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Author(s):

Ryan Wilson
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Introduction

In many developing economies around the world, the problem of inclusive growth continues to elude economic developers and policymakers alike. A key issue within the inclusive growth model that seems to have lost momentum with policymakers is the concept of full employment as described in the United Nations' Universal Declaration of Human Rights. The UN's Universal Declaration of Human Rights, Article 23, specifically states the following:

1. Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.
2. Everyone, without any discrimination, has the right to equal pay for equal work.
3. Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
4. Everyone has the right to form and to join trade unions for the protection of his interests.

In the context of the economics of labor markets, full employment is alternatively defined as an economic condition whereby the unemployment rate is at the lowest level as not to trigger inflation (Crook, 2018). Full employment can also be conceptualized as an ideal state of the economy where all available labor resources are being optimally used and the highest amount of skilled and unskilled labor that can be employed within an economy at any given time are employed (Chappelow, 2019). The idea that every human who can work should be able to work is the foundation of the “full employment” theory as expressed by the Universal Declaration of Human Rights. Although full employment has been an important goal of U.S. policymakers since this concept was first introduced in the early 20th century, it has become more of a theoretical goal and benchmark than an actually observed state of the economy.

Many economists consider the labor market to be at full employment when the unemployment rate is at or below 4%. Economists attribute this 4% to forces that are unavoidable in a dynamic capitalist market such as frictional unemployment. Because of human choice there will always be frictional unemployment, which occurs when workers move from job to job or state to state in search of a new or different job. There is a need to acknowledge this phenomenon in the full employment numbers, but when we take a deeper look into the 4% that is the accepted number of unemployed, we notice that it’s not all frictional unemployment. The share of unemployed who are long-term unemployed reached historically high levels from 2007-2009. This number remained higher than during any previous recession five years after the great recession of 2008. The long term unemployed are people who have been looking for work for 27 weeks or longer. That number in 2010 reached a record 6.7 million or 45.1 percent of the unemployed. (Bureau of Labor Statistics, 2020) This is why it is important to analyze the type of unemployment that occurs within the 4% “acceptable” unemployment rate at a deeper level when discussing full-employment.

There is also the question of discouraged workers and persons marginally attached to the labor force. The marginally attached are those not in the labor force who want and are able to work and who have looked for work sometime in the prior 12 months but were not counted as unemployed because they had not searched for work in the previous month. (Bureau of Labor Statistics 2020.) All of these subsets of unemployed and persons not included in the labor force should be addressed separately from the 4% threshold if we are to understand labor underutilization.

The United States has the fourth largest labor market in the world consisting of 160 million people ("USA." The World Factbook. Central Intelligence Agency, 2019), and 4% of 160 million is still a large number. If the unavoidable unemployment such as frictional unemployment is removed, the avoidable unemployment such as discouraged workers and long term unemployed still represents a large number of people who are potentially underserved by the U.S. labor market. The purpose of this paper is to address clearly and critically those marginally connected to the labor market from a historical perspective. Analyzing a historical perspective up to modern times, will highlight the unique dilemma of today's marginally connected workers and suggest ways that government policy can help.

Definition of Unemployment

To policymakers, the importance of achieving a status of full employment is evidenced by the language used in the Universal Declaration of Human Rights. This historic document, adopted by the United Nations General Assembly at its third session on December 10th, 1948 as resolution 217, lists basic rights and fundamental freedoms to which all humans are entitled (United Nations 1948). For example, this article states that "Everyone has a right to a standard of living adequate for the health and well-being for him and his family including, food, clothing, housing, and medical care and necessary social services." It also provides certain protections against circumstances that are out of one's control such as involuntary unemployment. This provision being included in the language of the articles indicates that the framers recognized that a person had an absolute right to access to gainful employment (United Nations 1948).

