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# TOWARD FULL UNEMPLOYMENT

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I should like to suggest that the guaranteed income is essential now. I should also like to suggest that it is impossible now.<sup>1</sup>

The guaranteed income is impossible at this point because the present Congress seems increasingly unwilling to provide funds to those unable to provide funds for themselves and is heavily opposed to any liberalization of welfare benefits. There is a move to force all parents of children on welfare to hold jobs. The thought that parents might be best employed in bringing up their children rather than holding a job seems alien to this Congress.

Perhaps we should change the way we calculate gross national product. Some time back we decided that we would not include in the gross national product the work done by women in the home. As a result, every time a woman leaves the home and takes a job, gross national product goes up. Every time a woman quits her job and goes back into the home, gross national product goes down. If we could only decide that gross national product includes the work of women in the home, we could then get people on the bandwagon for putting women back into the home. The worth of the average woman's work in the home is clearly greater than her work as a low-grade social worker; thus, putting her back in the home would actually raise gross national product. Incidentally this is one of the ways in which our patterns of economic theorizing influence our patterns of policy.

Let us look at two questions. First, why is the guaranteed income important? Second, and much more difficult, how do we get a realization that it is important? The short-run effect of the guaranteed income, as Milton Friedman has suggested, would be to increase the efficiency of the economic system. He claims that it would make it unnecessary to worry about certain types of people who cannot find income-producing jobs. He hopes that this change would make it possible to repeal much earlier legislation designed to help people who could not help themselves.

But the impact of the guaranteed income must be expected to be

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<sup>1</sup>The basic guaranteed income proposal was set out by me in *Free Men and Free Markets* in 1963. The views of many people on this possibility are set out in *The Guaranteed Income*.

wide. If people are given an income as a right and if they are not responsible, they would be led into idleness because of the guaranteed income. This result can only be avoided if man will act responsibly.

We must, therefore, talk about the nature of man. Is man fundamentally a beer-swilling beachcomber, a viewpoint often advanced by those who oppose the guaranteed income? Or does man rise to challenge if he is given half a chance?

Resolution of this issue is complicated because there is very rapidly growing agreement that a certain proportion of the population is unemployable. The unemployables include people who are too young or too old to hold jobs and also a certain number of others who are not worth employing at the existing minimum wage. These people are not going to be able to find conventional jobs. We have two options: either we find a new way of providing them an income or the government will become the "employer of last resort," a proposal much in vogue these days.

The proposal that government be the employer of last resort seems to me extremely dangerous. The people who would have to be employed by the government are marginal workers, those not attractive to private employers. They would have a history of not staying in a job, not doing a job decently. After they have been put in a job, we would discover they do not come to work regularly and do not do their job properly. We would be forced to start passing rules. The rules would say things like: "any absence of one hour from a job will require the deduction of one day's pay," "no person employed by the government under this program may change jobs more than once every six months," etc.

I have a short sharp word for the results of such a program—slavery! That is the only relevant description of a situation when certain kinds of people can only get their income if they are employed by a single organization, and where the organization has total power over an individual's life.

When the poverty program was announced, I said that the number of helpless poor increases with the number of federal bureaucrats assigned to aid them. I see no reason to change my judgment. But that does not mean we can duck the issue of how to get incomes for these people. What we urgently need is a very careful debate on techniques for doing so. It is clear that all the techniques have some negative consequences. It is a question of which is the least bad.

Now, let us look at the long run. Everybody agrees that cyberna-

tion, a combination of computers with advanced machinery, makes it possible to do the same amount of work with less labor and thus eliminate jobs. This is not the relevant question. Rather we should ask: Is it possible and do we wish that demand rise rapidly enough to employ all the people who have been released by the impact of cybernation and who are still competitive with machines? I believe that answers to this question must be found in terms of how much goods and services we can have and still be able to live a decent life. The issue of air and water pollution and the growing destruction of the environment is tied into the question of how big a gross national product we want in the long run.

The second question in cybernation is to determine how many and which types of people will simply cease to be worth employing. The computer and cybernated machinery will be able over the relatively short run to take on any structured job, i.e., any job for which the decision-making rules can be set out in advance. This applies not only to the blue collar worker but also to the middle level bankers, managers, accountants, lawyers, engineers who do structured jobs. These people are under very imminent threat of disemployment.

The people who are going to be displaced are by definition the people who do not know how to think creatively and imaginatively. This moves us into the real nature of the leisure problem. We are providing massive free time to the people who are least capable of handling it and taking time away from the people most capable of enjoying it. This appears to be a recipe for a major social disaster.

What is going to happen in the long run? The computer, coupled with advanced machinery, can take over structured activities for which we can set out the decision-making rules in advance. This means that machines can do the production in the long run, but they cannot interact with human beings unless we are content to make human beings into machines. If we want human beings to continue to be human—by which I mean unpredictable, cussed, and difficult—we must not have machines interrelating with them.

In order to make this clear we need to add a fourth category to the three that economists usually talk about. They talk about primary activities which are mining and agriculture, secondary activities which are in the productive fields, and tertiary activities which are services. We need to split this third area in two: (1) physical services such as banking and accounting and (2) human services.

What will human beings do when production and physical services are taken over by machines? I see four main areas. One is self

development, the second human relationships, the third the human care of human beings, the fourth politics in its old classical sense of the creation of the good community. In other words, if people do not interrelate with machines, they will interrelate with other human beings in small groups, in large groups, and with themselves.

