,600	5,214
Computer operator	6,637	7,991	6,981	7,913
Computer programmer	9,621	11,137	10,203	11,563
Keypunch operator	4,741	5,743	4,600	5,214
Teacher's aide	($1.59/hr)	($1.97/hr)	($2.47/hr)	($2.80/hr)
Engineering aide	4,525	5,469	4,600	5,214
Library aide	4,321	4,741	4,600	5,214
Sanitation worker	($2.40/hr)	($2.62/hr)	($2.54/hr)	($2.78/hr)
Auto mechanic	($3.31/hr)	($3.65/hr)	($3.37/hr)	($3.73/hr)

Source: Local Government Personnel Association, Washington-Baltimore Metropolitan Area Wage and Fringe Benefit Survey, November, 1968.

* Average wages in municipal government positions.

Table 9

Median Individual Monthly Earnings in Ten Urban Ghettos, by Sex of Head of Household: November, 1966

Ghetto	Male Head	Female Head
Roxbury (Boston).....	$324	$240
Central Harlem (N.Y.C.).....	300	264
East Harlem (N.Y.C.).....	288	220
Bedford-Stuyvesant (N.Y.C.).....	320	268
North Philadelphia.....	284	188
North Side (St. Louis).....	296	200
Slums of San Antonio.....	236	140
Mission-Fillmore (San Francisco)...	328	272
Salt River Bed (Phoenix).....	256	160
Slums of New Orleans.....	264	140

Source: U. S. Dept. of Labor, 1966 Urban Employment Survey, author's calculations from unpublished data. N=37,330 persons aged 14 and over.

incomes -- St. Louis pays $512-$622 a month for computer operators.

"Welfare mothers" in the slums of New Orleans averaged wages of only $140 a month in 1966. As nursing assistants for the City of New Orleans, they would start at $358 a month -- over 2½ times what they are earning now.

Mexican-born fathers in the Mission-Filmore slums of San Francisco earned only $328 a month in 1966. As recreation leaders for the City of San Francisco or the State of California -- perhaps working right in their own neighborhood -- they might double their earnings; recreation leaders in San Francisco government earn anywhere from $653 to $795 a month.

The relative superiority of public over private employment for those blacks at the lower end of the income distribution can also be demonstrated by reference to recent results from the Current Population Survey. Nationally, in 1968, only 7.0 percent of all full-time year-round black male workers employed in the public sector earned less than $3,000. But in the private sector, 16.3 percent of the full-time year-round black male employees earned below that amount.[30] The figures in Tables 10 and 11 indicate that, for both races and sexes, there are apparently relatively fewer poverty-level jobs in the public than in the private sector, even after education workers have been removed from the public sector totals. This is confirmed by a recent NPA study of a 1966 sample of poor persons, using unpublished Census data. For individuals aged 16-64 and living in poverty, NPA found that only 1.6 percent of those who were employed full-time in 1966 -- the "working poor" -- worked in the public sector, contrasted with 20.5 percent in manufacturing and 23.5 percent in other services. For the short-term unemployed poor, the proportion working in government was even smaller: 0.8 percent (vs. 20.7 percent in

[30] U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-60, No. 66, "Income in 1968 of Families and Persons in the U.S.," 1969, Table 46.

TABLE 10

Percent of Wage or Salary Workers
Earning Less Than $3,000 in 1968

	Males			Females			Weighted
	Black	White	Total	Black	White	Total	average
All workers							
Private sector	37.5	21.9	23.3	73.2	54.6	57.0	36.8
public sector	26.4	15.6	17.0	41.6	40.1	39.4	28.0
Year-round, full-time workers							
private sector	16.3	4.2	5.3	49.3	17.6	21.0	12.2
public sector	7.0	2.5	3.1	15.5	8.2	9.4	5.2

Source: U. S. Department of Commerce, Bureau of The Census, Current Population Reports, Series P-60, No. 66, "Income in 1968 of Families and Persons in the U. S.," 1969, Table 46. On the assumption of zero (or near-zero) covariances among the cells of the table (an assumption necessitated by the unavailability of the raw data), all of the private sector-public sector pairs in the Table are significantly dissimilar at the .05 level. For example, using standard errors provided by the Census Bureau, 95 percent confidence intervals on the weighted averages are 36.0-37.6 percent, 26.8-29.2 percent, 11.8-12.6 percent, and 4.6-5.8 percent respectively.

TABLE 11

Earnings Distributions 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)				
Men	3.1	4.4	8.2	15.9
Women	9.4	19.6	35.8	56.7
Clerical workers				
Men	1.6	3.7	7.6	15.6
Women	6.1	20.6	39.5	63.0
Craftsmen and Operatives				
Men	1.9	4.7	8.5	16.5
Women	a	a	a	a
Other				
Men	4.8	9.8	16.7	27.0
Women	a	a	a	a
Private Sector				
All employees				
Men	5.3	10.5	17.9	27.9
Women	21.0	45.2	66.4	81.7

[a]Not available.

Source: U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-60, No. 66, "Income in 1968 of Families and Persons in the United States," U.S. Government Printing Office, 1969, Tables 45 and 46.

manufacturing and 17.5 percent in other services). The proportion of long-term unemployed poor whose "last regular job" was in "public administration" was smaller still: 0.6 percent (vs. 18.2 percent in manufacturing and 19.1 percent in other services).[31]

With the OEO Survey of Economic Opportunity, it is possible to control for race, sex, and intrametropolitan residential location (e.g., central city ghetto vs. suburban community) in comparing public and private sector earnings. This comparison is shown in Table 12, for the twelve largest metropolitan areas. For whites and nonwhites of both sexes (and regardless of where in the area they happen to live), public sector jobs pay significantly higher weekly wages and salaries than do private sector jobs. Moreover, the relative superiority of public over private sector earnings is actually greater for nonwhites than for whites -- especially for nonwhite women.

Job Tenure and Secular Stability of Public Employment

There are two interrelated ways in which a public service job may be said to be more "stable" than a comparable position in the private sector.

In the first place, the large majority of public employees have tenure, generally awarded after a maximum probationary period of one year. About 90 percent of all state and local jurisdictions in the United States granted tenure as a matter of course in 1969, according to the NCSL survey.

The provision of tenure creates a form of legal protection against dismissal. But the effectiveness of tenure provisions in civil service systems is reinforced by the fact that, unlike the private sector, public employment is not subject to sharp cyclical variations. As Figure 1 shows,

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[31] Leonard Lecht, Poor Persons in the Labor Force: A Universe of Need, (Washington, D.C.: Center for Priority Analysis, National Planning Association, October, 1970), Appendix Tables 10, 22, 27.

