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Poor Employment

PART 1: MAIN POINTS

In my essay on unemployment, I listed three problems with employment:

- Unemployment
- Under-employment
- Poor employment

Under-employment happens when people who have a job(s) already want more work but can't get it. Sometimes, on the job they have, they want more hours such as a trucker who wants more runs or a salesperson who wants more territory. Sometimes they want another job in addition to the job they have already. Here I don't deal with under-employment. I deal only with poor employment. Anything I say about under-employment would reinforce what I say about poor employment. Under-employment does cause issues but it is not nearly as big a source of problems as poor employment.

I use "pay", "wages", and "salary" to mean either "only money without consideration of benefits" or to mean "money and benefits together". There is no consistent tradition on how to use the terms to mean either "only money" or "money and benefits". I make clear when I refer only to money, only to benefits, or to both together.

Strictly, "poor employment" refers to (1) jobs that give low wages and no benefits. A bit better than (1) are (2) jobs that give more in wages but no benefits. Also a bit better than (1) are (3) jobs that have low wages but have some benefits. I don't compare (2) and (3). The ideal is (4) a good job with high wages and full benefits including health and dental care for family members. "Poor wages" can be low enough (A) so the wages support only one person and give little hope of having a spouse or children. "Poor wages" can be low enough so (B) they might support two people but no children. "Poor wages" might be low enough so (C) they support a spouse and children but provide none-or-few benefits to self or them. I lump (1), (2), (3), (A), (B), and (C) under "poor job", "bad job", "poor employment", and "bad employment". A bad job is also called a "crappy" job. Often people who are poorly employed feel they are under employed because they want more money but the real problem is a bad job.

The United States suffers from about 8% chronic unemployment and about 30% bad employment.

Why do so many Americans find only poor jobs although the nation as a whole is so rich? America is still a rich country by world standards. Americans feel that enough good jobs are "out there" for everybody.

Americans feel everybody could have a good job if only something weird weren't going on. We don't have to share wealth equally for everybody to have a good job. But wealth does have to "go around" somehow, and should go around, so that everybody gets a good job.

Americans think: If not everybody has a good job, then something has gone wrong. It is not just that the system doesn't work. Americans feel somebody has "rigged the system" so some people get good jobs while other people get only poor jobs or none at all. Every group has its own theory of how the system was rigged, and who did it. This too is a theory of how the system is rigged and who did it: there are so many people in bad jobs because there are so many lazy people and because social programs let them get away with it.

I say: the ideas that (1) everybody should get a good job because America is so rich, and (2) some group has rigged the system, are slightly correct but largely wrong. If I have to choose, up or down, between all right and all wrong, I choose all wrong. The ideas are more wrong than right. Clinging to them even though they are more-wrong-than-right causes problems itself. We have to look at how things work and how people prepare themselves for jobs, or don't prepare themselves.

Here are some reason why there are now so many bad jobs and not enough good jobs. I do not try to weight these reasons. I indicate what I think is most important.

-Capitalism, even in the United States, has chronic unemployment, even among people who want to work and among people who are skilled enough to find a job. This unemployment boosts the level of bad employment, especially when skilled people take jobs unsuited to their skill.

-America was "over employed" from after World War Two until the middle 1970s, for reasons that I don't go into here. Everybody who really wanted to work could find fairly good work often in a factory. As America entered the world economy, unemployment and bad employment grew to levels typical of other nations.

-Light manufacturing and medium manufacturing in the United States declined absolutely (in total). We don't make all the clothes, shoes, TV sets, and gizmos that we used to. So we don't have those kinds of jobs anymore. That was a big part of our economy to lose.

-The economy changed rapidly after about 1970 away from manufacturing to other activities such as service, information, technology, chemistry, materials, and bio-technology. Adult workers of the time could not make the switch. New workers since then have not been trained in new skills and have not sought training in new skills.

-People still seek jobs in light manufacturing and medium manufacturing that simply are not there.

-Some people are not suited to work in modern capitalism. Some people are not smart enough (are too stupid), some don't have the right native temperament, some have not been trained correctly by their

parents or schools, and some have a bad attitude. The groups overlap. Some people can be retrained, at much expense, but not all. Some people can change their attitude but not all. We need to figure out how many people fall into what groups; and we need to figure out what to do about people who are not suited for work in modern capitalism.

-Some people who are not suited for work in modern capitalism fall in-and-out of bad jobs.

-People take bad jobs in the hopes of eventually getting a better job somehow, but don't.

-(1) Many people still seek jobs that aren't there, many people are not trained, and many are not suited for work in modern capitalism. As a result, there is a large pool of unspecific, unskilled, and low skilled labor.

-(2) Recall from the essay on basic principles of a market economy that a large supply of anything (other factors held equal) results in a lower price. When there are many workers, they get lower wages. If we look past the effects of inflation, we find that the wages of unskilled and low-skilled work, including a lot of factory work, have gone down compared to what they were in the 1960s and compared to wages for other kinds of work. The presence of many low skilled workers has driven down comparative wages. A lot of people are looking for jobs in the kind of work for which wages have fallen; by looking there, and by not having skill for any other work, they keep up a big pool of low-paid workers and jobs.

-(3) In a natural response to having available a large pool of unskilled and low-skilled labor at cheap wages, employers developed and kept a big pool of bad jobs even when employers did not have to develop and keep those jobs. Employers did that because employers have a pool of cheap labor to use. If a cheap resource is there, use it. Make crappy jobs to make use of the pool of cheap unskilled labor. Once employers start using cheap labor, employers keep using it. It is like having a large supply of cheap energy; if you have it, find uses for it. Although workers are cheap, this does not mean they don't earn their pay on the jobs that they do get. Also recall from the essay on basics that workers are paid by the difference they make. This principle remains true even if there is an abundance of workers and wages fall as a result.

-(4) In addition to (3), American employers have kept up a big pool of bad jobs, when we should have gotten rid of those jobs, as a support system for people who could not get better jobs or would not get better jobs. A lot of bad jobs are actually help given by employers to poor people who otherwise would be unemployed entirely and poorer. This help is a support system outside of state-run programs such as welfare and unemployment insurance. This support does not mean the workers don't earn their pay. They do earn their pay. They make enough difference to the employers to justify their pay.

-(5) Reasons (1), (2), (3), and (4), especially (3) and (4), form a self-sustaining loop. Once in the bad job support system, people can't get out. Because they can't get out, there is a constant big pool of cheap unskilled labor for employers to use. Because employers have a big constant pool of cheap labor, they retain bad jobs or they make bad jobs, to take advantage of the pool. People take those jobs because

they have to. And so on. If employers did not have a big pool of cheap labor to give bad jobs to, then employers would not make up bad jobs, people would not fall into the trap of bad jobs, and employers would not sustain bad jobs. If there were not a lot of bad jobs as a fall-back, people would see more clearly that they have to train to get a better job. If a lot of people did not seek bad jobs, employers would not make bad jobs or keep them available.

-Reasons (1), (2), (3), (4), and (5) likely are the biggest reasons why bad employment persists.

-Inflation eats away pay and benefits. What might have begun as low but tolerable pay and benefits becomes too low pay and bad benefits. What might have started out as barely enough to raise a family becomes not enough for a spouse. What started out as low pay becomes not enough even for one person to live. Lower middle class working people are terrified of falling into this trap. Employers like a level of inflation that eats away at salaries but does not undercut profits and might even boost profits by boosting prices for goods. Inflation is how employers indirectly give everybody a constant pay cut. With inflation, people work for less than the difference they make (less than they are worth). Inflation works with reasons (1), (2), and (3) to reinforce the loop, and is also a big reason for bad employment. Hard inflation began in the 1970s, when bad employment began to rise. Inflation has remained steady since the Reagan years, while bad employment has kept up high levels too.