We can now re-examine the guaranteed income issue. What would happen if we had a society in which people got their income as a right and they accepted responsibility to develop themselves and their society? Indeed one must ask whether this is even possible. Basically, many psychologists state that we simply respond to positive and negative sanctions. In other words, if we do not threaten a person or dangle an opportunity in front of him, he will fail to act. We have developed a whole psychological theory around this belief.

Professor Skinner, the “dean” of this school, has proved to his own satisfaction that people do react only to positive and negative sanctions. His experimental tool is called a Skinner box. A rat is placed in a box; it normally is willing to push a treadle to get its food and it gets off an electric grid to avoid shocks.

There is, however, a science fiction story in this area. A human “Skinner box” psychologist is caught by an alien race. When he comes to, he finds himself in a box; his exploration convinces him he is in an alien Skinner box. He knows exactly what he has to do to get out of it; he has to show that he is intelligent, he has to prove that he does not only react to positive or negative sanction. He, therefore, explores his cage very thoroughly and discovers that he has no choice but to obey the positive and negative sanctions. If he does not push the treadle, he does not get food; if he stays on the electric grid, he gets shocked. Eventually he decides there is no future for him and he decides to kill himself. In effect, both alien and human Skinner boxes assume what they *claim* they are trying to prove.

This is true in society as well. Let us look at education for a moment. We say to our young men and young women, “If you want to get a decent job, you had better get good grades.” Then we say if you want to get good grades, you had better be able to answer the questions that this professor sets. If you want to answer effectively the questions that the professor asks, you had better ingurgitate and regurgitate exactly what he tells you. Let us be quite clear—thinking confuses people. When they start off on a new subject, if they really think about it, they are going to be confused; if they are confused, they are not in good shape to answer multiple choice questions.

In a sense I am arguing a point you already accept because adult

education is not drawn into as many traps as is undergraduate education. Nevertheless, we must make up our minds whether people are inherently irresponsible or whether, as an increasingly large school of psychologists states, they will strive for self-realization if given an opportunity. This modern school of psychologists holds that if a man is given enough food, clothing, and shelter to satisfy his lower needs, he will strive for self-realization.

The policies we should follow are fundamentally different, depending on the beliefs about the nature of man which we espouse. If we believe that man will not do anything unless he is pushed, we cannot possibly afford to give him freedom through, for example, the guaranteed income. If, on the other hand, we believe that people are inherently responsible, we should give them the guaranteed income for this provides the basis for responsibility. A very poor woman from one of the slums in Nashville said this very well. She argued: "You know, when you are hungry, when you are not sure where the next meal is coming from, you are not going to worry very much about the education you need to assure your long-run future." Surely this is correct. But if it is, we must face up to the fact that present welfare policies are the very things that are preventing people from striving.

The guaranteed income would also have a favorable impact on the problems being raised by automation and cybernation. Since our society is based on saving money, very little inventive imagination presently goes to eliminating those jobs which are antihuman in the sense that they should be done by machines. There is little advantage in replacing such people by machines because the people who accept these jobs at low wages have no other option.

The guaranteed income would serve as an extraordinarily effective minimum wage. Once it exists, we are going to have to raise the pay scale for unpleasant jobs. People will then start worrying about how to produce a machine to eliminate the job which people do not want to do. A situation then develops in which the market itself helps to eliminate the jobs which people consider to be unpleasant.

Let me close by examining the immediate feasibility of the guaranteed income. I talked and wrote about the guaranteed income in 1962-63 because it seemed feasible at that point that our society might provide people with a guaranteed income and that the freedom resulting from a guaranteed income would lead to new thinking that would, in turn, change our society. Our problem is no longer the same because we clearly live in a revolutionary period. Many people in our society have decided that they will no longer accept the present

norms of "good behavior." They do not agree that if society says it should not be done, they will ignore actions which could be to their advantage. Several groups, notably black power and student power advocates, are demanding change *now*.

Revolutionaries have always acted from the belief that the situation was sufficiently bad that they were willing to die to achieve their goals. This belief is present in the United States in September 1967. We must not fool ourselves. Many black power people are sufficiently desperate to take the risk not only of being killed but even of destroying their society in order to call attention to what they consider present injustice.

I cannot argue at this moment whether they are right or wrong; I am stating where they are. I believe we have a society that is falling apart. The reason it is falling apart is that our industrial-age concepts of rights and responsibilities are no longer accepted. Basically almost every group in society is saying, "I will get what I want; I do not care about the cost to the rest of society."

Now, what can we do about this? I believe the only available route is to create a new consensus: the acceptance by all people in society of new underlying fundamental rules and obligations which they see as just. Of course, the only problem about this prescription for change is that, as far as I know, it has never been achieved. In the past when a culture has moved into a new environment in which the old rules did not apply, it collapsed. Cultures in collapse tend to become paranoid; they tend to attribute all their failures to outside enemies and, therefore, destroy as much of the world as they can. We must prevent this development, but we can only hope to do so by providing information about the nature of the new world which is so rapidly coming into existence.

Therefore, I would suggest to you that the only real way to get change is through education. Let me justify this statement by a new definition of power. Today, we typically see power as the ability to go into a Congressman's office and demand that he pass a piece of legislation. We feel that if we cannot do this, we do not have power. Many people, therefore, become very discouraged with Congressmen who state: "I am sure that you are right, but it is not politically feasible." This means if he does what you want, he will be thrown out of office! If, therefore, we want change in any fundamental sense, we had better change what Congressmen believe to be politically feasible. In this context, power consists of the ability to define an issue and get society concerned about it.

It seems to me, therefore, that what we have to do is conduct a massive, *immediate* educational program. I think we have, at the very outside, the remainder of this decade to begin to develop an understanding by people of the human route of development for this society.

PART V

*Community Development  
Policy*