Table 12

Mean Weekly Earnings in the Public and Private Sectors of Twelve Large Metropolitan Areas, by Race, Sex and Residential Location: March, 1966

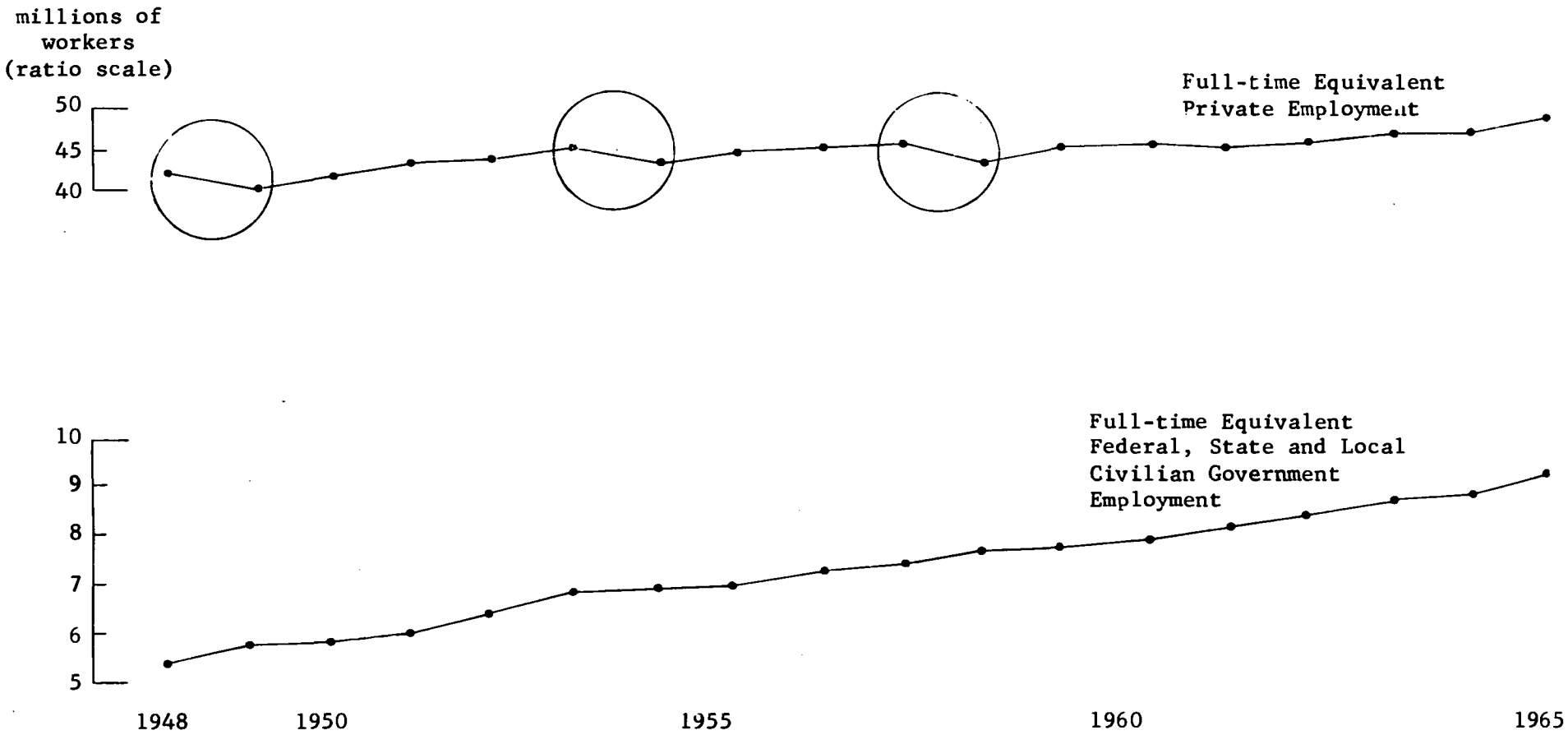
Intrametropolitan Residential Location	White				Nonwhite			
	Public Sector [a]		Private Sector		Public Sector [a]		Private Sector	
	Men	Women	Men	Women	Men	Women	Men	Women
Central City poverty areas	$144.64 (9.29)	$102.91 (10.97)	$ 97.74 (3.01)	$60.71 (2.35)	$113.44 (2.64)	$ 96.24 (4.56)	$ 84.35 (1.40)	$50.01 (.98)
Rest of Central City	162.72 (6.90)	113.94 (9.84)	126.61 (2.54)	81.27 (1.64)	133.44 (4.76)	105.23 (3.25)	102.04 (2.30)	61.35 (1.74)
Suburban Ring	177.93 (7.92)	107.55 (6.50)	142.96 (2.38)	72.60 (1.43)	141.37 (22.10)	94.28 (5.40)	98.40 (3.05)	52.92 (1.88)

Source: U. S. Office of Economic Opportunity, 1966 Survey of Economic Opportunity, author's calculation from unpublished data. Sample size = 11,454 individuals aged 16 and over. Figures in parenthesis are standard errors of the mean. Accounting for the covariances among the cells of the table, all of the within-race, within-sex, and within-region private sector-public sector pairs are significantly distinct at the .05 level.

[a] Includes Federal, state, and local public employment.

Figure 1

Private and Public Sector Employment
in the United States: 1948-1965



SOURCE: Office of Business Economics, U.S. Dept. of Commerce, The National Income and Product Accounts of the United States, August, 1966, table 6.4.

since 1948, there have been at least three major downturns in the percentage rate of growth of private employment; 1948-49, 1953-54 and 1957-58. The civilian public sector has, by contrast, experienced no downturns; the trend of the percentage growth of public sector employment has been uniformly positive throughout the period. Current estimates by the Bureau of Labor Statistics indicate that these patterns have held through the current recession (in spite of the previously cited mayoral testimony). The percentage rate of growth of private employment between 1969 and 1970 was negative; for the public sector it remained positive.[32]

Stability of employment means that, to a semi-skilled disadvantaged worker, even a relatively low-paying job may provide an adequate annual income. Because the risk of layoff is so much lower than in the private sector, the disadvantaged public service worker has a greater chance of acquiring seniority rights and the perquisites which often accompany them. The high probability of "steady" income may also enhance the individual's "taste" for acquiring additional education and training.

In short, there is every reason to hope that the acquisition of a stable job in the public sector will contribute to the development among the disadvantaged of new attitudes toward the world of work.

Physical Access to Public Service Jobs for the Urban Poor

According to the NPA, over two-thirds of the poor now live in metropolitan areas, and the proportion is expected to increase over time.[33]

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[32] Average annual private sector employment fell from 58,069,000 in 1969 to an estimated 57,789,000 in 1970, while public employment rose over the same period from 12,204,000 to an estimated 12,665,000. U.S. Department of Labor, Office of Information, The Employment Situation: December 1970, USDL-71-005, January 8, 1971, Table B-1. In December of 1970, unemployment among private sector wage and salary workers averaged 6.4 percent (7.5 percent in manufacturing). Among public sector workers, however, the average rate was only 3.0 percent. Ibid., Table A-3.

[33] Lecht, Poor Persons ... op. cit., p. A-38

And within the nation's SMSA's (in 1969), the large majority of black families (79 percent) and nearly 60 percent of those households (of all races) with incomes below $4,000 lived inside the central city.[34] It is useful, therefore, to inquire about the intrametropolitan location of public employers. Are these federal, state and local government offices accessible to central city low-income households, or do they tend to be located in the suburbs, requiring extensive (and probably expensive) "reverse commuting" which only a relatively small number of disadvantaged central city workers will find it profitable to undertake?