-Sometimes Americans won't take bad jobs, often because they can get on a social program.

-When American workers won't take bad jobs, American employers have imported cheap labor, usually from Latin America and the Caribbean. Often this labor is illegal. Even though Americans don't take the bad jobs, somebody takes the bad jobs, and this is enough to keep (1), (2), (3), (4), and (5) going.

-State run programs such as welfare, unemployment, and Social Security Disability have allowed people not to retrain so as to look for better jobs.

-Too many people do not get a real education or real training in school. Despite graduating, too many people get no real training and do not get a real education.

-Because school is not strongly tied to work ability, employers do not use school diplomas as the basis for hiring. Employers use other criteria. People who have just come from a bad school are not able to meet employer criteria for a good job and so fall into a bad job. People who are in bad jobs already are not able to train to meet employer criteria so as to get better work.

-Different ethnic, religious, and gender groups do differently in school. Some ethnic, religious, and gender groups tolerate or cultivate bad attitudes. As a result both of school not doing any good and bad attitudes, some ethnic, religious, and gender groups can get only bad jobs.

-Bad attitude can be the product of bad experiences in school and with jobs, and bad attitude can be the product of the culture of an ethnic, religious, or gender group.

-Employers respond rationally to the fact that not all ethnic, religious, and gender groups are the same. Acting rationally, and not necessarily because of bias, employers choose new employees, and choose who to promote, from the groups that do well in school, have good attitudes, and are well prepared; and employers choose against the groups that do badly in school, have bad attitudes, and are not well prepared. Employer rational choice feeds the bad loop linking bad employment with race, religion, and gender.

-We have to accept that some people are not suited for good jobs even in the United States, for various reasons. We have to decide what people fall into what categories. We have to decide what to do about the people in various categories.

-I give some brief suggestions about what to do at the end of this essay.

PART 2

This section repeats from my essay on unemployment the major forces that produce unemployment and bad employment, with some changes in wording to make them fit here. I do not here explain them. For more explanations, see the essay.

PART 2A: Economic Process

(1) Frictional Unemployment. Frictional unemployment is temporary due to people “in between” jobs who are likely to find another job. It is not a reason to worry.

(2) Structural Unemployment.

PART 2B: Human Nature and Social Nature

These causes do not so much create bad employment as they decide who will get a job and who will not. In some cases, they can make unemployment. I try to sort out this issue below after I have described these causes. Please keep these forces in mind for the essay on bad employment. I repeat them there but I do not explain them again much.

(3) Some people naturally do not have the temperament to work in modern industrialized capitalist economy-and-society. They are not necessarily bad people, they just can't make it sitting in an office or standing in a factory. In the past, some of these people became artists, innovators, scientists, business entrepreneurs, soldiers, adventurers, or bums. A few became criminals but I don't think most criminals come from this type of person.

(4) Some people do not have the training for a job now, mostly because they did not go to a good school and because they did not get training on the job.

(5) Some people have a bad attitude. Some people have a bad attitude because of the culture-and-society they grew up in, such as a particular ethnic, religious, or gender group. Some people have a bad attitude because they are just like that. Some people have a bad attitude because of experiences on the job. If you get only a bad job and get treated badly, then you develop a bad attitude. Then you can't get any job at all. Some people are willing to change their attitude while others are not.

(6) Bad attitude, bad experiences, and bad culture go together to form a self-reinforcing loop. If you go into a job with a bad attitude because of your culture, you will be treated badly. If you go in with a good attitude but are treated badly, then you will develop a bad attitude. After you have a bad attitude, then you can only get a bad job or no job at all.

(7) Prejudice probably does not account for much unemployment itself. Rather, prejudice determines on whom the unemployment will fall.

(8) Some people are handicapped, mentally or physically. In my experience, people who accept their handicap and deal with it honestly make excellent workers and often can get jobs. Being handicapped is not a curse or a doom. Still, handicapped people do have trouble getting a job and often need some help to get a job. Almost always, it is help well spent and well given.

(9) Some people are not smart enough for work in a modern capitalist economy. They might have been smart enough for a farm economy, and they might have been smart enough for a capitalist economy of the recent past, but they are not smart enough now. I noticed that the number of people who were not smart enough began to increase in the 1970s. By the 1990s, there were a lot. The number will go up as the modern world gets more difficult. Technology can help not-smart-enough people to get jobs but it cannot make sure that all not-smart-enough people get jobs. I think the overall effect of technology will work against not-so-smart people. I do not know how many people now cannot get jobs because they are not smart enough but I think the number already is so high that they are a serious drain on our social programs and our economy. I think this is a serious issue already and will get much worse.

(10) In the 1950s and 1960s, when social programs first became institutionalized, they were not a major independent cause of unemployment or bad jobs. Then they grew. Social programs were never meant to be even a small fraction of the size that they are now, and a fraction of the burden that they are on our modern economy. Because now it is easy to access social programs, and too many people would rather be on a social program than work, we can now think of social programs as a distinct independent cause of unemployment.

(11) It is easy to think of bad reasons why people would rather be on a social program than work but I don't go through that exercise here.

(12) Instead, I offer a rational economic sensible reason. A lot of people in America can get only bad ("crappy") jobs such as working for low wages and no benefits in a fast-food restaurant. They cannot

get a good job with decent wages and benefits. The vast majority of people prefer a good job to a social program. When faced not with that choice but with the choice between a bad job or a social program, especially social program that offers medical care to your children, the vast majority of the same people who prefer good work if they can get it correctly rationally prefer a social program. This is not selfish or lazy. This is sensible. You would do the same.

While this strategy might be sensible, it is still not good for society. It still causes a lot of problems. It still leads to people on welfare rather than in jobs.

(13) People have too many children. People who do not have good jobs have too many children. Rather than put their children at risk, they prefer to go on social programs.

(14) All the social causes are mixed up. It is hard to separate a person who has a bad attitude all by him-herself, and would have one no matter what school he-she attended, from another person who has a bad attitude because of a bad school. Unfortunately, to do something realistic about unemployment, we do have to separate the categories.

(15) For more on prejudice, see the essay on prejudice.

PART 3: REAL AND IDEAL

I know about links between bad jobs, bogus education, bad attitude, employer choices, feeling helpless, discrimination, ethnicity, gender, religion, age, and the culture particular to a particular ethnic, religious, or gender group. But covering those topics is too much for here. Here I focus on bad jobs in general. I overlook prejudice. See other essays.

In human life, often we cannot directly get the results we want. We have to find a system that, when running well, leads close to the results most of the time. If we could fly to work, we would, but we can't, so we drive. No system leads to the results perfectly all the time. No system is perfect. We "tweak" the system as much as we can. Until we find a better system, we have to live with this system, even with its faults. As an example on a higher level, evolution does a good job of making people but not a perfect job because we still have malaria, cancer, and crime. People would like to get a happy healthy educated well-behaving family directly but they can't get that magically. They have to work; make money; send their children to school, sports, and music classes; go to church; etc. Usually the indirect way works well but not always. In the legal system, we do not guarantee absolute justice. We have a system which, when running well, provides justice in a large majority of cases but not all cases. The economic system is like the family system and the legal system. We want everybody to get along well. We want everybody to have enough wealth to get along well. We want everybody to share in the total wealth of society so that when society gets richer we all get a little richer too. We want everybody to get a return according to ability, training, and effort. We want everybody to get basic support even if he-she is handicapped or hits a run of bad luck. We don't want anybody left out if it is not his-her fault, and we want to help even

if it is his-her fault. The economy, even without state intervention, does a fairly good job of providing all this but it does not do a perfect job. Like all other systems, it is an approximation.

