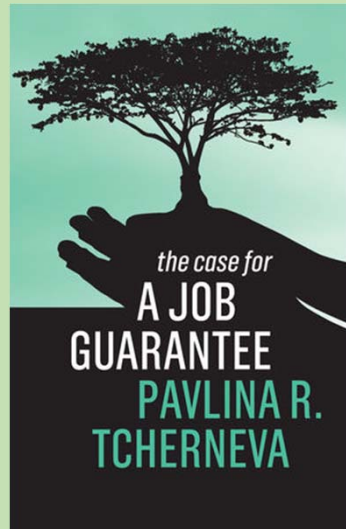


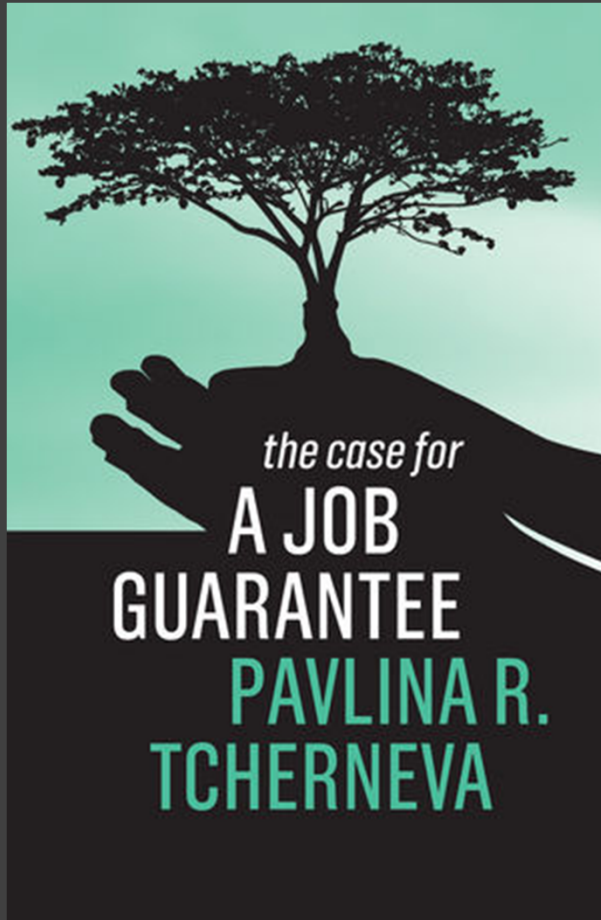
# A Job Guarantee

*The following slides consider some aspects of the case for a Job Guarantee and how this compares with a UBI in some respects.*