In an interesting research project conducted nearly a decade ago, Louis K. Loewenstein attempted to chart the location patterns of eight major employment sectors within 39 large metropolitan areas. Using land use maps from the Master Plans of each city, Loewenstein created a graph for each major sector, showing the "typical" location propensities of each. These are reproduced in Figure 2.[35] It is clear that the only significant concentrations of land being allocated to "public administration" have been located

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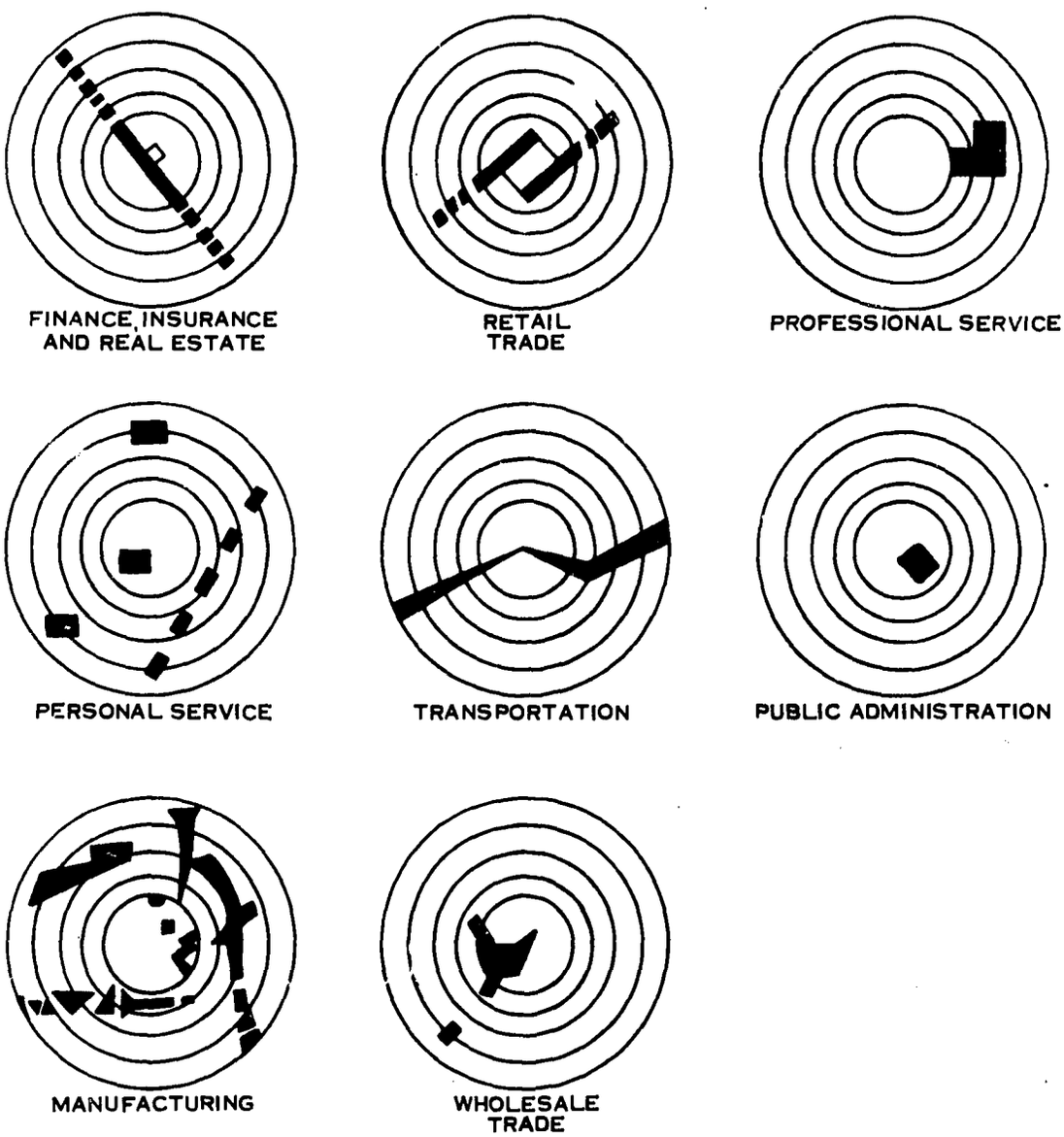
[34]U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-23, No. 33, "Trends in Social and Economic Conditions in Metropolitan and Nonmetropolitan Areas," U.S. Government Printing Office, Washington, D.C., 1970, Tables 1, 30, 31.

[35]Louis K. Loewenstein, "The Location of Urban Land Uses," Land Economics, November, 1963. Using land use maps, Loewenstein divided each metropolitan area into 5 concentric rings. The center of the innermost ring was fixed on the major intersection of the central business district, while the "radius of the outside circle was determined by a point which averaged the four directional limits of the metropolitan areas as depicted in the base maps" (Ibid., p. 409). A map-transformation was used in order to abstract from such disturbances as topographic peculiarities, so that the shaded areas in Figure 2 reflect the relative rather than the absolute distance of a given land use from city center.

FIGURE 2
INTRAURBAN LOCATIONAL
PATTERNS OF EIGHT MAJOR EMPLOYMENT
SECTORS IN 39 METROPOLITAN AREAS: 1960



SOURCE: LOUIS K. LOEWENSTEIN, "THE LOCATION OF URBAN LAND USES", LAND ECONOMICS, NOVEMBER, 1963

entirely within the central city. Note that manufacturing facilities (in which more of the urban working poor are presently employed than in any other sector) typically tend to be dispersed away from the core, while government offices tend to congregate at the center.

Loewenstein also constructed a "concentration index" based upon the proportion of the total area in each ring allocated to a given use. This index varies between -1.000 for complete dispersion through zero for uniform spatial distribution to +1.000 for complete concentration. The manufacturing index (lowest of the eight) displayed a value of .2800. The government index (highest of the eight) was three times larger: .8400. These differences in relative concentration were found to be statistically significant in an analysis of variance.

Economic data confirm Loewentein's rather impressionistic observations based on land-use maps. Referring back to Table 2, which distributes urban public employees by place of work, we observe that for fourteen large metropolitan areas (in 1966), an average of two-thirds of all urban public jobs were still located within the central city. In half of the SMSA's in the sample, central cities contained at least 70 percent of all SMSA public sector jobs.

Nowhere has the locational contrast between public and private (especially manufacturing) employers been more dramatic than in the New York Metropolitan Area. Between 1958 and 1967, local government within the central city provided nearly 100,000 new jobs for New York's workers. This was nearly twice the number generated by the next "best" sector: business services. During the same period, New York City lost nearly 160,000 manufacturing jobs.[36]

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[36]Harrison, "Public Service Jobs . . .," op. cit., p. 2.