Poor employment is partly the result of how the economic system works well and partly how it does not work well enough. When it does not work well enough, the results are bad for particular individuals, particular families, and society as a whole. The fact that poor employment results from both causes (working well but not well enough), and the fact of bad results, makes it easy to misunderstand, invites interpretation according to dogma rather than truth, and makes it hard to talk objectively and rationally about poor employment.

In my essay on wages, I pointed out that people get paid according to how much difference they make to the economy, according to their value to their employers. This way is how our economy approaches giving people wealth according to what they both deserve (earn) and need. This way works well but not always well enough.

People do NOT get paid because they are people, are good people, are creative, deserve to live well, deserve to live at all, have families to take care of, excelled in high school marching band, are really cool now, or think they are tough guys. This might sound harsh but it is not. Mostly it is fair. Usually if you have more talent, more education, and work harder, you get paid more. This relation too is not always true but it is true enough. The right strategy is to use your talent, education, and drive to get into a job that makes a big difference and so pays well to begin with, and then to get paid even more as a result of your particular talent, education, and drive.

If you can't get a well-paying job that makes a difference to begin with, then your talent, training, and drive won't mean much. Unlike as in a good job, in a crappy job, talent, training, and drive don't make much difference; they don't get you paid more and don't advance you to a better job. You can work as hard as you want on a crappy job but you still can't get paid well because of the job itself. It has little to do with you. This might sound unfair and harsh but it is not. It is fair enough.

The trick is to get a lot of people into jobs that make a difference. To do that, we need a lot of jobs that make a difference. To have that, we need a lot of talented trained people with the potential to make a difference. Good jobs and dependable trained people have to come both together.

To say "make good jobs and train people for them" is easy to say but hard to do. We have not done either of them well.

A big problem with getting everybody into a good job is that bad jobs do not fall equally onto all groups. Once enough people in a specific group get into bad jobs, it is hard for that group as a whole to get out of bad jobs and get into good jobs. Bad jobs are a self-reinforcing bad syndrome.

Although there is a relation between unemployment, bad employment, and specific groups, the relation still doesn't change the fact that there is also a close relation between how much difference you make

and how much you get paid. We have to make sure people can make a bigger difference and so get paid more. We have to make sure that most people of all groups can make a bigger difference. We have not done that well enough, partly the fault of bad state policies and partly the fault of the groups.

PART 4: MORE POINTS

-The state does not owe anybody support for him-herself and the state does not owe anybody support to raise a family. The state should help people who are obviously handicapped but even then the state does not have an absolute obligation.

-The state does not owe anybody a job. The state does not owe anybody a good job so each person can have a spouse and family. In case a person gets only a bad job, the state does not owe anybody enough additional support so the person can have a spouse and-or raise a family. The state can try to help but it does not owe help.

-The economic system does not work perfectly so that everybody can get a job or a good job. Even so, the state does not owe anybody a job, a good job, support, or support for a family.

-The state should be careful in giving help to prevent people from getting the wrong idea that the state owes every person enough support to raise a family. The state should be careful in offering help so that people don't become dependent on the state.

-Bad attitude contributes to lack of training and inability to work.

-Bad attitude can be produced by unfairness in the economy, legal system, education, and politics; but those sources cannot be allowed as excuses for bad attitude.

-Bad attitude also can be produced by the typical culture in an ethnic, religious, or gender group. This source too cannot be used as an excuse. The culture of your group cannot be used as an excuse. The rest of society does not have to make allowances for the culture of your group if your group produces people with a bad attitude.

-Education alone will not cure all problems with employment. Even so, we are not doing a good job of training, and we should try harder.

PART 5: THE SIZE OF ENTITLEMENT PROGRAMS

The prosperous 1950s and 1960s are not typical but Americans still use them as the standard. Then, people could live fairly well on what would not be a clear-cut good job now, such as gardener, and, then, there were many fairly good jobs in factories. People could easily get a good-enough job. Call both good and good-enough jobs "good". So, then, the ratio of good jobs to bad jobs was high (the ratio of bad jobs to good-enough jobs was low), and people even of limited training could get a good-enough

job. Now, the ratio of good jobs to bad jobs is low (the ratio of bad jobs to good jobs is high), and even people with solid training cannot get a good job.

In the 1950s and 1960s, when entitlement programs were still fairly small and America still had a high ratio of good jobs to bad jobs, we could afford entitlement programs. Entitlement programs have been used as a buffer against bad employment since at least 1970. Now that the ratio of good jobs to bad jobs is smaller (the ratio of bad jobs to good jobs is bigger), and entitlement programs have grown so large for that reason and others, we can't carry programs at the present level anymore. We have to trim down entitlement programs so that even people who deserve help cannot be helped. We have to save our support for the neediest and most deserving. Briefly, people who could work if they were trained and had a good attitude instead decided to use an entitlement program. We can't afford this anymore. We have to weed out those people so we can focus aid on the neediest and most deserving.

PART 6: EDUCATION (TRAINING)

Education can help toward finding better jobs for more people but education alone cannot solve the problem of poor employment. Ability, attitude, and group reputation are as important as education. Especially now education can't solve the problem of poor employment because education itself has some serious problems. I comment more on education in other essays.

Just because you have a certificate does not mean you were really trained, have a good attitude, and should get a job. Just because you were well trained and have a good attitude does not mean you should get a job if the group that you belong too has too many people with bogus certificates and bad attitudes. Just because you were well trained, have a good attitude, and a good reputation, does not mean you should find a good job if the jobs just aren't out there. This situation is not entirely fair but it is fair enough. Fair or not, it is true, and you have to deal with it.

America is lucky in that there are still jobs here for people with degrees. If you recall the "Arab Spring", you might recall that it began when a man with a college degree could not get a job and so had to sell fruit on the street. A nasty policewoman kept extorting him, and so he finally set himself on fire. That tragedy made Arabs finally see how bad their countries had gotten. The last fifty years have seen an explosion of degrees. I have seen firsthand that a degree does not guarantee a job in most parts of the world. Even in America, many people with degrees that used to get jobs, such as lawyer and engineer, cannot find work. Graduating from high school does not guarantee anybody a job because the mythical "good factory jobs" are not out there anymore, many unemployed people have high school diplomas, and, now, even a clerk needs a college degree.

Many people now get high school diplomas and college degrees who are not smart enough, did not earn the piece of paper, and-or have a bad attitude. Many people graduate from high school but cannot read an article on the Internet. Many people graduate from college but cannot do algebra and cannot write a report. A high school diploma used to certify that a graduate had the right temper to work in a factory or office, take legitimate orders, and get along with people. Now a diploma does not even certify that a

person showed up for school. Many high school graduates have a bad attitude and expect to get good jobs anyway.

When all this happens, it devalues the piece of paper for everybody who is smart enough, did earn it, and has a good attitude. It takes only a minority to spoil certification for everybody, and America passed that threshold. Especially in groups that already have a problem with bad jobs and bad attitude, high school and college graduates are not earning their pieces of paper, and that fault leads everybody to doubt the whole group, including the people in the group who are smart, earned their degree, and have a good attitude.