Employment and unemployment are complex topics that are both subjective and objective in nature. For example, when unemployment rates are cited, these are based on hard numbers and objective data. In contrast, while one may be employed, the wages earned might not be livable, meaning that the amount of income earned is not enough to provide the basic staples of living such as food, shelter, clothing, and medicinal needs. Although full employment is considered the macroeconomic "gold standard", it does not address the nuances of unemployment. This issue may be better understood if we examine employment in tiers or layers. The first tier is undercompensated employment, which is defined here as having employment, but the income earned is not enough to maintain an employee's income to be equal to or above the federal poverty line (Merriam-Webster Dictionary, 2020). The second tier is compensated employment, which is defined here as having a job that allows the employee to be considered middle class. The third tier is undercompensated hyper-employment, which is defined here as working a inhumane amount of hours, in order to receive a livable wage

Relationship between Labor, Capital and Government

In the ever changing landscape of developing economies, labor, capital, and government's intertwining relationship is what shapes economic development worldwide. This sometimes hostile and contentious relationship is a critical determinant of the kind of economic development that evolves out of it. In order to achieve sustainable economic growth, labor, capital, and government must work together in a deliberate manner. The household's role is to provide labor for production and to use income from labor to provide a market for the economy's final goods and services. If profit is a "residual return" to capital (i.e. after labor is paid) then one can think of capital as the employer of labor as well as the producer of output for the market. The role of Government is to be a referee and policymaker that does not pick winners and losers. Although economic development is a team effort by capital and labor, they often have conflicting agendas. One example would be labor wanting more pay and capital wanting to pay less for labor in order to have a higher residual profit.

Because labor income is an important component of demand for final goods and services, a shift in labor practices causes a shift in labor income and a shift in the types of capital structures that are profitable, which in turn will cause another shift in labor practices. Throughout Georgia's history we have seen this "feedback loop" between labor and the economy play out every time there have been shifts in economic structures and labor practices. The cotton gin, for example, was introduced into Georgia and reduced the labor needed for removing seeds from cotton. It did not reduce the need for labor to grow and pick the cotton. In fact, the opposite occurred. Cotton growing became so profitable for the planters that it greatly increased their reliance on both land and slave labor. In 1790 there were six slave states; in 1860 there were 15. By 1860 approximately one in three Southerners was a slave (Bomboy, S., March 2020). The cotton gin was a shift in the economic capital structure of the South that caused a shift in labor practices.

The Emancipation Proclamation also changed labor practices in the South. These changes ushered in a change in capital structures that led to the beginning of the industrialization of Georgia. The latest economic shift has been Globalization. Labor must again rise to the moment and adapt to this change as well, but because the response to globalization has so many different governments involved, government must play a decisive role this time. The government in Georgia must recognize that labor needs help to restructure every couple of years, due to the fast-paced changes in the global market.

The History of Labor Policy in Georgia

In 1933, the Wagner-Peyser Act was passed and established a nationwide system of public employment offices, known as the Employment Service (U.S. Department of Labor, 2020). The purpose of this legislation was to improve how U.S. labor markets functioned by integrating those who are seeking employment and those who are seeking to employ. Georgia responded to the Wagner-Peyser Act by passing the Georgia Employment Security Law in 1937, which mandates employers to pay unemployment insurance to workers who involuntarily lose their jobs (Georgia Department of Labor, 2020). As a result of the enactment of Georgia Employment Security Law, the Georgia Department of Labor (GADOL) was created. GADOL is charged with providing a wide range of services to job seekers and employers alike, but the mission statement and goals of this agency do not address full employment.

In Georgia, if full employment is mentioned, it is usually in reference to Georgia's state-specific "right to work" and "at will employment" policies, which do not address the full employment concept as stated in the Universal Declaration of Human Rights. These Georgia state-specific policies are contradictory to the original right to work/full employment agenda as outlined in the Universal Declaration of Human Rights. Georgia's Right to-work laws disallow binding obligations within labor agreements between employees and employers. In such an environment labor, when not required to join a union to be employed and enjoy union negotiated gains, will have a tendency to avoid joining a union to avoid paying union dues. This weakens the union and puts labor in a space where labor is effectively required to negotiate individually with employers. Collectively negotiated wage and benefits protections are removed from labor and leverage is invariably in favor of employers.

Unskilled workers are disproportionately affected by this type of labor market environment due to the seemingly endless supply of unskilled workers and lack of organized protections. This goes against the statement, in the Universal Declaration of Human Rights, which reads, "Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity," When labor can negotiate as an organized entity it gains leverage, which allows for a more equitable negotiation. In Georgia "at will employment" laws allow employers to terminate an employee for any reason at all. Meanwhile "right to work" laws curtail the establishment of unions which in itself takes away protections of workers. The vast majority of employment in Georgia is not collectively bargained, which weakens the power of individual workers to negotiate just and favorable remuneration.