Public Employment as an Historical "Point of Entry" Into the World of Work

There are many precedents for the proposal to use sectoral--especially public sector--specialization as the vehicle for advancement of the disadvantaged. "It is," says Anthony Pascal of the RAND Corporation, "difficult to think of a minority in the United States or elsewhere that did not utilize occupational specialization, and to some extent, dominance, as a ladder to assimilation." Pascal goes on to suggest that

> ...interest in public employment as an occupational ladder stems from the fact that its encouragement would be capitalizing on a process that is already underway. The government sector, especially at state and local levels, is growing rapidly. Also, Negroes are forming increasingly large fractions of the populations of many cities and will constitute a majority in several within the next decade. The urban population changes and consequent politicization of Negroes, when combined with the growth industry aspects of the public services, would together seem to present a target of opportunity.
>
> A precedent for the use of public employment to improve opportunities of a special group exists in the case of veteran's preferences on civil service examinations. A similar and even more meaningful preference system might be implemented for the benefit of the poor.
>
> The recommendation explored here should be distinguished from proposals that the government act as an "employer of the last resort." Examples of public employment proposed would be policemen, firemen, teachers, social workers and clerks -- not leaf rakers or cleaning women.[37]

Referring to the Irish, Jewish, Italian and Greek immigrants to New York, Oscar Handlin writes that their very sense of community awareness and ethnic orientation, "their ability to depend upon the support of the group, made careers in government especially attractive to the second generation who in this respect were sometimes better off than the children of the natives."[38]

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[37] Anthony H. Pascal, "Manpower Training and Jobs," in Pascal (ed.), Cities in Trouble: An Agenda for Urban Research (Santa Monica: The RAND Corporation), August, 1968, RM-5603-RC, p. 78.

[38] Oscar Handlin, The Newcomers (Cambridge: Harvard University Press, 1965), p. 25.

Now, for Puerto Ricans and blacks, as in the case of the Irish earlier, the first breakthrough has been in government employment.

> Apart from the greater sensitivity of the state as an employer to the issue of public policy involved in discrimination, the growing weight of the Negro and Puerto Rican groups as a political factor has produced openings in the civil service. There has been a steady penetration of the police and fire departments, the public schools, and the office of municipal, state, and federal agencies.[39]

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[39] Ibid., p. 76.

III. Experiments in Public Sector Job Development for the Poor

Early in 1968, the National Civil Service League was commissioned by the Department of Labor, the Office of Economic Opportunity and the Department of Housing and Urban Development to promote merit system employment and career opportunities for the disadvantaged in state and local government. To implement this commission, the League conducted a series of brief site visits to individual jurisdictions across the country. Additional information was obtained from governors' offices, from the mayors of large cities, from directors of Community Action Agencies and Model Cities Agencies, from interested organizations such as the National League of Cities, and a comprehensive search of the literature in the field.[40] In this way, a systematic identification of the barriers to employment of the disadvantaged has begun.

As the field surveys proceed, the League is making its findings available to the public, to local jurisdictions interested in learning about one another's experiences, to national organizations exchanging information on inter- and intragovernmental relations, and to executive and legislative bodies engaged in the design of manpower policy. Late in 1970, the League was asked by the Ford Foundation to serve as a national clearinghouse for information pertaining to the problems under discussion. The preliminary findings have also been used by the Office of Economic Opportunity to assist

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This section is based upon materials prepared by the author for the 1971 Manpower Report of the President, U. S. Department of Labor, Chapter 5.

[40] Much of this information is summarized in: Public Employment and the Dis-Advantaged: An Annotated Bibliography, National Civil Service League, Reference File No. 4, January 1970. A survey of the findings from this earlier project has been prepared by Mrs. Phyllis Sanders, formerly of the National Civil Service League, and published as: Case Studies in Public Jobs for the Disadvantaged, NCSL Reference File No. 9, July, 1970.

in the design of an even more extensive and highly-directed information gathering and technical assistance project called PACE MAKER.

Project PACE MAKER

Project PACE MAKER (Public Agency Career Employment Maker) is an OEO demonstration program designed to remove the legal, administrative and psychological barriers to the employment of the disadvantaged in state and local government. OEO assumes that a large number of the black, brown, and poor in any jurisdiction are capable of performing competently in a large number of career positions within the local civil service, if only the barriers which tend to 'screen them out' can be identified and removed.

Under Project PACE MAKER, state and local governments formally ask OEO for an intensive site visit by a team of personnel technicians provided by the National Civil Service League. The costs of the survey are absorbed by OEO. In each site visit, an extremely intensive analysis of the local civil service system is performed. Individuals in many different positions are interviewed in depth: the chief officers of the jurisdiction, personnel and civil service officials, user agency directors, line supervisors, rank-and-file employees, and community organizations attempting to place disadvantaged workers into local government jobs. The laws and administrative rules of the jurisdiction are examined, and an estimate is made of the legal feasibility of institutional change. The survey team's findings and its specific recommendations for change are documented in a confidential report to the chief elected officer of the jurisdiction. After a suitable length of time, and if the jurisdiction so requests, the League returns to offer criticism of the jurisdiction's plans for civil service system change.

In its site visits, the League is especially interested in gathering data for the testing of a number of hypotheses. Perhaps the most interesting of these has to do with the relationship between educational credentials, the incidence of written civil service exa tion usage, and turnover rates in jurisdiction. In most local civil service 'rule books,' as many as six different methods of examining are usually permitted. A prototypical format is as follows:

> As the Personnel Director may determine, examinations may consist of any one or a combination of the following types of tests: oral performance, written, physical, medical or psychological, evaluation of training and experience, or any other forms designed to test fairly the qualifications of applicants.

It is clear that written exams are not specifically required in most jurisdictions. It is also clear that the local personnel director has enormous latitude in selecting and/or designing testing techniques. Yet most of the personnel technicians and agency heads interviewed told the PACE MAKER staff that virtually all entry and promotional positions in their various jurisdictions still require a written examination -- and, in many instances, an oral board as well. Many supervisors told of staff members with demonstrated ability who "just cannot pass written tests." One man received a provisional appointment as foreman seven times; on each occasion he failed the written exam. A Clerk Typist II in the same Department twice failed the exam for clerk, yet is actually performing the clerk's tasks now, and her on-the-job performance is rated as excellent. In this same jurisdiction, candidates for janitorial positions were asked to "select the best antonym to the word 'alleviate'," and future meter maids were required to solve relatively complex algebra problems about automobiles passing one another along highways connecting different cities.

After studying numerous civil service exam announcements, which conventionally describe the tasks to be performed in each job, the PACE MAKER staff concluded that a substantial number of public service jobs really do not require well-developed verbal and cognitive skills -- the kinds of skills for which most written exams test. Alternatively, even when relevant, the skills for which written examinations test may sometimes be relatively unimportant to the agency's mission. One Sheriff, for example, indicated that his "100 percent support" for written exams was based upon the belief that "a law officer must be able to ...make written reports, appear in court, etc." But these are the bureaucratic functions, the least important to the agency's mission, which is to protect and preserve public safety. In the performance of that function, the most critical skill is the ability to communicate with different elements of the population -- youth, English-speaking minorities, non-English-speaking minorities, and white middle-class suburbanites fearful of the former groups. Profesional test designers readily admit that the excessive use of written examinations is a major barrier to the employment of minority group members, due to cultural bias, language problems, a minority person's fear of taking an exam, and/or his or her fear of competing directly with whites.