Employers cannot rely on degrees to insure that the people they hire really can do a job and really are generally suitable for the work place and work life. Education could only help people to get jobs if the degree came from a school that guaranteed it graduated only people that had ability, drive, and the right attitude. Few except elite expensive schools can do this now. When employers cannot rely on diplomas for hiring, they have to adopt other tactics.

I am not sure what the relation will be in the next few decades between classroom attendance, online courses, attitude, degrees, improving abilities, real education, and employment. I hope we insure that degrees do certify abilities.

Americans that need good jobs the most are not aiming their training at the good jobs that are available now and will be available in the future. For a long time, America had to import its software engineers even though many of the software techniques were originally developed in America and even though our schools had degree programs for software engineers. We had to import teachers of hard science, math, and computers from South Asia (India and Pakistan) and China. Yet Blacks, Hispanics, and women would not train in science, math, and computers. A degree in Black Studies, Latin Studies, or Gender Studies is valuable in its own way but it helps little in finding a good job and it should help little. By not training in areas that offer good jobs, people guarantee that they will find only bad jobs. I know that people in stigmatized groups do not train for reasons such as lack of facilities and teachers, and the belief that they could not compete even if they were well trained and had the right attitude; but those misleading ideas cannot be accepted as excuses anymore.

I don't think we have used entitlement programs specifically to make up for the fact that people with degrees cannot find good jobs but we have accidentally put programs to that use. Employees in "big box" chain stores, which require at least a high school diploma for an applicant to get a job, advised their employees to apply for state benefits because salaries were not enough to live on and because salaries were low enough qualify for benefits. I cannot give details for fear of lawsuit. Because people with high school diplomas can't get good jobs, because so many diplomas are effectively bogus that employers cannot use diplomas as the basis for hiring, many people with degrees are on entitlement programs. We can't afford that any more. Entitlement programs should not be used to make up for the bad quality of education and the bad results.

PART 7: NATIVE ABILITY (INTELLIGENCE)

“Native ability” here means how smart you are or how stupid you are. I know that school and books are not the only way to measure native ability and that native ability comes in many kinds. I can’t get into such subtleties here. I am interested in the intelligence that matters to employers and can be trained in school mostly by books.

The basic facts of this part repeat from above:

- No everybody is smart enough to get a good job
- As capitalism depends more on technology, more people are effectively not smart enough. The ratio of people who are not smart enough has grown. The number of not-smart-enough people is now enough to be a serious cause of unemployment and bad employment.
- Training (school) can help even not-smart-enough people somewhat but cannot entirely overcome not being smart enough
- Bad attitude can enhance the effects of not being smart enough. Bad attitude can make even people who are smart enough seem not smart enough.
- People will not accept that they or their children are not smart enough
- In the past, entitlement programs could carry the people who were not smart enough. Now we cannot afford programs to carry all the people who are not smart enough.

There is little need to elaborate on these points.

Some people really are not smart enough now. Some people just have a bad attitude. Some people have both. Not all people who seem not-smart-enough are really smart enough but merely suffer from bad attitude. Not every frog is a prince. Some people with a bad attitude also are not smart. Changing attitude will not make all people smart. Children who are not smart enough often have a bad attitude on top of not being smart enough but changing their attitude still will not make them smart enough. Bad attitude and “smart enough” are distinct issues.

One proper use of entitlement programs was to support people who are not very smart. In the 1950s and 1960s, and at times since then, America has been lucky in that people with disabilities, such as not being smart enough, could find work, often good work. People with disabilities and good attitude are among the best employees. So, entitlement programs did not have to be large to support the few who could not find work.

I doubt this has been true since at least 1990. It now takes definite native ability (minimum intelligence) to get the education needed for a good job. You now have to be smart enough to get a good job. The ratio in the population of people who are “not smart enough” has been growing. We now have a lot of people who are not smart enough to get a good job.

I think, in the 1950s and 1960s, compared to now, entitlement programs had more people in them who were physically handicapped than were not smart enough. Now I think entitlement programs have a larger ratio of people who are not smart enough. I doubt we can sustain this support. I don't know what to do with the people who are not smart enough but who have good hearts and good intentions. If we offer support to some people, I don't know how to choose who to offer support to and who to deny support from. We cannot offer anybody, no matter how deserving, enough support on which to raise a family.

I am not sure how to clearly separate people who are not smart enough from people who have a bad attitude. I hope we continue to support people who are only not smart enough and do not also have a problem with a bad attitude.

PART 8: ATTITUDE IN GENERAL AND IN SPECIFIC GROUPS

Because this essay is not about attitude, I don't define "good attitude for a job" or "bad attitude for a job". I assume you know what those terms mean.

Americans might have more trouble with attitude on the job than, say, Koreans, because Americans think "showing some attitude" is good. Americans think they are free-lance loner artiste romantic rebel bad asses. Despite the loner myth, really the important unit in American culture is the team. The team is a balance between crazy loner versus oppressive totalitarian group. Americans seek the team in the middle more than the loner in the sunset. Think of the "A Team", "Avengers", "Star Trek", "Friends", or "How I Met Your Mother". The biggest reason for getting fired in America is not incompetence but is personal problems in the workplace. Americans have to figure out where in the range between "crazy loner" versus ant colony to see jobs in capitalism. Corporate life is too totalitarian and not enough like a team (Barney Stinson), so Americans rebel a bit, but not much (everybody else on HIMYM). Americans have not been fully successful in finding the right attitude.

People in good jobs tend to err on the side of zombie while those in bad jobs tend to err on the side of fake romanticized rebel badass fighting against "the man".

If you have a bad attitude, it is hard to find a job and hard to hold it. It is hard to find and hold any job but especially a good job. You get relegated to whatever bad jobs you can find.

At the same time, if you have a bad job, likely you will develop a bad attitude, and the attitude will then become a part of you. If you come from a background where many people have bad jobs, you will pick up their bad attitude, and that will become a part of you. Then you will have trouble finding and holding a good job. I do not explain why bad jobs produce a bad attitude. Think about this: no matter how smart, trained, hard-working, friendly, or polite you are, it will get you nothing. So you might as well do the opposite.

The two effects form a reinforcing loop. You can only get a bad job because you have a bad attitude or come from a background of bad attitude, and you develop a bad attitude because you can only get a bad job.

Bad schools produce young people with bad attitudes, and there are far too many bad schools. Young people with bad attitudes turn half-way decent schools into bad schools no matter how hard the other students try and the teachers try. In some neighborhoods, there are far too many young people with bad attitudes.

The link between bad attitudes and bad schools reinforces the link between bad attitudes and bad jobs. If all you can expect to get when you leave school is a bad job, no matter how well you did in school, then you might as well not do well in school. If a lot of students in the school feel that way, then the school will “turn bad” and turn out only bad students.

This comment is politically incorrect: Some cultures tend to produce more people with good attitudes while some cultures tend to produce more people with bad attitudes. I cannot specify who produces the bad attitudes or I will get attacked legally. I can say that social groups produce people with a good attitude, who also are not robot zombies, if the people in the social groups respect rules as rules, enjoy order, believe in rule of law, value education for its own sake, have a work ethic, and have a rounded view of all the arts, and do not respond to problems quickly with violence. Good and bad attitudes sustain themselves once they arise in a culture. Not only ethnic groups have cultures in the sense that I use “culture” here, but so do gender groups, religious groups, age groups, socio-economic classes, and regional groups in America such as the West Coast and the South.

