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Article 7.5

HOW MUCH OF THE U.S. ECONOMY IS DEVOTED TO SOCIAL CONTROL?

BY ARTHUR MACEWAN
September/October 2018

Dear Dr. Dollar:
What share of the U.S. economy is devoted to social control (the military, police, private security guards, supervisors, etc.)? Is this amount growing? Is it sustainable? —Paul Precht, via e-mail

“Social control” is a broad concept. We need a definition in order to get a measure of how much of the economy fits into this category. In their work on “guard labor,” Arjun Jayadev and Samuel Bowles provide us with a useful, workable definition: “private and public exercise of power in the execution of contracts and the defense of property rights.”

Still, this definition leaves us with a lot of questions. It’s pretty clear that police and private security guards fit the definition. But what about teachers who are concerned with “classroom management”? Supervisors in offices and factories, who control people in their jobs, would fit. But what about store clerks, who make sure you pay for the items you are taking out of the store? Then there are all the workers who make the equipment that is used by people who exercise control. And what about all the people in the legal system whose job amounts to enforcing contracts? Scratch just beneath the surface, and you’ll realize just how much social control is involved in everyday economic activity.

But let’s use a very narrow definition and avoid overstating the point. The numbers are still impressive—or perhaps depressive! Taking account of supervisors, guards (public and private), and the military (but not civilian military employees), the most recent estimates indicate that these three categories made up almost 20% of the labor force in 2002.

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But that's only part of the story. The share of these groups in the labor force has been increasing for over a century—from 1.4% in 1890, to 13.9% in 1948, to 19.7% in 2002. (See Table 1.)

TABLE 1: SOCIAL CONTROL LABOR AS PERCENTAGE OF THE LABOR FORCE IN THE UNITED STATES, 1890–2002

	1890	1929	1948	1966	1979	1989	2002
Supervisors	0.8	1.4	9.8	9.9	11.7	13.2	15.7
Guards (public and private)	0.3	0.7	0.8	0.9	1.7	1.8	2.2
Military	0.3	0.8	3.3	5.4	3	3.1	1.8
Total	1.4	2.9	13.9	16.2	16.4	18.1	19.7

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Also quite important, the share of the workforce engaged in social control is larger in the United States than other countries, based on comparable data for 2000. That year the U.S. figure for supervisory labor, the largest com-

TABLE 2: SUPERVISORS AS A PERCENTAGE OF THE LABOR FORCE, SELECTED COUNTRIES, 2002

Italy	2.9
Sweden	4.4
Spain	6.7

Also quite important, the share of the workforce engaged in social control is larger in the United States than other countries, based on comparable data for 2000. That year the U.S. figure for supervisory labor, the largest component of the total, was 14.7%. (This figure is lightly different from that in Table 1 because the former is based on U.S. data sources, while the latter is from an international data source.) For Sweden, the figure was 4.2%; for Spain, 6.7%; for Canada, 8.5%; and for the United Kingdom, a close second at 13.4%. (See Table 2.)

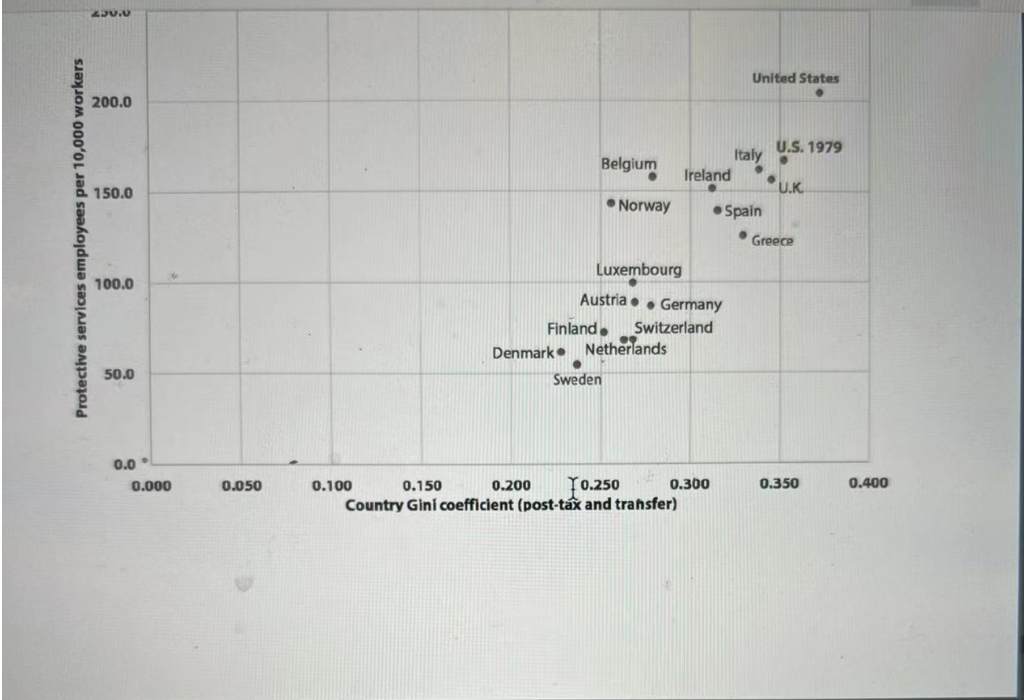
TABLE 2: SUPERVISORS AS A PERCENTAGE OF THE LABOR FORCE, SELECTED COUNTRIES, 2002

Italy	2.9
Sweden	4.4
Spain	6.7
Austria	6.8
Denmark	6.9
Canada	8.5
Belgium	10.3
Netherlands	11.6
United Kingdom	13.4
United States	14.7

Why the differences? It's hard to be sure. But there is a suggestive correlation across countries between the share of "protective services" in the labor force and the degree of inequality. (See Figure 1.) ("Protective services" is a Bureau of Labor Statistics category, including police and private guards, but also including other groups such as firefighters that are not involved in social control; those other groups are excluded in Figure 1.) Right at the top in both the share of labor in protective services and inequality is the United States. But the relation is clear among the whole group of countries included in the diagram.