During one interview, a local personnel director indicated the reasons for his belief in the relative superiority of written examinations. They are, he said, "faster, cheaper, and easier to administer." But if performance testing reduces overqualification and the high turnover that often accompanies it, then an actual saving to the community may be realized. Moreover, as one agency head said, the existing written exams are not necessarily "fast, cheap, and easy to administer." Frequently, the tests

(many of which are purchased by jurisdictions from professional test-making organizations) are so irrelevant to the job being filled that the agency must invest substantial executive time in working with the test-makers on revision and redesign. According to the Personnel Director of the Health Department in one PACE MAKER jurisdiction, as much as 25 percent of the agency executives' time per month may be spent in this fashion. This, of course, is another 'hidden cost' to the taxpayers, which might be reduced by using job-related performance exams.[41]

The PACE MAKER site reports cover many subjects: recruiting, selection, wage structures, promotional practices, career ladders, training programs, opportunities for continuing education, transferability of benefits, appellate procuedures, and community views of the local personnel system. The gathering of this material will permit the jurisdictions to identify specific remediable problems. Where solutions are found (or suggested) in one locale, these can be communicated to the others in the program.

Where local charter revisions can promote the employment of the disadvantaged, the jurisdiction's executive is encouraged to consult the voters. However, for the most part, the PACE MAKER personnel technicians have found that only civil service rules, other administrative procedures, and attitudes toward the hiring of the disadvantaged need to be modified.

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41 Evidence of the 'validity' of performance tests, i.e., the presense of significant correlation between performance test scores and subsequent on-the-job performance (in contrast to the relative 'invalidity' of so-called 'pencil-and-paper' exams) is presented in Berg, Education and Jobs...op. cit., pp. 147 ff. In the Armed Forces, for example, "electronics technicians ... are graded on their trouble-shooting and repair skills as well as on written tests." Ibid., p. 148. "In all of these studies, aptitude tests...correlate well with proficiency and performance scores, while educational achievements [a proxy for 'pencil-and-paper' test scores] rarely account for more than 4 percent of the variation in these measures of students' capabilities." Ibid., p. 152.

To the extent that administrative changes such as those proposed by PACE MAKER can be initiated, the capacity of local jurisdiction to effectively absorb federal manpower resources such as those envisioned in wage subsidy and revenue sharing plans will be increased.

The Public Service Careers Program

The Public Service Careers program of the Department of Labor provides federal support to local jurisdictions to cover the training and supportive services associated with hiring and upgrading the unemployed and underemployed. In contrast to earlier programs (such as New Careers, now subsumed into PSC itself), this new Labor Department program requires (with minor exceptions) immediate placement of the disadvantaged into regular civil service jobs. These "hire first -- train later" and regular civil service appointment provisions of PSC constitute its most important public sector policy innovations.

PSC provides resources to four groups of employers: to state and local governments (Plan A), to local agencies (e.g., a County Health Department) and Community Action Agencies receiving grants-in-aid from the Federal government (Plan B), to public or private non-profit organizations which have -- through the existing New Careers program -- been engaged in the delivery of human services (Plan C), and to selected Federal agencies participating in the U. S. Civil Service Commission's worker-trainee program (Plan D).

These resources may be expended on remedial (or more advanced) education, skill training, vocational and personal counseling and orientation, transportation, day-care services, and technical assistance in merit system modernization, job restructuring, and design of career ladders. Of all the projected 26,000 disadvantaged persons expected to participate in PSC when it reaches its

fully budgeted force level, only the several thousand New Careerists will receive wage supplements.[42]

The Model Cities Program and Public Employment

The Model Cities Administration in the U. S. Department of Housing and Urban Development is also engaged in trying to place disadvantaged workers in local civil service jobs. Here, however, the program is limited by statute to 'model neighborhood' residents.

Section 103 (a) of the original Demonstration Cities and Metropolitan Development Act of 1966 required each city demonstration program to provide "...maximum opportunities for employing residents of the area in all phases of the program." But the legislation was silent on the critical question of civil service coverage for these model neighborhood residents. Because the great majority of the latter have been unable to pass existing civil service examinations or cannot afford to be without work during the three to eight month average post-exam waiting period, the City Demonstration Agencies (CDA's) have been forced to give these individuals provisional city appointments. In other words, Model Cities has been forced to develop what amounts to a parallel personnel system, outside the regular civil service of the jurisdiction.

This situation has led to many inefficient and paradoxical circumstances. In one city, for example, three CDA secretaries have been trying for two years to pass the regular written civil service examination in order to move into

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[42] For an extensive discussion of the PSC Program, see U.S.Department of Labor, Manpower Administration, Public Service Careers Program: A General Description, August, 1969; U. S. Department of Labor, 1970 Manpower Report of the President, pp. 73-74.

permanent positions outside of Model Cities. Each time the women failed the exam, the CDA was of course compelled to continue supporting them on its own (federally-financed) payrolls, thus closing off new entry level positions for additional model neighborhood residents. Yet at the same time, the three women have performed so capably in their CDA jobs that they have received several salary increases. In fact, two of the three are currently earning more in their non-civil service CDA jobs than they would earn if they did pass the civil service examination and 'moved out' into a regular city entry level position. Such structural imbalances often result from a reliance upon parallel systems approaches to the employment of the disadvantaged (similar difficulties were encountered in the New Careers Program).

For some time, the Manpower Division of the Model Cities Administration has been urging HUD to take steps to make the lack of civil service coverage for model neighborhood residents working in local CDA's or their delegate agencies grounds for suspension or termination of the federal grant. Only in this way, argues the Division, can Model Cities truly build bridges to the regular city personnel system, thereby opening up a 'pipeline' for moving model neighborhood residents into the public service via the CDA.

In November, 1970, the Assistant Secretary for Model Cities promulgated CDA Letter No. 11, establishing these sought-after conditions. Paragraph 2c of this official policy statement requires that

> In the case of public employment generated in components of the comprehensive city demonstration program, financed in whole or in part by supplemental or other HUD funds, such jobs will be incorporated into the community's regular civil service system within a reasonable period of time not to exceed two years from the point that positions were filled. Actions to accomplish this will be initiated within

> each community within six months of the date of issuance of this letter. Such positions will be filled through a Model Neighborhood resident recruitment and training system in conformity with the policies of this Letter and the positions will carry full public employee rights and benefits.

Moreover, by Paragraph 5,

> Failure of any city to comply shall be a basis for suspension or termination of the grant agreement.

Thus, a potential pipeline has now been created from the ghetto into the regular civil service system, through an intermediate training stage to last not more than two years. If the Model Cities Program can successfully perform this pipeline function, it will make a major contribution to the public employment of the disadvantaged.

Public Sector Manpower Absorption Plan

The Department of Labor and the National Civil Service League are currently developing guidelines to assist local jurisdictions in drawing up large scale 'manpower absorption plans.' This project has as its objective the production of a handbook, telling the user what kinds of information must be acquired, how to acquire such information, and how the acquired information can be used by a jurisdiction to formulate genuine manpower plans. The guidelines represent, in effect, an effort by NCSL to teach local governments to conduct for themselves the same kinds of information searches in which the League has been engaged for two years. The guidelines will be based on current studies in two places: the City of Chicago and the State of Connecticut.