In Georgia's quest toward globalization, these two laws that restrict unionizing have played a major part in the pitch to lure new companies to the state. This legislative push to enact these two specific laws has given Georgia's labor a unique problem to grapple with. Right to work laws were envisioned as a means to allow non-union workers access to unionized workplaces. When coupled with "at will employment" laws, they effectively stripped workers of their rights detailed in the UN's Declaration of Universal Human Rights. As such, it seems the term "right to work," in Georgia, has evolved from its original intended meaning, and now encapsulates something opposite of what it was intended to represent.

This assault on unionized workforces was not isolated to just Georgia. Even the federal government saw big unions as a threat and implemented policies to weaken them. In 1981, President Ronald Regan destroyed the air traffic controllers' union and many union members would never get their jobs back. During the 1970s, a period marked by limited economic growth, the U.S. experienced great inflation and rising unemployment rates (Meltzer, 2005). The limited economic growth contributed to the high unemployment rates while stimulus policies contributed to rising inflation rates, creating a stagflation economy. Following the crisis in the 1970s, and as a way to stimulate economic growth, most U.S. policies concentrated on growth at the expense of the advancement of labor unions. (Meltzer, 2005) The limited economic growth contributed to the high unemployment rates while stimulus policies contributed to rising inflation rates creating a stagflation economy. Following the crisis in the 1970s, and as a way to stimulate economic growth, most U.S. policies concentrated on growth at the expense of the advancement of labor unions. After the election of Ronald Reagan, the government launched a major direct attack on unions, Reagan's decision to fire all unionized air traffic controllers in 1981 during a strike early in his administration was the government's answer to unionized power (Wright, N. Chapter 21(August 2009)). The result was a steep decline of unions. Prior to the financial crisis, and Ronald Regan's anti-union stance, states did not have a concentrated effort toward anti-union legislation. In fact the U.S. showed a willingness to fulfill the "right to work" mandate from the Universal Declaration of Human Rights. This was demonstrated by the U.S. passing legislation that led to each state creating its own Dept of Labor tasked with developing state specific policies to assist its labor (Maclaury, J. A Brief History: The US Dept of Labor 1998). Afterwards states would use the federal government's stance on limiting labor's power as a license to implement anti-union legislation. It's not surprising that these laws took their strongest foothold in the southern states where weakening labor unions also meant denying African Americans power.

From Slave Labor to Share Cropping

To illustrate the point of the subjective nature of employment, we can look at what happened to the agricultural labor market post slavery. In 1863, President Abraham Lincoln signed the Emancipation Proclamation, which freed slaves in the U.S. (National Archives, 2020), but even with the enactment of the Emancipation Proclamation, slavery continued to "legally" exist in some areas until the 13th Amendment was ratified on December 18, 1865 ("Black Code" 2019).

For the 400,000 individuals enslaved in Georgia at the time, the Emancipation Proclamation laid the foundation for a new social order ("Emancipation Proclamation" 2013). Following the emancipation of slaves in the U.S., states, especially those like Georgia that had many slaves, had to adjust to the new labor market. By changing the mainstay of the agricultural labor market, which was previously slave labor, the Emancipation Proclamation brought permanent change to the structure of agriculture in Georgia. Former slave owners, who owned plantations, continued the plantation system by hiring freed slaves on annual wage contracts to work the fields in gangs supervised by an overseer. This system was not sustainable and was replaced by a mix of sharecropping, tenancy, and wage labor (Williamson, 1965).

Sharecropping, was a system that gave former slaves an opportunity to become tenant farmers in exchange for a share of the value of the crop they produced, minus the cost for things like tools, food, and living quarters (History.com, 2020). Sharecropping provided jobs to many people in the south. While sharecropping was advertised under the auspices of giving former slaves autonomy in their daily work, social lives, and free them from the gang-labor system that was a part of the slavery era, it often resulted in sharecroppers owing more to the landowner than the sharecroppers were earning. This structural change in the labor market kept former slaves effectively enslaved and kept many in a state of abject poverty even though they worked full time jobs. It also decreased agricultural productivity because sharecroppers were still effectively slaves to the lender, and many simply chose to work fewer hours (Irwin, 1994).

