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Where Welfare Recipients Can Find Work

Philosophically, the notion that welfare recipients ought to be required to work is an easy sell. Pragmatically, it runs into a small problem: Where will the jobs come from?

State and city officials, who, under the newest welfare-reform packet will have to pick up a lot of the financial burden now borne by federal welfare dollars, have been raising the question with increasing anxiety.

Sure, it would be nice if they could, in President Clinton's memorable phrase, "end welfare as we know it" by putting former recipients to work. What they want to know is where the jobs will come from.

Jeremy Rifkin has been offering a possible answer: the not-for-profit sector.

"Clinton had the right idea a couple of years ago when he said he would have every Cabinet secretary establish formal liaison with the department's nonprofit counterpart—HUD with not-for-profit housing providers, HHS with health groups in the nonprofit sector and so on. The problem is, he never followed through on that idea.

"Now it's up to the mayors and governors to follow through," says Rifkin, author of "The End of Work" and president of the Washington-based Foundation on Economic Trends.

Given the trend toward smaller government and the decline of labor-intensive industry, he believes, there's no chance government and private markets can produce enough jobs to take up the slack left by welfare reform. That, he says, will require the creative use of the so-called third sector—the nonprofits.

It's easy enough to dream up thousands of new

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—Jeremy Rifkin

jobs. Work requirements for former welfare recipients could mean new jobs in a vastly expanded day-care industry. America's aging population means a growing need for one-to-one care. Neighborhoods need restoring, the environment needs improving, children need mentoring, recreation and after-school supervision—all potential sources of jobs.

But not of profits. Where will the money for salaries come from?

Rifkin, who will be broaching some of his ideas this week at the leadership summit of the National League of Cities in Seattle, has an answer for that one, too: Captive taxes.

What he has in mind is a dedicated tax (like the gasoline tax that is earmarked for highways) to provide income vouchers for the new army of nonprofit workers. A possible candidate for the tax: High-tech goods like computers or cell phones.

A new tax at a time when Bob Dole is dangling a tax cut as a way of jump-starting his campaign to unseat Clinton?

"Look, I know people don't like taxes, but the truth is we're going to pay taxes—if not for programs like the one I'm proposing, then for more prisons. Already Californians are fast approaching the time when they will be paying

more for prisons than for education. If poor people can't find work, they are going to commit crime. The average cost of imprisonment at the state level is about \$30,000 a year. And inmates have no purchasing power, they pay no taxes and they don't become better citizens. It's a bad investment."

Much better, he argues, to spend the money creating social capital by letting people work at socially useful jobs. He will propose to the League of Cities that it's time to begin discussions on how to involve the third sector in the solution of the jobs/income problem.

"The first thing we have to do is to change our notions of the importance of this sort of work," he says. "Market capital works on the theory that you optimize the well-being of the community by encouraging each individual to pursue his own best interest. True, but that's only half the picture, and pursuing that half is one reason we're in so much trouble now. The other half is that each citizen, by seeking to optimize the good of the community, optimizes his own well-being."

The third sector—and its community-building importance—is easy to overlook. Rifkin thinks maybe it ought to be called the *first* sector because you can't have either trade or government unless you have community.

"People keep hoping to revitalize communities by granting tax breaks or so-called empowerment zones to lure more business. But employers would come to the inner city if there were social capital there. The first thing is to restore civil community."

That, of course, is what the not-for-profit sector is all about.