If personnel directors already knew their 'production functions', manpower requirements could be developed in terms of specific output goals (e.g. preventing the trash accumulation in any household from exceeding n pounds per week), specific activity levels (e.g., maintaining n trash collections per household

per week), or alternative budget constraints. Since the technical relationships between service production inputs and outputs are so ill-defined -- not only in the minds of public officials, but in the professional literature as well[43] -- it is necessary to generate this information through an iterative learning process which begins by asking program managers to consider their agencies' 'unmet service targets' and the additional manpower they think they would need in order to meet these targets. These first estimates are then subjected to a more rigorous re-evaluation through the process of breaking them down by job category and skill requirements (via 'task analysis'), and specific administrative function (e.g. health maintenance). As the technical trade-offs among different classes of labor inputs become more apparent, the participants in the exercise learn to appreciate the desirability of formulating priorities among the various targets.

This procedure has been quite successful among (and has been enthusiastically received by) the personnel directors and program managers in the two M.A.P. experimental jurisdictions.

Given the derivation of manpower requirements, the jurisdiction must then find people to fill these jobs. Since all of the federal programs providing public employment funds to local jurisdictions require that the resources be tied to the unemployed and underemployed, M.A.P. assumes that the targets must be filled from among this class of local citizens. The handbook will discuss problems with (and alternative methods for) identifying who and where

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[43] Some progress has been made in this direction, chiefly by Werner Z. Hirsch and his colleagues at U.C.L.A. See, for example, Hirsch, The Economics of State and Local Government (New York: McGraw-Hill, 1970); also Louis H. Blair, Harry P. Hatry, and Pasqual A. Donvito, Measuring The Effectiveness of Local Government Services: Solid Waste Collection (Washington, D.C.: The Urban Institute, 1970), Paper No. 37-108-67.

the unemployed are (e.g., by stratified neighborhood sample surveys), what kinds of skills and experience they possess (apart from formal educational credentials), and how the jurisdiction can reach these individuals (e.g. through the use of inner-city information centers located near barber shops and pool halls).

Having identified its manpower targets and the individuals from whom the targets are to be met, the jurisdiction must now proceed to the development of appropriate recruiting and selection procedures. This process begins with a matching of targets with the existing skills of the disadvantaged. The gaps between the two sets of skill descriptors define the two major program tasks of the jurisdiction: training (to close the gap by upgrading the new worker) and job restructuring (which closes the gap by transforming the job in order to accommodate the existing skills of the worker). Consideration of alternative mixes of training and job restructuring -- perhaps with the aid of cost-effectiveness analysis -- will ultimately permit the jurisdiction to design formal specifications for the targeted positions.

Now in possession of formal 'job specs,' the jurisdiction faces several alternative strategies for recruiting and placing the unemployed in the targeted positions. Ideally, the local civil service rules will be sufficiently flexible to permit the jurisdiction to integrate the unemployed directly into the system. Where the exploitation of system flexibilities is infeasible or likely to be politically expensive, the jurisdiction may have to undertake system change, e.g., the formal substitution of performance tests and/or oral interviews for written examinations. A third, and far less desirable, alternative would be the development of a parallel

personnel structure outside the regular civil service system. Where the latter is the jurisdiction's only effective choice, it is imperative that bridges be built between the two systems, e.g., with respect to comparability of pay and fringe benefits, career development ladders, transferability provisions, and so forth. In any case, the information to be gathered in 'fleshing out' these alternative strategies is precisely the kind which has been developed so laboriously by Project PACE MAKER. Thus, the M.A.P. handbook will ultimately cover (albeit in far greater detail) the same class of issues (e.g., testing, certification) discussed earlier in this paper.

Finally, the jurisdiction will have to look into the different kinds of supportive services necessary for putting the unemployed to work in essential public jobs. These services will include: (1) personal services for the new workers, e.g., day-care and transportation assistance; (2) work-related services for both the new hires and their more 'advantaged' co-workers, e.g., job counselling and 'awareness training' -- particularly for supervisors; and (3) services to permit the jurisdiction itself to physically absorb the additional manpower, such as the acquisition of a monitoring system to report on the progress of the jurisdiction's program.

IV. National Manpower Legislation[44]

During 1970, the U.S. Senate and House of Representatives both introduced legislation designed to provide federal wage subsidies to state and local governments to finance public service jobs, and at the same time to continue and expand programs designed to make public service jobs more accessible to the disadvantaged. Each of the bills (S. 3867 and H.R. 19519), and the compromise version which emerged from a Senate-House Conference Committee in December, contained three sets of provisions relating to public employment.

One provision authorized the Secretary of Labor to accept applications from state and local governments, federal agencies, and local organizations such as community action agencies. These 'prime sponsors' would then be empowered to hire unemployed and involuntarily part-time employed individuals for regular public service employment. The federal funds (which could not exceed 80 percent of the prime sponsor's total program costs) would be used to pay salaries and benefits not to exceed the federal minimum wage, the state or local minimum wage, or the prevailing rate of pay in the same labor market area for persons employed in similar public occupations -- whichever is highest.[45] In the House version (introduced by Congressman James O'Hara), the prime

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[44]The reader is reminded that this discussion records the recent legislative history of public service employment through May, 1971.

[45]Under another title, the same prime sponsors could also apply for additional funds to provide training and to purchase technical assistance in recruiting, examining, job restructuring, and so forth. A third title authorized funds for upgrading workers, provided that the prime sponsor would agree to translate each promotion into a new entry-level vacancy.

sponsor would be obligated under the Act to set forth objectives "for the movement of persons employed there under into public or private employment not supported under this Act." Thus, jobs created under the O'Hara bill would serve as a kind of "pipeline" for the disadvantaged. The Senate bill, introduced by Senator Gaylord Nelson, was deliberately vague about the degree of permanence of the jobs to be subsidized.

Among the several federal research and development activities set out in the various versions of the legislation was a provision authorizing the Secretary of Labor, "in consultation with the Director of the Office of Economic Opportunity, [to] conduct a continuing study of the extent to which artificial barriers to employment and occupation advancement, including civil service requirements and practices relating thereto, within agencies [including prime sponsors] conducting programs under this Act, restrict the opportunities for employment and advancement within such agencies, and [to] develop and promulgate guidelines, based upon such study, setting forth recommendations for specific jobs and recommended job descriptions at all levels of employment, designed to encourage career employment and occupational advancement within such agencies." This section was first proposed by Senator Jacob Javits.

Finally, the legislation contained a provision for the development of employment opportunities for disadvantaged persons in federally assisted programs of all kinds. In fiscal 1971, the Federal Government will spend between $26 and $28 billion through 500 different federal grant-in-aid programs. The manpower legislation authorized the Secretary of Labor to undertake studies of the impact of these programs on local employment in terms of the occupational structure, wage and salary levels, skill and educational requirements for the jobs, and projections of future growth.

These studies were to be used to determine "the degree to which such grant-in-aid programs can provide an increased source of opportunities for the employment and advancement of disadvantaged persons."

On December 16, 1970, President Nixon vetoed the compromise manpower bill on the grounds that "as much as 44 percent of the total funding in the bill goes for dead-end jobs in the public sector. Moreover, there is no requirement that these public sector jobs be linked to training or the prospect of other employment opportunities. WPA-type jobs are not the answer ..."[46] The President was especially concerned with the alleged "permanency" of the jobs which the bill would have funded, arguing that public service employment should be used (if at all) only as a temporary source of work opportunity during periods when the private demand for labor is too slack to maintain acceptable levels of unemployment.