This comment is even more politically incorrect: Not all ethnic groups have the same culture, so not all ethnic groups produce people with the same attitudes. Some ethnic groups tend to produce people with good attitudes and some produce a high number of people with bad attitudes. Again, I cannot say what group produces people with bad attitudes. Take the dogmatic blinders off and look for yourself. Both righties and lefties wear dogmatic blinders.

Because of the fallout, I would avoid dealing with ethnicity and attitude altogether except that bad jobs do not fall equally on all ethnic groups. The questions then are: (1) Does the innate bad attitude of the ethnic group cause its higher rate of bad jobs? Or, (2) does the group have a bad attitude because of its higher rate of bad jobs? (3) Does the ethnic group have a higher rate of bad jobs, and so a bad attitude, because of prejudice? Here, I largely overlook the issue of prejudice.

Questions (1) and (2) are chicken-and-egg questions. Once a bad attitude sets in for any reason, then it leads to bad jobs, which leads to bad attitude, and so on. Or, once bad jobs set in for any reason, they lead to bad attitudes, which leads to only bad jobs, and so on.

Now the question is what to do about it, and here the difference between (1) and (2) can be important, and (3) becomes important. If the group has a bad attitude because of its innate culture regardless of a

history of bad jobs, then the group has to deal with that problem apart from good jobs or bad jobs. If bad attitude is part of its culture, it has to deal with that problem. I believe that culture does play a role in bad attitude and does lead ethnic groups into bad jobs and into the bad-job-bad-attitude syndrome. Ethnic groups likely will disagree with me and say I am “blaming the victim”. I can’t argue this here.

I believe ethnic groups overlook their own bad attitudes so they can blame everything on the prejudice of others and blame nothing on themselves. I am not saying pure prejudice plays no role. I think bias does play a big role. But it does not play the only role, and, nowadays, likely does not play the biggest role. Ethnic groups have to be honest about their own culture and bad attitudes.

Even if prejudice does play a big independent role, ethnic groups cannot cure the relation between bad attitude and bad jobs if they don’t take care of their own bad culture and bad attitudes. Ethnic groups can’t control the minds of other people. They can control their own minds and acts. They can make sure they do not have bad attitudes and that their children get good reliable education that can be used as the basis for good jobs.

In the 1950s and 1960s, when nearly all Americans with tough guy attitudes could still find good factory jobs, America could afford to carry the few Americans with attitudes who could not find jobs. That is how we managed to fill bars with good rock-and-roll and good rhythm-and-blues. I wish we still could carry Americans with attitudes now because they can be fun people if they are not criminal, obnoxious, or dangerous. But we can’t. Now people with bad attitudes just can’t find jobs as they did in the 1950s and 1960s. America is now part of the world economy and America does not have the slack to carry people like this anymore. We cannot use entitlement programs to carry people with bad attitudes. I am not sure how to separate people with bad attitudes from people who have other reasons for finding only bad jobs but we likely have to come up with something. We can’t afford to support people who have a bad attitude and cannot change. The alternative might be prison, and that is more expensive than welfare or SS Disability.

PART 9: REMINDERS FROM BASIC ECONOMICS

It is important to stress again that people in bad jobs are not paid much less than they are worth. They are paid about what they are worth. They are not cheated. Employers are not in a gigantic conspiracy to cheat them. Their pay cannot be raised by government decree without causing a lot of repercussions that will probably leave most of the badly paid workers worse off. We have to change their value on the job. We have to make them worth more pay. If we cannot make them worth more pay, and we want them to live better than they do, then we have to take steps outside the economic system. No simple policy or program can do this, no more than it can cure unemployment. Likely we will have to augment entitlement programs such as welfare. I don’t want to do that.

(The large majority of workers at all levels likely are paid slightly less than they are worth, for reasons that I can’t go into here. I don’t know if workers in poor jobs are paid (proportionately) even less than other workers in other jobs. These issues are not relevant here.)

Recall from the essay on economic basics two ideas:

-Something has a price-cost-value that depends on what difference it makes. If something makes a big difference per unit, that thing has a higher cost-price-value per unit. If something makes less difference per unit, it has a lower price-cost-value per unit.

-The cost-price-value of labor is wages. Workers are paid according to what difference a typical worker makes in that kind of work.

-If you always bought oranges, houses, and cars for more than they were worth, you would go broke. Likewise, if an employer paid workers more than the difference they make, he-she would go broke. An employer cannot pay workers more than the difference they make to the employer, that is, cannot pay more than a worker is worth to the employer.

-The more of anything (other things held equal), the less its cost-price-value. The less of anything (other things held equal), the more its cost-price-value. When many computers became available, the price went down.

-Short-order cooks get paid less than gourmet cooks, even though they do similar acts, because there are many short-order cooks, they know less, they make many repetitions of a few dishes each dish with only moderate appeal, and so each short-order cook makes little difference each. Gourmet cooks get paid more because there are few of them, each of them knows more, they make a variety of dishes each dish with outstanding appeal, and so each gourmet cooks makes a big difference.

-With many unskilled and semi-skilled workers available, their wages go down.

-Employers naturally respond to having many cheap workers available by making jobs for them that suit their ability to deliver a difference. Employers create (or keep jobs that make a difference about equal to what the many workers expect to get paid. Employers cannot create jobs that make more difference than that and so would pay more because the employees cannot deliver more difference than that.

-Employers do nothing wrong by (1) not offering more higher paying jobs and by (2) making (or keeping) many low paying jobs. Employers simply use the market as it is meant to be used.

-To get more wages, workers have to make more of a difference. To make more of a difference, usually workers need more training; often it helps if the training is in specialties; and training must be reliable and publicly certifiable. Usually workers have to get training that allows them to work effectively with technology.

If you understand everything up through now, you could quit reading here. I hope you go on.

PART 10: MORE ON HOW THE SYSTEM WORKS

This part of the essay uses images to get across how the system works, in particular why not everybody can share the wealth equally, why not everyone can get a good job, and why not everybody gets richer when the system as a whole gets richer. I am not rigorous by the standards of economic analysis. I try not to excuse abuses.

The simple point: no matter how rich the system, people still only get paid according to what difference they make, and many people do not make enough difference to get paid much. This idea just seems nasty when applied to people. To “sugar coat” the idea, I put it in the context of other, natural, systems.

A farmer raises two kinds of cows, say, Angus and Hereford. One day, Angus becomes more popular and Hereford less popular. Now, it costs more to raise the Hereford than the farmer can make if he sells them for meat. The farmer is better off taking a loss right now. So he-she kills all the Hereford and sells them for meat at the regional market. We can do this with cows but we should not do this with people just because they can't find a job or a good job.

A small metal forge makes metal parts for the local automobile factory. Among the parts are some high-quality stainless widgets, which are valuable because they don't rust. One day, a clever plastics maker comes up with a plastic that is not quite as strong, but is strong enough, and also doesn't rust. Suddenly the forge has a lot of stainless steel parts and stainless stock that it can't use right away. So it keeps the material lying inert in bins until new uses slowly come up. When needed, the mill melts the old stainless auto parts to use them to make something else. We can do this with dead material capital stock but we shouldn't do this with people just because they can't find a job or a good job.

A tree dies in the forest. It lies on the forest floor as it rots, and slowly returns its nutrients to the forest ecosystem. A forest can do this to its trees but we shouldn't do this with people just because they can find a job or a good job.