*Credit to Steven Hail, whom I stole a number of these slides from!*



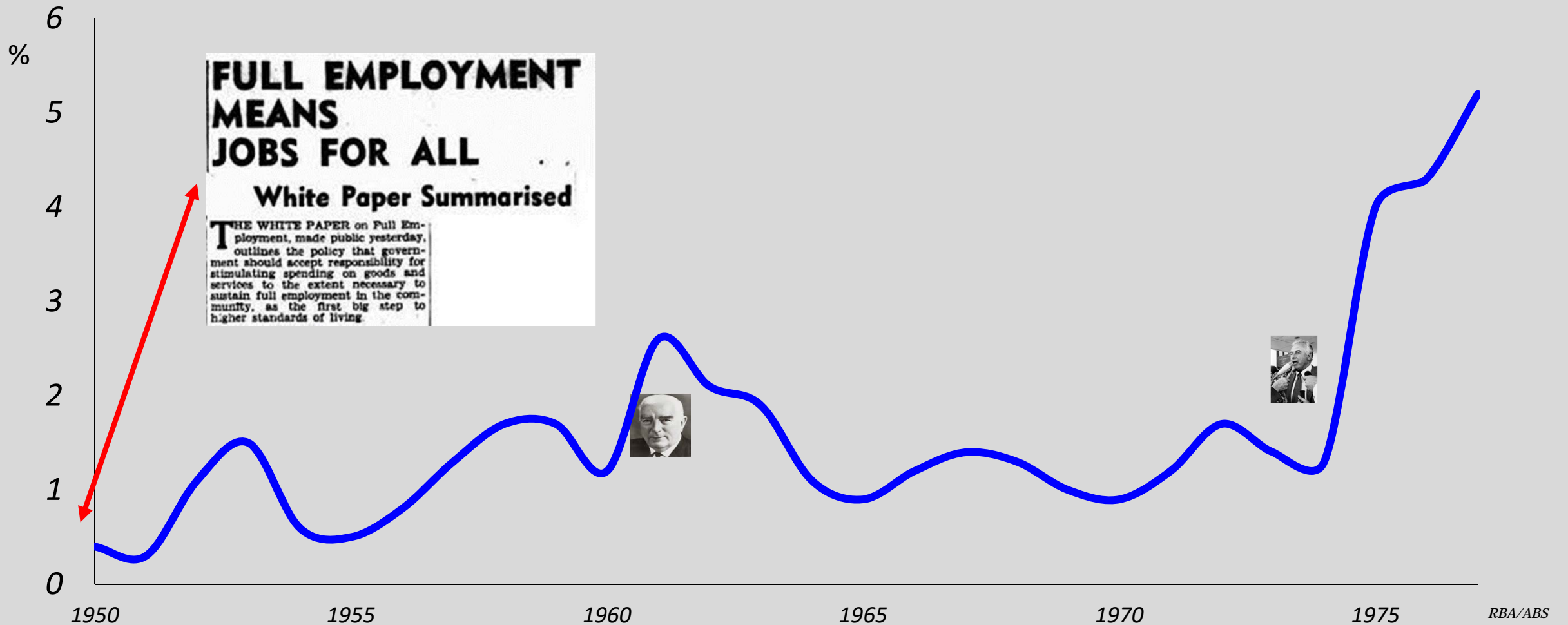
## *Job Guarantee.*

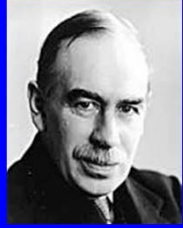


*The following slides consider some aspects of the case for a Job Guarantee and how this compares with a UBI in some respects.*

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# Unemployment Rates in Australia