Early in 1971, both Houses of the new 92nd Congress introduced new legislation to fund public service employment in state and local governments. While there are a number of bills presently under discussion, all have in common a "trigger" mechanism designed to answer the President's "permanency" critique. In the Senate's Emergency Employment Act of 1971 (S.31), for example, annual appropriations of $500 million would be authorized only when the national unemployment rate is 4.5 percent or higher for three consecutive months, with additional amounts of $100 million being "triggered" for each .5 percent by which the average unemployment rate exceeds 4.5 percent (again, for at least three consecutive months). When national unemployment fell below 4.5 percent for three months in a row, no additional federal funds beyond those already committed would be forthcoming.

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[46] Text of the Presidential Veto, The Washington Post, December 17, 1970, p. 16.

All of this legislation concentrates on the provision of 80 percent wage subsidies to city and state governments (and to public and private non-profit institutions), earmarked for the "unemployed and underemployed". There is only minimal attention to the provision of training and other "social overheads". S. 31, for example, permits up to 15 percent of the aforementioned appropriation to be used for "training and manpower services for persons employed in public service employment programs assisted under this Act."[47] The draftors also give little attention (as they did in the last session) to using federal funds and authority to increase the access of the desadvantaged to public service jobs. Thus, for example, Sec. 6, paragraphs (b) 14 and (b) 17 of S.31 call for participating jurisdictions to reevaluate skill requirements, undertake job tasks analyses, and "contribute to the elimination of artificial barriers ... including civil service requirements." But -- unlike the vetoed Comprehensive Manpower Act -- no funds are provided to support such civil service system change.[48]

On March 4, the President submitted his Manpower Revenue Sharing Act of 1971 to The Congress. In its current form, the legislation provides $2 billion for the first year, 85 percent of which would be distributed to states, counties and cities with populations exceeding 100,000. "The

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[47] U. S. Senate, Committee on Labor and Public Welfare, The Emergency Employment Act of 1971 (S. 31), 92nd Congress, 1st Session, January 25, 1971, Section 9.

[48] Senator Nelson has explained the limited scope of his bill: "What we have done ... is to select those parts of [the previous legislation] that we believe can command broad bipartisan support so that Congress can act at once. We intend later this year to reconsider the permanent public service employment concept, closely integrated with manpower training [and civil service] reform, as represented in the bill which was vetoed." Hearings on S. 31, op. cit.

remaining 15 percent would be made available to the Secretary of Labor to fund special activities.[49] The shared revenue would be allocated by a statutory formula whose arguments include each jurisdiction's proportionate share of labor force participants, unemployed workers, and low income adults. "Authorized activities" include the conventional manpower services managed by the U.S. Training and Employment Service (e.g., recruitment and counselling), vocational education, on-the-job training with private (e.g., NAB - JOBS) and public (e.g., PSC) employers, day care and relocation aid, and "transitional public service employment at all levels of government," with a two-year "kick-out" provision to encourage individuals to seek "permanent" work elsewhere. Once they have received their allotment, jurisdictions would be entirely free to choose the program mix most suitable to their local needs.[50]

Apart from the central question of whether the scale of the measure is adequate to the need, there is a question whether such extreme decentralization would improve the access of the disadvantaged to public service jobs. Numerous suits have been brought by the N.A.A.C.P. and others against local jurisdictions, charging that civil service regulations have been consciously used to discriminate against minorities. More importantly, there seems to be little incentive in the President's program for voluntary system reform at the local level. Indeed, the stipulation

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[49] White House Press release, op. cit.

[50] At about the same time, the White House announced that it intended to recommend the Federal subsidization of as many as 200,000 low-wage, low-skilled public service jobs, to be reserved for those "working poor" scheduled to receive Family Assistance Plan income transfers. No action has been taken as yet on this recommendation (nor, for that matter, on FAP itself).

that public service jobs supported by the bill must be "transitory" acts as a major obstacle to such change. In exactly the same way that private employers in the "secondary labor market" were found by Piore to encourage part-time, unstable or limited-term attachment by their low-skilled employees in order to discourage the formation of (e.g., union) ties between these workers and the "core" of their labor force,[51] so the institutionalization of "transitional" public service employment may reinforce labor market segmentation.

By May of 1971, each House of Congress had passed its own version of the "Emergency Employment Act." The House bill (H.R. 3613) authorizes $4.9 billion through fiscal 1975 with a target of 150,000 slots in the first year. Senate bill (S. 31) provides $1.75 billion for two years. Both bills would be "triggered" when unemployment exceeded 4.5 percent for three consecutive months (it was 6.2 percent in May). In addition, the House bill provides a special fund of $1 billion reserved for labor market areas with unemployment above 6.0 percent, regardless of the national rate. The Senate bill contains the same two-year "kickout" provision with which it started; the House version does not.

The bills were scheduled to go to a joint House-Senate Conference Committee on June 15. Although there is growing congressional and presidential awareness of the complex of issues behind public service employment policy--transitional versus permanent wage support, the restructuring of existing jobs, and comprehensive reform of the civil service system--it is unlikely that anything much beyond an emergency, stop-gap measure will be

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[51]Michael J. Piore, "The Dual Labor Market: Theory and Implications," in David M. Gordon (ed.), Problems in Political Economy: An Urban Perspective (Lexington, Massachusetts: D.C. Heath, 1971); David M. Gordon, Theories of Poverty and Underemployment (New York: National Bureau of Economic Research, 1971), mimeographed.

reported out of conference and offered to the full Congress at this time.

V. An Agenda for Economic Research

The phenomenal growth of public service employment in the U. S. -- and particularly in the nation's cities -- has gone almost entirely unnoticed by the economics profession. There was neither much professional interest in the recently vetoed legislation, nor (perhaps more seriously) was there any body of economic research upon which decision-makers could draw in the process of designing public sector employment policy. The development of this kind of policy research will have to receive a much higher priority among economists in the future. The isssues to be addressed will appear as the research itself progresses. Nevertheless, it is possible even now to identify at least part of the new agenda.

A major task will be the determination of public service program costs under varying assumptions about wage levels, training and other "overhead cost" elements, and the size of target populations. How sensitive are the elasticities of the public service labor supply and demand likely to be to variations in the program parameters? Michael Barth of the Office of Economic Opportunity has made an important start in this direction,[52] but much more effort must be addressed to the estimation and simulation of program costs.

Empirical research on the benefits of public service employment programming will probably be limited for some time to the estimation of

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[52] Michael C. Barth and Frank H. Easterbrook, "Planning Public Employment: A Statement of Trade-Offs," Research Division, U.S. Office of Economic Opportunity, December 1970, mimeographed.

local multiplier and human capital upgrading effects. Until the "social indicator" and PPBS theorists have produced a set of consistent and relatively non-arbitrary social accounts by which to measure the volume and value of the "output" of firemen, policemen, sanitation workers and teacher aides, it will be difficult for any two researchers to agree on any one estimate of the public service benefits generated by a state and local employment program.[53]

Yet another issue to be investigated concerns the possible effects of public sector job development on the inflation-unemployment tradeoff. Barth and Edward Gramlich at OEO, and Charles Holt and his colleagues at The Urban Institute, are currently examining these Phillips curve problems. Their provisional conclusions seem to be that vacancy-filling public employment programs would clearly be non-inflationary, and that the enhanced possibilities for mobility of public service sector trained workers into private sector service jobs (and vice versa) would tend to shift the Phillips curve toward the origin.[54]

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[53]On the other hand, the limitations of our discipline should not (it seems to me) prevent us from encouraging government experimentation in this vital area. The difficulty of costing out public goods supply can be overdrawn. Does a $10,000-a-year fireman save his city more than $10,000 worth of property damage per year? Are the public health costs which are obviated by investing in the recruiting, training and salary maintenance of a sanitation worker greater than the annual investment in these program elements? I cannot conceive of a public service labor productivity analysis that would not ultimately turn on such questions. And they are, of course, questions which economists are quite used to asking. Research in the pricing of public goods and public "bads" is currently underway at several institutions (notably The National Bureau of Economic Research).