Imagine a successful happy ant colony in a forest. One day, another ant colony of a different species invades. In this particular situation, the invading ants are more adapted. Let's say they are stronger, smarter, swifter, and better organized. They are also meaner. The invaders kill the queen of the old colony and kill all the eggs that might become queens. That means the old colony is doomed and its old workers will slowly die off. In the meantime, the invaders enslave the old workers and make them help the new colony secure its success. Ants can do this to each other but people should not do this to other people.

People are part of the economy but they are not always part of it in quite the same way as other goods and resources. They are not only distinct because they are consumers as well as part of the production process. They are distinct because people are persons, often they are our kin, friends, and neighbors, we should treat them differently than we treat outmoded stainless steel, we do treat them differently, and the economic system reflects this difference. In their analyses, economists have never been able to

include just what difference all this makes, and how the economic system changes, in view of the fact that we have to treat people as persons and often do treat them that way.

Imagine a forest that has a moderate level of productivity, as you might find in the Rocky Mountains or in the Adirondack Mountains. Not every plant in the forest gets the same share of productivity. The ferns and mushrooms on the forest floor don't get the same share of sunlight, rain, or even nutrients that the big trees get. This difference is not only because the big trees shade out the mushrooms and ferns but because, over a lot of time, that is how the forest has evolved to work. Think of the wealth of the forest as all the biomass (weight of living tissue) in the forest. The trees together have much more of the wealth of the forest than do the ferns and mushrooms together.

If the mushrooms and ferns demanded as much rain, sun, and nutrients as the trees, the forest would first fall apart, and then another different forest would grow in its place. The new forest likely would not distribute wealth any better than the old forest had.

In the same way, not every animal gets the same nutrients (wealth). The chipmunks do not get to eat as much as the deer. More of the total animal biomass likely is in all the deer together than in all the chipmunks together. If each chipmunk tried to eat as much as each deer, likely both the chipmunks and deer would suffer greatly.

(A chipmunk eats a greater ratio of its body weight per day than a deer does; and the total biomass of chipmunks might exceed the total biomass of deer; but please overlook these facts in the spirit of the point I am trying to make.)

Now think of a much more productive forest such as found in the Pacific Northwest along the coast or in the lower Appalachians such as in northern Alabama, northern Georgia, and parts of Kentucky and Tennessee. Even though the forest is much richer, and there is more wealth to go around, the shares of the ferns, mushrooms, oaks, pines, chipmunks, and deer do not change much. The shares are still the same. It is not even clear that a chipmunk in Georgia is any fatter than a chipmunk in Maine. The shares are how the system works.

The capitalist system works similarly although not exactly the same. Good jobs are like deer and oak trees while poor jobs are like chipmunks and ferns. This does not mean we have to accept that 30% of American jobs are crappy jobs and a lot of people are doomed to eking out family life. We can make things better. But this does mean that not everybody gets a good job just because America has a lot of wealth. It does not mean that everybody gets a good job just because America gets richer. People in general might get a bit more pay when America gets richer but that does not have to happen.

You might not think this result is fair, or is what you want, but it is how the system apportions wealth. The system apportions wealth through jobs. Jobs are based on how much difference a person makes while carrying out the job (how much difference this job makes). How much difference depends on the kind of work, and on talent, training, and effort. If we want to change how the system doles out wealth

(creates good jobs and gives people good jobs), we have to change the system, and likely we would not get a better system. Likely we would erode everybody's wealth.

There are two difference between forests and capitalism that is worth pointing out. First, in the forest, on the whole, over the short-run and medium-run, chipmunks get enough wealth (enough to eat) so they can reproduce the total chipmunk population and the deer get enough to eat so they can replace the whole deer population. In the same way, the ferns and mushrooms get enough wealth to replace their populations, and the oak trees and pine trees get enough wealth to replace their populations. In capitalism, this outcome is not strictly true. Chronically, over most time periods, the people in poor jobs do not get enough wealth to raise a family securely while the people with good jobs often get more than enough wealth to raise a family securely (although they never think it is enough). If the people with bad jobs were chipmunks, ferns, or mushrooms, the forest would soon be without any chipmunks, ferns, and mushrooms.

Second, in a natural forest, if conditions change so that conditions cannot support a chipmunk or deer population of a certain size, some chipmunks or deer die off so that their populations adjust to the size of the wealth that is available. Likewise, if conditions improve so as to support larger populations, deer and chipmunks increase in numbers to the point that the new wealth just supports those numbers. This does not happen in capitalism, or at least not the same way. If conditions change so not as many bad jobs are available, people do not die off until there are only enough people to match then number of bad jobs (although I suspect some right wingers wish this would happen). If the number of good jobs decreases, people do not die off until the number of people qualified for good jobs matches the number of good jobs available. On the other hand, if the number of bad jobs increases, there always do seem to be more people available to take them, for reasons I don't go into here. If the number of good jobs goes up, if there are enough educated (trained) people who don't have jobs now but would get one if they could, then the number of available people to take good jobs increases too. This matching does not always happen, though. Recall that for years we have had jobs available in high tech but Americans have not sought the training or the jobs; we had to import workers.

In situation two, we have a group of people that we cannot allow to starve because economic conditions change. We have to take care of them, at least in the short run. How we do this without causing more problems, often worse problems, is not clear.

This next point will raise the ire of farmers. Imagine two large valleys, one dedicated to grain farming of all kinds, and the other dedicated to truck (garden vegetable) farming. Both have exactly the right amount of people, with exactly the right training, so everybody has a good job, and there are no good jobs left over unfilled. People who learn to grain farm do not learn to truck farm, and vice versa. Not all people who learn to truck farm can learn to grain farm, and vice versa. Some people have a knack for grain farming but not for truck farming, and vice versa.

Now move all the people from one valley to another. Not everybody will be able to get a good job. Some former truck farm workers will not be able to learn grain farming well enough to make it

worthwhile to hire them as expensive grain farming workers. Some former grain farm workers will not be able to learn truck farming well enough to make it worthwhile to hire them as expensive truck farming workers. Even if people are motivated to learn, it will take some time before everybody can have a job, and some people will not be able to learn well enough to have good jobs as they used to. We see situations like this in the US often now as 55 year old engineers suddenly lose their job when their company moves to India.

Some former grain farmers might be able to get bad jobs among the truck farm owners. Some former truck farm workers might be able to get bad jobs among the grain farm owners. The ratio of bad to good jobs in either place will depend on the attitudes, abilities, and opportunities for training among all the displaced people.

If you don't find this example believable, then imagine a similar scenario in which the first workplace is a big valley of truck farmers and the other workplace is a big consulting company of engineers. I doubt all truck farmers can learn engineering and all engineers can learn truck farming well enough so that all of them get good jobs after the switch.

Ideally, in a real economy, people are not suddenly uprooted like this so that their innate and learned limitations make clear the fact that not all jobs can be good jobs and some people can only qualify for a bad job. Ideally, in a real economy, there are enough good jobs for everybody and people are shunted toward jobs according to their natural abilities and training so that everybody ends up in a good job, and no good jobs are left over. Obviously this good outcome does not happen in real life but we come close enough to be happy with an economy such as we have in America. We should not be complacent as was President George Bush the First.

Imagine two farms, one rich and one poor. In the old days, a mule on the rich farm did not eat that much more, and get that many more vacations, than a mule on the poor farm. Now, a small tractor on the poor farm costs just as much, needs just as much maintenance, and uses just as much gasoline per hour as a small tractor on a rich farm. It depends on how much difference the mule or the tractor make, not on the wealth of the farm or on how deserving they are. A computer in a successful office costs as much, and needs as much maintenance, as a computer in a failing office.

