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VILLAGE VIEW

ANDREA LEONARD

Productivity-- or the lack of it in the nation's industries-is of major concern today; a recent article in a leading news magazine highlighted the opinions of leaders in industry, education, finance and government as to possible causes. Opinions ranged from blaming young people "who don't want to work," to government regulations, to obsolete equipment, to labor-management relations and the failure of management to include labor in decision-making.

Surprisingly, to me, nobody among the experts seems to consider incentives to individual as having any bearing on productivity.

It would seem to me-- and I'm no expert, believe me-- that unless the labor force as a major component in productivity sees potential advantages to doing a better job, productivity is bound to decline. And, it seems to me, the incentives are lacking, today, to a greater extent than ever before in my experience.

It cuts at least two ways: there are several facets to each of these ways; they are inter-related. The first disincentive to putting in a fair day's work for a fair day's pay is the system of taxation imposed on the American people. The more money you earn, the more money you must pay the governments in taxes on your income, at higher and higher rates. There comes a point where individuals in the labor force realize they're on a treadmill and losing ground with every apparent step forward.

The more you earn the greater the tax penalty for the extra effort. If you get a raise, your taxes increase and your actual take-home shows so little improvement, it's not really worth making the extra effort. Furthermore, and this is the second blow, the few extra dollars added to your paycheck are immediately consumed by the fires of inflation, so you're no further ahead, in purchasing power, than you were before your pay was raised.

To achieve a turn-around in productivity rates, this double-edged sword must be dulled. Taxation and inflation are impoverishing the backbone of American industry and sapping the ambitions of the men and women who report for work five days a week.

It's a great thing for the brilliant minds siting at polished desks in executive offices of industry, those of government departments and those of respected educational institutions, all drawing salaries more than adequate to supply the necessities and amenities of life, to expound on capitalization per worker, injudicious government regulation of industry, levels of new investment, uncertain energy and economic policies, cooperative attitudes between management and labor, predisposition employees bring to their jobs, cooperative efforts, worker environments, human relations, improving the quality of life, plant modernization, professional consultants and systems approaches.

The bottom line, though, is making it worthwhile for men and women to do their best work in order to receive monetary recognition for efforts expended. Nobody's going to work harder for the dubious privilege of being rewarded with lowered purchasing power. And that's what the masses of workers are experiencing today.

Furthermore, workers are disenchanted with the purposes to which their tax dollars are being put. It's difficult to convince a person on an assembly-line, in a typing pool, or washing dishes in a restaurant kitchen that the taxes different government entities take from them are usefully employed when spent on studying the sex-lives of insects, building cultural centers, supporting programs that encourage dependence rather than independence, and increasing costs to the public of a deteriorating government service such as, for instance, our postal system- one visible to every person in the nation- and visibly taking more money and delivering worse service, year-by-year.

Perhaps the postal service is the single most vulnerable agency encountered, day-to-day; vulnerable because of its visibility and because everyone comes into direct contact with postal workers on a daily basis. Unfortunately, postal employees, individually, must take the brunt of criticism because it's they who are on the scene in every village and hamlet as well as every city, large or small, in the country, and they seem to epitomize to non-government employees the federal policies all of us are responding to in negative ways.

Again, I'm no expert; nevertheless, it appears to me productivity would take an immediate leap if workers were to expeience rewards for greater output rather than penalties and, coupled with those rewards, were to perceive their tax dollars being spent wisely and carefully.

When workers learn that government agencies purposely pad purchases at the end of each fiscal year to exhaust the previous year's allocation of funds, whether or not the materials purchased will ever be put to constructive use, they are disinclined to work harder to earn bigger salaries to pay higher taxes.

When workers see pay increases shrink to less than nothing because everything from housing, to transportation costs, to heat, to food, to clothing more than eats up the extra dollars in their pay envelopes, their desire to increase output evaporates.

In addition to these disincentives, there are now so many government services available to the segment of the population labeled as poor, low-income, or disadvantaged that that status looks almost as attractive as financial independence. The poor pay no taxes, need no health insurance because eligibility for medicaid means they receive free medical and dental care; the impoverished are eligible for rent subsidies, food stamps, child-care, and in some instances, "maid service," while the person gainfully employed is entitled to none of these government services. What sort of stimulant is that to the person who gets up and goes to a paying job, week in and week out?

Approximately fifty percent of married women in this country are now employed outside their homes; a large percentage of those women have children between the ages of six and eighteen years. Are they working because they'd rather be on a job than home raising their kids? Or are they employed because two incomes are now necessary to maintain the standard of living to which they've become accustomed and to which they feel entitled?

I've no quarrel with the vision of the experts concerned about declining rates of national productivity; they're undoubtedly correct in their assessments of some of the reasons for the falling rates. I fell, however, they're only stirring the surface of the batter and aren't reaching down to the bottom or scraping the sides of the bowl.

Given reasonable incentives to increase output (and that comes down to increased purchasing power for increased effort), the American public will respond positively. Even the dumbest bunny will chase the carrot.

The trouble with the American economy and the reason for dropping productivity rates is that nobody's dangling nice fresh tender carrots in front of the American labor force, and until that changes, productivity rates can't be expected to show much improvement.