The most fundamental of all the changes to Georgia's labor market was the change in the owner of labor after emancipation. The evolution of the state's labor system from predominately supported by slavery, to a market-based labor system had broad implications for the development and modernization of the state. In an effort to answer the labor question that the new reality brought about, some advocated for an increased integration of industrial means and “labor saving machines.” James Dunwoody Tebow would advocate for this in his quarterly review called Debow’s Review. (B., E. Q. 1867) Several factors contributed to the “labor question” of the state: market forces, racism, and class just to name a few (Brundage, 1993).

The planter class controlled the labor market in Antebellum Georgia, which restricted the ability of Georgia to industrialize due to labor being “trapped” on plantations. Oftentimes in Antebellum Georgia, as stated by Historian Anthony Gene Cary, wealth meant political power (Carey, 1997). Georgia's constitution in 1798 states that one of the requirements of holding state office is land ownership. Due to the fact that only white men were allowed to own land at the time this eliminated anyone else from having any political power other than white men. The property requirements of holding office meant that only reasonably wealthy white men were elected to the Georgia legislature (King, S.B. 1966). Georgia's wealth was concentrated within Georgia’s wealthiest white men. In 1860 nearly half of Georgia's property was held by 6% of white people. They were overwhelmingly the planter class, who owned large plantations and labor in the form of slaves (Inscoe, J.C. 2010). These laws firmly placed control of the government into the hands of the planter class. Michael Woods puts the planter class mindset about business practices into context with this statement “Planters’ commitment to the production and overseas sale of cotton shaped southern politics and business practices” (Woods M. E. 2012). This reality helped to contribute to the underdevelopment of Industrialization in Georgia. Planters did not encourage southern industry growth, but instead, as historians contend, planters used their power to oppose southern industry growth. Most labor in Georgia was in the form of slavery at this time. On the eve of the start of the civil war there were roughly 462,198 slaves and 591,550 whites within the state of Georgia. Every slave within the state except for small children was a part of the labor force.

Of the white population 132,317 were white adult males, the vast majority of which, roughly 100,000, worked on farms as owners, tenants, or outdoor laborers (Young J.R. (26 July 2017)). Given that few white women and children worked outside the home it's safe to say that approximately 78 percent of the workforce in Georgia on the eve of the civil war was slave labor (Young J.R. (26 July 2017)). The overwhelming majority of slaves were held by planters. This meant that a protection from industrial encroachment in Georgia was held by planters in the form of an overwhelming control of labor (Preyer, N. (1971). They held all the keys to the labor market in Georgia, in addition to controlling government and policy making power in the state.

The Failure of Early Industrialization in Georgia

Economists define the four main factors of production as land (which is the physical space and natural resources), labor (which are the workers), capital (which are the buildings, machinery and equipment), and entrepreneurship (which are the ideas and drive). Out of the four factors that directly affect economic development, the most important factor in economic development is the "labor issue." Access to suitable qualified labor is essential to the development of any industry or region (Labor, the Economy and Monetary Policy 2013). Unless the demand for qualified labor is willing to recruit qualified laborers, wherever they may be located, the emerging industry cannot survive.

This is evident when comparing Georgia's pre-civil war slave-based economy to the north of the country, which had a labor market that was not centrally controlled, but more market based. When manufacturing came to America's shores, it found resistance in the southern part of the country in the form of controlled labor markets. In the northern part of the country, access to the labor market was not restricted and based only on traditional market forces of supply and demand.

Manufacturing in the north became a magnet of labor, drawing it from every sector of the country and the outside world to the northeast portion of the country. This would increase the population of that regions' cities and subsequently its political power as well. Given the mindset of the period, the suitability of slave labor to industrialization was not widely accepted but the suitability of slave labor for industry should have been obvious, as can be seen in the work of historians of southern industry research, which found that approximately 5% percent of all slaves worked in manufacturing companies, with manufacturers who owned at least 80% of the slaves that they employed (Starobin, R. 1970). Notwithstanding the ongoing industrialization of the US economy it is of note that, between 1790 and 1860, the profitability of substituting machine power for slave labor had not yet been reached in the use of slaves in manufacturing. (Morgan, 2002). Which is to say that the efficiencies of industrialization were not enough to diminish the value of slave labor in manufacturing and industrialization.