An obvious question here is: Could the economy generate enough good jobs so that there are enough good jobs for everyone who has enough ability and is willing to learn? My simple answer is: almost but not quite. I take up the question again below. The simple wrong lefty answer is: Yes, it could, but the bad capitalist owners don't care to do that, and don't want to make the system work that way. In fact, some bad capitalist owners even want unemployment and bad employment so they can better control workers. The simple wrong righty answer is: Yes, the economy could easily do that if the state would not get in our way with stupid regulations, programs, and policies. Yes, the economy could do that if people had not seen that they could get by with welfare and other programs. They would rather do that than train for a good job. They would rather sulk in their bad attitudes than train for a good job. Bad jobs come from bad attitudes, not from any issues in a modern capitalist economy.

PART 11: SOME OF WHAT HAPPENS IN A REAL ECONOMY

Unemployed and poorly employed people won't like some of what I say here. We have to be honest to deal with the problems. This part continues to use images to get ideas across.

Again, the ideas here rest on the simple fact that people get paid according to what difference they make regardless of how wealthy the system is. We now make work for people who can't get good jobs so they won't starve, just as, in the past, other societies made work for people who could not succeed, so they wouldn't starve. It was not realistic to expect those other societies to make work so that their marginal people could raise a family well. Likewise, it is not realistic to expect us to make work so our marginal people can raise a family well or can raise any family at all. A poor peasant was a poor peasant whether he-she lived in a rich nation such as France at its peak or lived in a poor region such as northern Mexico. In fact, peasants in out-of-the-way areas sometimes did better than peasants who lived in the heart of a rich empire.

This example is from real events from all over where people farmed. I do not take the case from one specific place but from stories of farming in many places.

Farmers liked to keep farms big enough so they could run the following system. By "farmer" I mean "farmer and spouse".

A farmer has six surviving children. The farmer does not want to cut up the land in inheritance so all the children get an equal share because then none will have enough land on which to raise a family. The farmer chooses one child who will marry (often fate does the choosing). The child and his-her spouse will get the whole farm eventually. What happens to the other children? Some become priests, nuns, soldiers, unmarried teachers, or unmarried civil servants. A few become criminals. Most stay on the farm and help. They never marry. The farm might need some help but it does not need an old farmer, an up-and-coming young farmer, and five additional helpers. Still, as long as the other children do not marry, you can't kick the other children off the farm. So you make work for them. What they do might not be good jobs but they are good enough jobs. What they do is somewhat productive and it does add to overall production of the farm. The young farmer makes a lot of difference in the fate of the farm. The other children do not make as much difference. The young farmer has the equivalent of a good job. The other children have the equivalent of poor jobs.

This is what I meant in saying that employers make work for untrained workers as long as there is a large pool of cheap labor. This does not mean that the bad jobs have no value or do not contribute. But they are not mainline jobs that make a lot of difference.

This sort of situation did not happen only in farm families. It used to happen in working class families in both Europe and America. This situation happened less often after 1900 as families had fewer children, and economies developed enough so that the few children could hope to find good jobs. You can still

see this situation shown in novels and in movies made about working class life. You can see it especially in the unmarried daughters who stay at home and take care of aging parents.

In the “bad old days” before widespread unions, hiring rules, promotion rules, tenure, and mandatory retirement packages, workers and employers adopted a cooperative system: The newest workers were young, likely not married yet, likely did not have children yet, did not know much, could not make much of a difference on the job, and so got low-level low paid jobs. The older workers trained the younger workers. As workers got to be around thirty years old, they were more responsible, likely had gotten married and had children, had better habits, made more of a difference on the job, and got promoted to good jobs that reflected how much difference they made. These were the peak earning years and the years of peak need. At the time, “old” meant “over forty” and “over fifty” was ancient. As workers got older, their children were out of school and often their children had jobs of their own. The “old man” or “old woman” did not need as much pay. They got paid less for similar work or they got moved to other jobs that paid less. They still earned their pay because of the difference they made for employer, so this treatment was fair. By accepting different work for less pay, old people opened the door for competent young people with families who needed maximum pay. The system did not work perfectly but I don’t describe the problems.

When we got seniority, unions, no firings, no demotions, no demotions through sidewise transfer, and various retirement plans, we upset the old system. We had good intentions but we still upset the old system. We gained security for some job holders, and especially for old people, but paid for it through fewer jobs in general and through lower wages for entry level workers and for workers in their middle years.

You can get a sense of what happened since 1970 by looking at who holds jobs in fast food places. In the 1950s, 1960s, and 1970s, teenagers held those jobs after school and in the summer, not only to earn extra spending money but to buy needed clothes, help the family out, and save for college. Now, adults who have a family to support hold those jobs. Employers reserve the jobs for adults who can’t find any other work. Owners of fast food restaurants could easily mechanize those jobs but then a lot of adults who cannot find any other work could not support a lot of families.

In case you think this old system was bad, consider tenured professors at universities now, especially in fields where professors get most of their salary from the university and do not get a large portion of their salaries from grants and outside consulting. Old professors never have their salaries reduced, yet, in truth, most of them stop doing original work by the time they are fifty years old. They still contribute through teaching and work for the university but likely not equal to what they are paid. Their security and high salary reduces the security and salaries of entry level professors, and it encourages the “star system” for professors who want to leap over the salary hurdles. Similar comments apply to law firms and to some business firms. I don’t know about medical doctors.

The increase in security for some workers coincided with America’s confrontation with completion from around the world and with a growing body of unskilled workers with no manufacturing jobs.

PART 12: WHAT WOULD HAPPEN IF?

Suppose all this:

- Everybody is smart enough for a job in modern capitalism
- Everybody is trained enough for a good job
- Nobody has a bad attitude
- The rate of unemployment is zero (no unemployment, full employment)
- America's trade relations with the rest of the world are good enough
- Nobody can get on an entitlement program unless he-she is clearly disabled
- People get paid according to the difference they make regardless of age
- Retirement programs are adjusted by "means", that is, so programs did not overlap

Would America still have 30% of its people in bad jobs? I don't know. Likely we would have less than 30% bad jobs but I don't know if we would have 5%, 10%, 15%, or 20%. If there was no unemployment, then whatever changes we made to eliminate unemployment would help eliminate bad jobs. These are the kinds of questions that I wish economists would address but they don't.

Suppose all the above but that everybody was trained to work in computers only. Then not everybody could find a job in computers, so some of the people would have to take jobs in fields for which they were not trained, and we would have bad jobs again. I don't know how many but I would guess about 10% to 20%.

The same thing would happen if everybody were trained to work in any one field no matter how big that field seems: agriculture, entertainment, real estate, education, retail, clothes, etc. For an economy to reach full capacity including full employment, it needs diversity of trades, and it needs people to be trained in the right numbers to fill those trades. This is what we are not getting in the modern American economy. I do not speculate more on why not.

What if America were as it is now but we ended all entitlement programs? Would that harsh action force lazy people back to work and so end all unemployment and bad jobs? Very likely, the first effect would be a big crime wave. Then the prisons would fill up, and we would have to pay \$60,000 per year per inmate instead of \$40,000 per year per entitlement recipient. We would not force people back to work. We would not force people to find good training. Untrained people cannot find work.