[54]Michael C. Barth and Edward M. Gramlich, "The Inflation-Unemployment Trade-Off and the Poverty Problem," Research Division, U.S. Office of Economic Opportunity, February, 1971, mimeographed; Charles C. Holt, C. Duncan MacRae, Stuart O. Schweitzer, and Ralph E. Smith, "Manpower Programs to Reduce Inflation and Unemployment: Manpower Lyrics for Macro Music," Urban Institute Working Paper No. 350-28, March 18, 1971.

PACE MAKER jurisdictions have already indicated their desire for help in rewriting job specifications and in developing training programs geared to these new "specs". They want both to redesign the written civil service examinations that have traditionally acted to "screen out" the poor, and to implement experiments in screening and selection which use instruments other than written exams. There appears to be considerable interest in developing regional programs in which all the governments in an area might develop common job specifications and engage in joint recruiting and training. The principal payoff to such regional public sector manpower planning would be the promotion of inter-agency and inter-governmental mobility for the poor.[55]

The wage subsidy instrument itself must be utilized according to several parameters, the structure of which could be investigated by economists. Program elements in such a real (or simulated) experiment would include the size and duration of the subsidy per job slot (e.g., 4/5 of the entry level wage in the first year, with a declining share over time), the structure of incentives (e.g., half the gross subsidy payment "down", and half when the new recruits have completed a year on the job), and the criteria by which the federal government would approve public service job-creation plans of the local jurisdictions seeking wage subsidies (e.g., non-poverty wage levels, jobs whose skills can be readily applied in private sector service jobs).

Finally, it will be necessary to study and develop means by which a public service employment program can be articulated with other strategies for eliminating urban poverty. The architects of the President's Family

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[55]This concept has already been investigated in the Sacramento region; both the county and the City governments received PACE MAKER technical assistance. St. Louis County with its 96 different local governments and Hartford with the 26 jurisdictions in its suburban ring are obvious examples of new sites with great potential.

Assistance Plan point with especial pride to the work incentive mechanism in the legislation, through which substantial numbers of welfare recepients will allegedly move voluntarily "from welfare rolls to payrolls." In order to realize this transition, some kind of carefully articulated job development program would seem to be a necessity. In many cities, the wages which the poor are permitted to earn in their present jobs are probably not sufficiently high to motivate a significant amount of welfare-to-"workfare" mobility.[56]

With respect to a rather different urban anti-poverty strategy -- the creation and funding of "community development corporations" -- many potential linkages might be investigated, including (for example) the subcontracting of CDC's by local governments for the provision of outreach recruiting and pre-vocational training services, and possibly the management of selected public service facilities located in the ghetto, e.g., in the fields of public health and welfare.[57]

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[56]Some such experiment may already be "in the works;" see footnote 50 on p. 54.

[57]Thomas Vietorisz and Bennett Harrison, The Economic Development of Harlem (New York: Praeger, 1970); Vietorisz and Harrison, "Ghetto Development, Community Corporations, and Public Policy," Testimony delivered to the Senate Subcommittee on Employment, Manpower and Poverty in Bedford-Stuyvesant, June 11, 1971.

VI. Conclusion

We are only now beginning to perceive the extent to which urban poverty is caused by the underemployment of people willing to and capable of being given more remunerative work. It now appears that the large majority of those ghetto residents who are able to work do work--a fact which the "conventional wisdom" still refuses to accept. Moreover, there is new evidence that a large number of black ghetto workers have undertaken sufficient investment in themselves to have achieved levels of education which are not very different from the levels associated with the black urban population outside the slums, and even with many whites. Nevertheless, the jobs to which ghetto workers have access are of uniformly poor quality and pay wages which are substandard by a number of a widely accepted benchmarks. Indeed, many of those capable of working are unable to earn enough to make work an attractive alternative to the family-splitting which is often necessary in order to qualify for welfare.[58]

The prevalence of involuntary part-time employment and substandard wages in conjunction with these recent findings on educational attainment strongly suggests that existing urban labor markets underutilize ghetto workers--do not permit these workers to realize their potential productivities. The remedy must be sought in opening up new urban job markets to the ghetto

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[58] These statements are given quantitative support in: Bennett Harrison, Education, Training and the Urban Ghetto..., op. cit., and Harrison, "Education and Underemployment in the Urban Ghetto," in David M. Gordon (ed.), Problems in Political Economy: An Urban Perspective (Lexington, Massachusetts: D. C. Heath, 1971).

poor, markets whose jobs are physically accessible to ghetto residents, whose availability is made known to them, and whose entry level wages and promotional possibilities will in fact lead to a significant improvement in their levels of living.

This paper has reviewed the extent to which a promising strategy for moving the ghetto poor out of the limited job market to which they are presently confined may be the restructuring, subsidization, and expansion of public service jobs. Such a program would be based not only on the income requirements of the poor themselves, but also and more fundamentally on the growing needs of all the residents of urban areas for expanded public services. Growing shortages in the supply of these "social overheads" penalize urban businesses as well as individual consumers.

It is clear from the data that the public service will be the major "growth sector" of tomorrow's urban economy. Moreover, a substantial proportion of the new jobs will probably continue to be located within relatively close proximity to the ghetto. Thus, the emergence of what Victor Fuchs calls "the service economy" creates an unparalleled opportunity to broaden the employment possibilities of ghetto workers.

It will not be easy to open the public service to the residents of the slums. Many public agencies are presently as exploitative of the poor and the nonwhite as is the private sector.[59] Moreover, there are real and imaginary administrative obstacles to be overcome, one example being

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[59] The most comprehensive quantitative analysis of racial discrimination in the private sector is still the three volume study by the U.S. Equal Employment Opportunity Commission, Job Patterns for Minorities and Women in Private Industry-1966, EEO Report No. 1 (Washington, D.C.: U.S. Government Printing Office, 1969). For a study of public sector discrimination in seven metropolitan areas, see: U.S. Commission on Civil Rights, For All the People...By all the People (Washington, D.C.: U.S. Government Printing Office, 1969). The latter is summarized in Harrison, "Public Service Jobs...," op. cit., pp. 10-11.

the widespread but mistaken assumption that civil service examinations must be written.

Economists and other policy analysts can no longer ignore the rapid growth of the urban public sector as a potential source of new jobs paying wages considerably in excess of the current earnings of ghetto residents. Major priorities for future research will have to be assigned to the analysis of public service job programming as a strategy for combatting urban poverty.