The shift of Georgia's economy from agriculturally dominated to industrial coincides with the shift in the labor market in Georgia after the Civil War. The labor market went from being controlled by a few plantation owners and slaveholders, who controlled their own labor as well as that of the slaves, which made up the vast majority of all labor in the state, to everyone owning their own source of labor (Giesen, James C. 2019).

Globalization

Globalization has created another need for Georgia's labor to adjust. The demands on labor have become increasingly important as Georgia's economy has become increasingly intertwined with the global market. Georgia's labor force will have to adjust to this new globalized world as it has adjusted to past changes in Georgia's economy. Global markets have been one of the most disruptive factors to labor markets worldwide (Philemon Kazimil Mzee 2012). Even more so in labor markets of highly developed economic systems. Income and wage's volatile fluctuations, as well as the fear of losing a job in a trade affected sector or to new technology has steadily increased overtime (Reeves, R. 2019).

After the end of slavery, labor has always had the advantage of mobility as a protection against the volatility of capitalist systems. Increasing global trade cooperation worldwide has eliminated that advantage to the point that now capital has the mobility advantage. The issue facing labor today is flexibility rather than mobility. Due to the volatile nature of globalism, jobs move from sector to sector and back again in a 25-year span. In Georgia, as in most states in the U.S., workers have been traditionally trained to work in one industry at one occupation for 25 years then retire with a pension. The volatility that globalism introduces to the market makes it much more likely that a job does not exist the following year. The pressure has been placed on labor to be prepared to adapt to any market fluctuation, even to the point of forecasting and adapting to future disruptions in the markets. Disruptions such as Artificial Intelligence, which economists expect has the potential to displace up to 45% of the world's current labor force, could be immensely destructive to the labor force if workers are unprepared to adapt or compete with this new resource (Chui, M. Manyika, J. Miremadi, M. 2015).

Globalization has led to unprecedented growth and development, with the development of economies come a fundamental change in the economic relationships of capital, labor, and the role of state. Development amounts to the movement of resources from one sector to another. Global development amounts to an even bigger movement of resources. Innovations in the methods of transport and communication have allowed capital used in economic development the ability to be more flexible than in any other phase in the development of the globe. It has allowed capital to react to innovation in real time. Previously it would take 25 years for the lifetime of new innovative capital to become replicated to the point that the first-mover advantage enjoyed by the company that introduced it became non-existent. Now that the lifetime of new capital has been drastically reduced to about 2 to 3 years, before newer, more innovative capital replaces the old or renders it obsolete (Manyika et al, 2013).

Labor and labor protection policies have always struggled to keep up with the ever changing landscape of economies, especially developing economies. The mobility of labor has always allowed labor to have an advantage over capital by being able to take advantage of short-term market circumstances as well as long-term circumstances. Now that capital is able to react to short term circumstances, labor is kept at a constant disadvantage if it doesn't adjust. Labor must now be willing and capable of moving from occupation to occupation and industry to industry, so that the 2-3 year changes in capital structures that are now prevalent won't damage the returns to labor. Long gone are the 25 years at one job and retirement model. The Global market demands flexibility from labor not just mobility. Being trained and proficient in more than one job, industry, or sector must be achieved. Highly trained, flexible, and mobile labor is impossible to displace because it is not only willing but capable of adapting to the fluctuations of a global economy.

The quest of "jobs for all" is not only achievable but sustainable as well. Wage policy is not what is needed to achieve this, the market will dictate wages regardless of who is in control. Wage fixing beyond minimum wage requirements has the potential to introduce inefficiency into the market. Many of these jobs easily disappear or move to a new region in a global economy. The inefficiency of paying employees more than elsewhere for a job that is obsolete in that region is untenable for the economy of the region.

Georgia’s increasing integration into the global market economy has exasperated the issues of inclusive growth and full employment within the state. While there has been exponential growth and development in certain sectors of the state’s economy, others have suffered or disappeared altogether. Georgia’s push to become the number one place to do business has led to quite a few changes in the state’s economic structures, affecting capital, labor, and politicians as well. Of these, the stakeholders that have seen the biggest negative effect have been labor.