Can we force all people to seek training under the threat of removing their entitlement benefits? On small scales, this approach has been tried. I do not review results. Of what I know, most training was for occupations where the numbers were dwindling such as for factory work. A lot of the training was for occupations where the number of openings was not going up and the available jobs were tightly controlled by people who already had them such as electricians, plumbers, dental assistants, welders, mechanics, etc. Trade schools (as on TV) do not do a good job of preparing people so that employers

want to hire them, for reasons that I don't go into. Ideally, employers and the market should provide training for prospective new employees because employers are sensitive to what is actually needed and in what numbers. Again for reasons I can't go into, employers don't want to invest much in training prospective employees who might not work out. So it is not clear how we would offer the right training to the right people if we did remove benefits.

What would happen if we made all jobs into good jobs? In effect, what would happen if we raised the minimum wage so everybody was paid enough and if we forced all employers to give benefits to all employees? What would happen if we raised the minimum wage and set up adequate health insurance for everybody from the state (a bit better than what "Obama care" does now)?

Some good things would happen. A lot of people would leave entitlement programs. Believe it or not, a lot of people would rather work than get welfare. People would leave not only for the wages but for the benefits. Social Security costs likely would not go up too much.

But more bad things would happen to overcome the good things. Employers have to pay employees only whatever difference the employee makes (however much the employee gains for the employer, however much the employee is worth to the employer) or the employer loses money and goes out of business. Employers would no longer have a pool of cheap labor to use by making bad jobs, so they would stop making bad jobs. A lot of jobs would simply disappear. If an employer has to pay \$20 per hour and give benefits instead of pay \$7 per hour with no benefits, the employer will simply do without the job and the employees. Employers will replace people with the usual machines. Likely at least half the fast food workers and clean-up workers in the United States now could easily be replaced by machines. Employers would cut back until the remaining jobs were worth what the employer had to pay. If a fast food restaurant had to pay more, it would cut back from 30 employees to 5 employees so the remaining 5 employees each earned his-her pay. Employers would change the nature of jobs to make sure the new job paid for itself. Cooks would also have to do all maintenance of equipment and have to do ordering and computer work for the kitchen as well. Clean up workers would not mostly do mopping and swiping but would service the machines that did those chores directly.

We would have a huge bout of inflation. Employers would raise prices to make up for the added wages they have to pay, and they would pass on the costs to customers. Because prices went up, business as a whole would shrink. People who already had good jobs would demand higher wages to make up for the higher prices for good, fast food, building, gardening, etc. Then the new minimum wages would not be enough to keep all the people out of bad jobs, and we would need another round.

While I was writing this essay, President Obama and other politicians were raising minimum wages as much as they could without the approval of Congress. Some wages needed to be raised. It would be better if we could clear up market problems and sticky wages generally so that employers would raise wages naturally to go along with increases in productivity. Of course, we would have to stop inflation. Raising minimum wages will not cure the problem of bad jobs. (It is worth saying that most Congress people oppose raising the minimum wages not for the reasons above but for other bad reasons, often

because they want support from business, although Congress people do offer all the reasons above as justification.)

Recall from above that, just because a country is wealthy, does not mean every person is entitled to be wealthy or to have a good job. Just because a country gets more wealth does not mean every person is entitled to get more wealth and a better job. You get paid (share in wealth) according to how much of a difference you make in your job.

PART 13: WHERE DOES ALL THE WEALTH GO?

If people with bad jobs are not sharing much in the increasing wealth, then where does the wealth go? This is a legitimate question but I can't answer that question fully in this essay because this essay is not about that. See other essays.

It helps to stop thinking of wealth as money. If we think of American wealth as a big pile of money that could be more fairly distributed, then we get confused right off the bat.

Instead, think of wealth in terms of control over resources. Resources can be physical such as forests or computers, can be abilities such as computer knowledge or knowledge of how finances work, and can be based on getting other people to respond such as a good reputation. The head of a large firm such as Microsoft does not control a pile of money. He-she controls some physical goods but more importantly he-she controls abilities, people, reputation, and trust. He-she is wealthy because he-she can make a big difference in how we allocate those resources. People with bad jobs can't make much difference in how we allocate those resources.

Before about 1981, people with bad jobs might have been able to make a case that everybody else was getting richer as America got richer. Since then, that is not true. The whole middle class, from lower middle to upper middle (with some exceptions among the upper middle) has not grown richer as America has grown richer. Their incomes have stagnated so they have only maintained purchasing power or their purchasing power has diminished. So problems with the distribution with control over resources (distribution of wealth) are not only among people with bad jobs but among the middle class as well. I don't know if this fact makes people with bad jobs feel any better but it should let them know they are in a bad spot in a system and not necessarily because anybody hates them, their religion, their gender, or their skin.

If America is getting richer but the lower class and middle class are not, then the upper class must be getting much richer. This is true. The upper class now controls more resources than ever before, and they are in a position to make great differences in the allocation of resources. Rich people can make more difference in the use of wealth now than kings did in the Middle Ages of Europe. This does not mean rich people are in a position to give away wealth. This means they are in a position to decide how wealth is invested. They are stewards of wealth. That is another topic.

Whether this outcome is fair, I can't say here. Whether this outcome is the fairest among all reasonable alternatives, I can't say for sure. Likely this outcome is about as good as we could do with the system we have. Could we change the economy for the better? Likely we could but not with the current political system and current attitudes based on ignorance and self-serving. Likely we could change the system so rich people are better stewards of wealth. Likely we could never change the system so that people with little training, not very smart, and a bad attitude can always get a good job. We might be able to change it so people with smarts, a good attitude, and the appropriate training have a better chance at a good job. I am not sure about in-between cases. I am not sure about people who have a good attitude but might not be smart enough or might not have had enough training, or people who are smart enough and have a good attitude but not enough training.

PART 14: BRIEF SUGGESTIONS

See the essay on responses to employment problems for more details.

We have to make sure schools train people to know enough, know about the right subjects, and have the right attitude for good jobs. We have to make sure employers can rely on diplomas. If employers give advance notice, we might be able to do some training for their needs in schools. Because schools have not trained the mass of students well lately, we might have to subsidize employer training of job candidates. (I intensely dislike subsidies but I might have to accept this one.) We have to divide people who are smart enough from people who are not smart enough. We have to divide people who can eventually cultivate the right attitude from people who will never cultivate the right attitude. We have to do this without reducing everybody to a robot zombie. We have to be honest about the role of group culture in attitude, the role of race and religion. We have to think about how to change group culture in case it leads to bad attitudes. We have to assess how many people are not smart enough, how many will never have a good attitude, and then decide what to do about each kind of person so we don't undermine everybody else. For example, we can't give them high levels of entitlement support but we probably have to give them some. We have to make sure that bad jobs do not cluster in any ethnic or religious group unless that group consistently produces people with bad attitudes due to its own culture. I doubt we will do any of this.

If not, we have to focus on softening the relation of bad jobs with ethnic, religious, and gender groups. We have to weaken this relation without entitling and enabling ethnic, religious, or gender groups. We have to try to make sure no particular group gets more than its share of bad jobs given its tendency to produce people with particular attitudes. We have to be honest about relations between culture and bad attitudes. We have to be honest that culture produces bad attitudes apart from any stress due to unemployment and bad employment. We have to sort out how much of attitude is produced by culture and how much by unemployment and bad employment. We have to figure out what to do about what part. If, due to its own culture, an ethnic group produces a high ratio of young people with bad attitudes for modern capitalism, and refuses to change, then it has to accept the bad results. We have to try to break the cycle where bad jobs produce bad attitudes and bad attitudes lead to bad jobs. I doubt we will do any of this either.