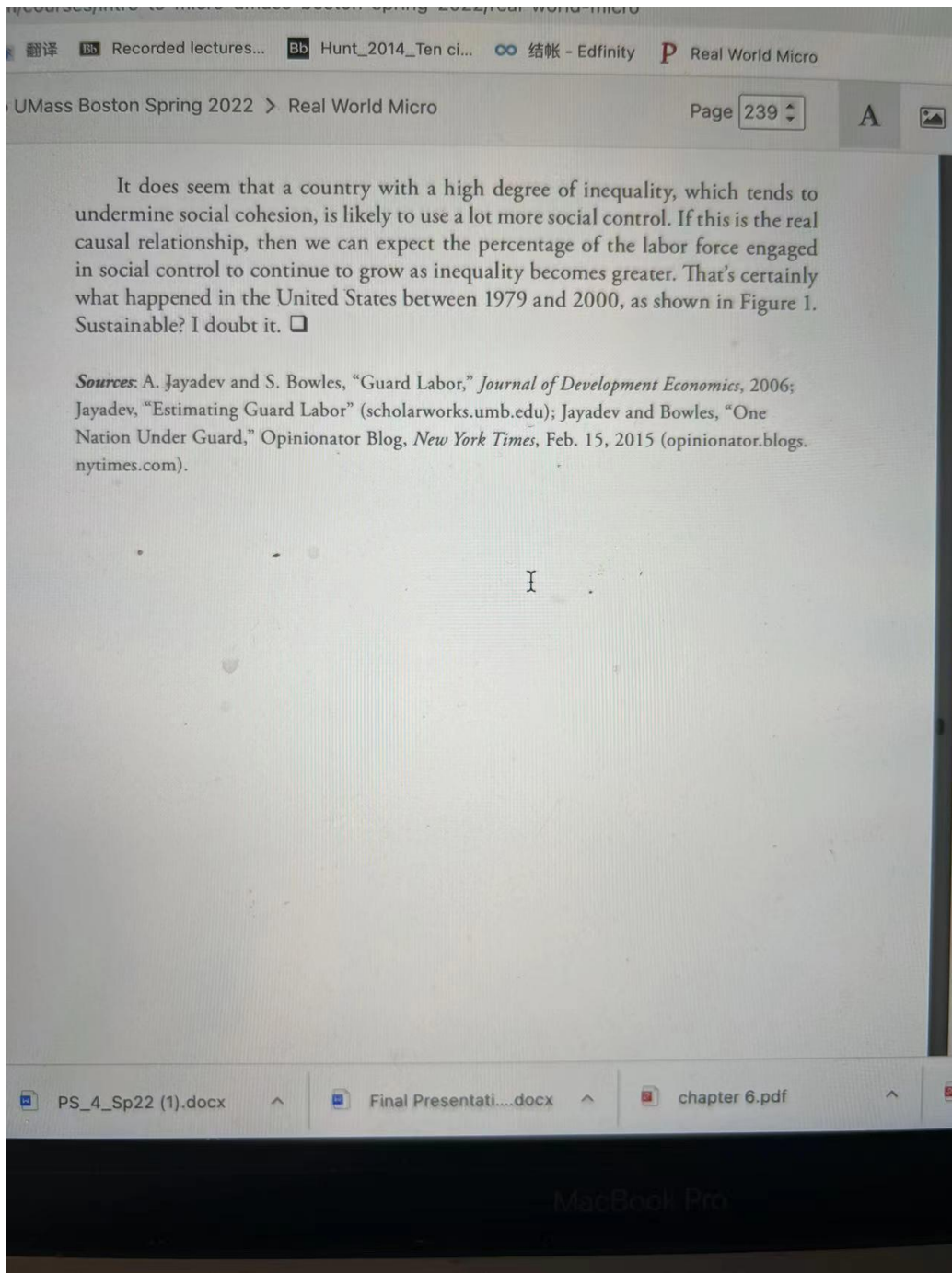
FIGURE 1: PROTECTIVE SERVICE EMPLOYEES PER 10,000 WORKERS AND INCOME INEQUALITY, EARLY 2000S, U.S. VS. EUROPE





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It does seem that a country with a high degree of inequality, which tends to undermine social cohesion, is likely to use a lot more social control. If this is the real causal relationship, then we can expect the percentage of the labor force engaged in social control to continue to grow as inequality becomes greater. That's certainly what happened in the United States between 1979 and 2000, as shown in Figure 1.



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Sources: A. Jayadev and S. Bowles, "Guard Labor," *Journal of Development Economics*, 2006; Jayadev, "Estimating Guard Labor" (scholarworks.umb.edu); Jayadev and Bowles, "One Nation Under Guard," Opinionator Blog, *New York Times*, Feb. 15, 2015 (opinionator.blogs.nytimes.com).