The greatest impediment to labor unionizing worldwide to use their collective bargaining power to adjust to globalization’s volatility is the enforcement of national borders. The rules that govern labor on one side of the border wouldn’t apply to the other side of the border. Free trade agreements like the North American Free Trade Agreement do little to level the playing field and don't provide substantive protections for labor (Level the Playing Field for Trade 2018). To avoid the winners and losers’ scenario that inevitably comes with protectionist policies, the policies must be geared toward human capital development for all labor. Any unionizing efforts across borders become suggestions only, due to the differing laws of countries and no uniformity of efforts. In Georgia, labor has been impacted by NAFTA in a myriad of ways. The regional trading block that was created when the U.S, Canada, and Mexico signed a treaty creating a free trade area has been a boon to the owners of capital (NAFTA Revisited 2004). There has been a loss of many high paying jobs replaced by the same jobs just at a much lower cost. There have been some higher paying jobs recovered but not at the same levels of the previous labor market levels (Hinkley, 2019). Mexico's role has been to serve as a source of low-wage labor (NAFTA’s Legacy: Lost Jobs, Lower Wages, Increased Inequality 2018). The only concession to labor in the agreement is the so-called labor side agreement, which is an attempt that encourages members to promote, in its own way, a set of general principles on labor rights, standards, equal pay, health, and safety

(Aspinwall, 2017). A commission is set up to deal with complaints of abuse that has little to no enforcement power (Ross, 2000).

Globalization has left Georgia's labor market playing catch-up with capital without the benefit of its two most potent tools, mobility and unionization. When Georgia's textile market was hit hard just seven years following the implementation of NAFTA, there was nowhere to turn for those laborers working within this industry (Scott, 2001). There was no way to effectively move between those same borders. This undercut any real remedy to capital's swift relocation, to take advantage of the new source of cheap labor that NAFTA provided. Labor would have to depend on long term solutions where it once could resort to short term as well as long term solutions. Long term solutions for labor would mean only political pressure on the state and elected officials to enact labor friendly legislation. This would become a complex issue for politicians to navigate due to the enormous economic pressure that could be brought to bear by the owners of capital.

Because of the provision in NAFTA's framework that allowed Georgia companies to relocate production anywhere inside the free trade zone and sell those products to the US, effectively cutting the legs from Georgia workers bargaining power. Georgia’s employers’ ability to force workers to accept lower wages and benefits with the threat of moving their production to a different country weakened further the unionizing efforts of Georgia unions. NAFTA's implementation would see owners of capital benefit greatly as the cost would disproportionately flow to labor in the form of loss wages (Faux, 2013). This condition has the potential to backfire on capital and damage their economic viability as well. Firms sell products and services to households; households sell labor to firms. If firms aren't buying as much labor or purchasing labor for less than market prices, they run the risk of losing customers due to an economic downturn. Simply put, if we lose textile production in a certain region, the households that depend on the wages from selling labor to the textile producers to purchase those very same products can't make those purchases. Eventually they lose revenue and sales simply because they choose to move production to another region without planning for that loss of wages to the region that they are relocating production from yet are still selling finished products to.

The new NAFTA (known as the United States Mexico and Canada Agreement or USMCA) seems to be more of the same provisions for the owners of capital to capitalize on with no real protection for the owners of labor. Trade agreements like NAFTA and USMCA inevitably pick winners and losers. The biggest and most immediate loss is taken by labor owners due to the price of labor in Mexico being significantly lower than the price of labor in Georgia (Blecker, 2014). Jobs are lost and are rarely if ever brought back. Mexico, with its source of cheap labor, does not see a significant rise in wages, within a period relative to the worker in Georgia who loses their livelihood. So even though the labor in that country gets jobs they lose out on the wage difference yet they are required to do the same task or more.

An analysis of the impact of NAFTA shows that real per capita GDP in Mexico has increased substantially over the past 25 years. Although most of this GDP growth can be attributed to NAFTA it has done so by significantly increasing the wages of high wage earners, while low wage earners wages have remained stagnant, or have fallen in both the US and Mexico. Yet NAFTA has been a win-win-win for the US, Mexico, and Canada as a whole. In an assessment of NAFTA’s impact, NBER Research Associate Gordon Hanson uses the changes in Mexican wage structures brought about by the North American Free Trade Agreement (NAFTA) in the 1980s and 1990s. Hanson uses Mexican census data from 1990 and 2000 to examine changes in wages over the period in which NAFTA was implemented. His most telling finding is that wage gains were largest for more educated workers living close to the United States border and were smallest for less-educated workers living in southern Mexico. Hanson also notes that the dramatically increased globalization of Mexico's economy as seen over the past two decades was concurrent with shocks to wage levels. These include periodic if temporary wage declines, wage growth along the U.S.-Mexico border relative to wages in the rest of Mexico, and a steady increase in skills in the country. All of this, Hanson observes, resulted in a general increase in wage disparity in Mexico (Hanson, G. NBER Working Paper No. 9563).

The problem with allowing the whole to represent all is that it ignores those adversely affected. If 4% is the full employment rate of unemployment, and a sizable share of that 4% are not the frictionally unemployed, then we invite a sizable humanitarian crisis by not providing an avenue for those marginalized workers like the low wage earners in Mexico and in the United states to adjust and overcome global market shifts.

Permanent loss of income for workers is the most common outcome for workers whose occupation is eliminated by trade. The International Trade Commission projections are that all of the expected benefits come from “increased certainty” for investors (Scott, 2019). Workers’ choice must be factored in and is in-fact the deciding factor in the ability of labor to effectively combat rampant job displacement that the volatile nature of global trade policies promotes. There have been recent studies that show that trade liberalization increases skilled labor wages in developing economies (Jansen, M. Lee, E. 2007). The results of these studies suggest global trade may benefit highly skilled workers more than poor unskilled workers, increasing inequality (Jansen, M. Lee, E. 2007). The effects of this may be mitigated, however, if human capital investment responds to new global opportunities. A key question for Georgia is whether a state with a big emphasis on human capital development like Georgia, which spends more on education than all of its neighboring states, (Georgia Public Policy Foundation (georgiapolicy.org)) is positioned to help all its residents benefit from globalization, or if the workers who become displaced throughout rural Georgia will be left to fend for themselves and suffer the negative effects of globalization in isolation.

The impact of globalization varies across Georgia's counties, which have different types of labor, different costs of training and different levels of accessibility to skill acquisition. In Georgia, globalization compels individuals to learn a variety of skills needed to complete and facilitate cross border trade. Some counties have lower relative costs of learning a trade due to infrastructure that is already in place in that county. Counties with a more elastic supply of educational skills will benefit more from globalization. They experienced greater growth and development in both jobs and school enrollment. Consistent with this human capital response, they experienced larger increases in skilled wage premiums (Cole, Paulson, and Shastry, 2014). There are other counties that do not have infrastructure in place to prepare their workforce for globalization. This opening should be filled by Georgia's Government who must step in to retrain workers in rural counties. Metropolitan counties in Georgia who have the infrastructure and ability to retrain workers have an extra burden placed on them, due to the inability of the rural counties in Georgia to produce the same level of human capital development.

CONCLUSION

Accepting the UN's declaration that labor has a "the right to work" then the government's obligation is to ensure that right. With market forces subject to global fluctuations this means if governments seek to ensure this right then they must prepare their citizens to adjust to these fluctuations. Labor has to be trained and retrained to deal with these new market forces. The fact that the new force is globalization complicates the matter even more. Solitary citizens cannot be expected to compete with global forces such as governments and multinational companies. It is incumbent upon governments to help level the playing field by keeping labor trained and prepared to retrain to adjust to market demands. One important way to level the playing field is by shifting power more toward organized labor in Georgia. In order to help get the needed government policies in place Georgia has to promote a more organized, unified, and stronger voice for labor in Georgia.

Georgia, like all other economies, will have to adapt to the demands of a highly volatile global economy. This adjustment will require workers as well as owners of capital and government officials to adjust constantly. The role that Georgia's government plays in this is in creating an environment in which its citizens are not only prepared but also in a position to take advantage of those fluctuations. Through the implementation of a robust human capital development plan, Georgia can foster a highly flexible workforce. One that is not only trained to do the job but one that is also favorably disposed to training and being trained for the next job requirement. A workforce that is willing to train and has the capability of learning is the type of flexibility that is required by a global economy. This flexibility is the surest way to ensure large scale adaptations to modern economic transitions. It benefits Georgia as a whole by providing a tool for engaging marginalized workers, getting them back into the labor pool, and leading to a percentage that is a truer representation of full employment.

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