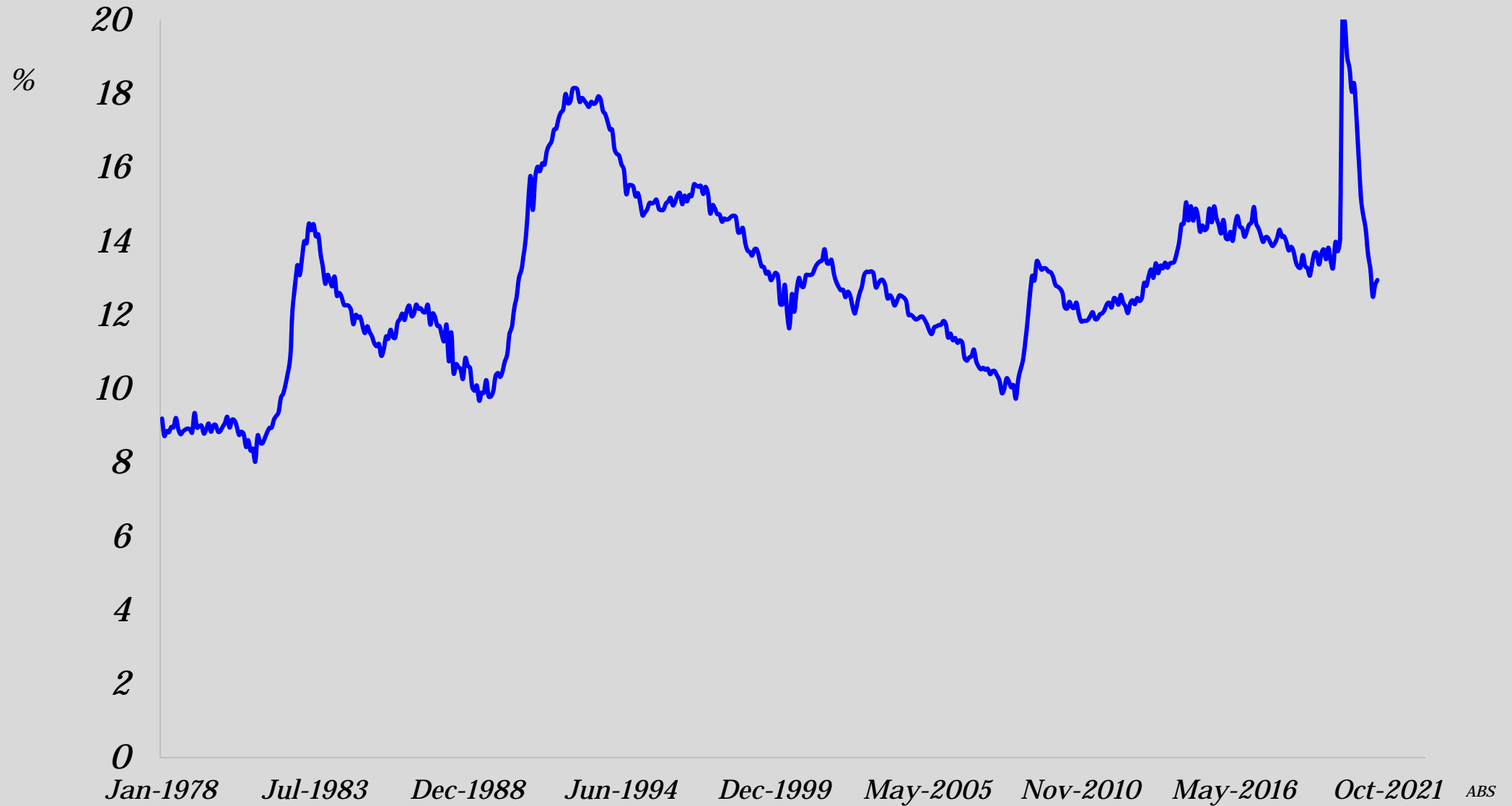


“The outstanding faults of the economic society in which we live are its failure to provide for full employment and its arbitrary and inequitable distribution of wealth and incomes.”



“The ...belief that there is some law of nature which prevents men from being employed, that it is "rash" to employ men, and that it is financially "sound" to maintain a tenth of the population in idleness for an indefinite period, is crazily improbable-the sort of thing which no man could believe who had not had his head fuddled with nonsense for years and years.”

# *Underutilisation Rates in Australia*



# Job Guarantee.



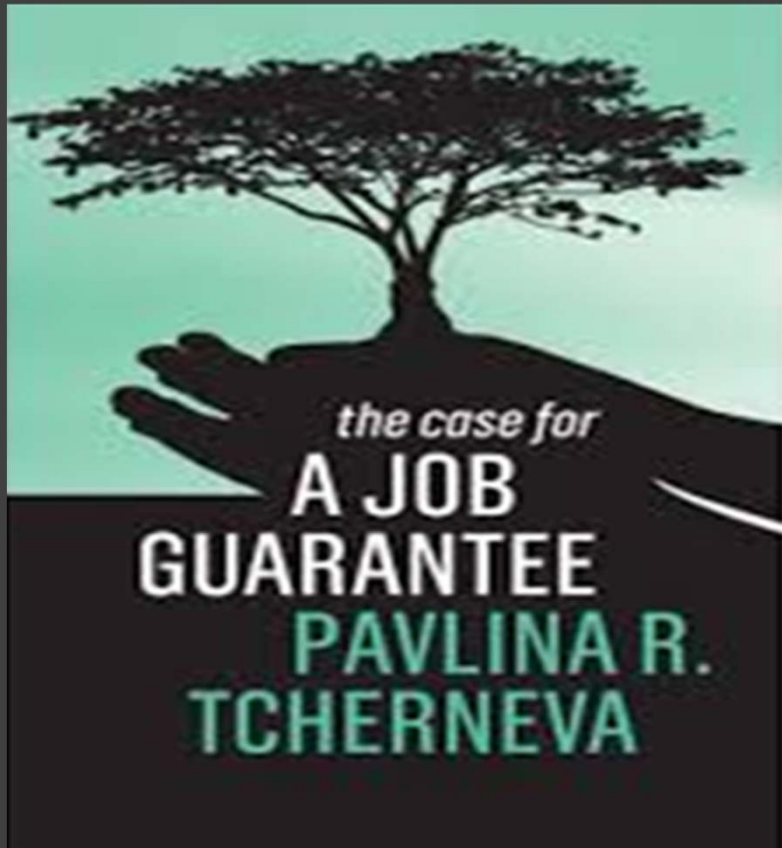
## *Not enough jobs?*

In early 2019, well pre-pandemic, there were 680,000 *officially unemployed*; 1,110,000 *underemployed*; many others (897,000) *marginally attached* > 10 x 243,000 *vacancies*.

*The private sector on its own has never provided enough jobs for all those who want a job.*

A JG would hire those the private and conventional public sectors have no room for at the moment.

# *Job Guarantee.*



*Providing a human right.*

*The offer of public sector employment, with a decent income, super and good working conditions, to everyone who wants a job.*

*Flexible – 1-35 hours a week.*

*Voluntary – no compulsion and no loss of income support for those who choose not to participate.*

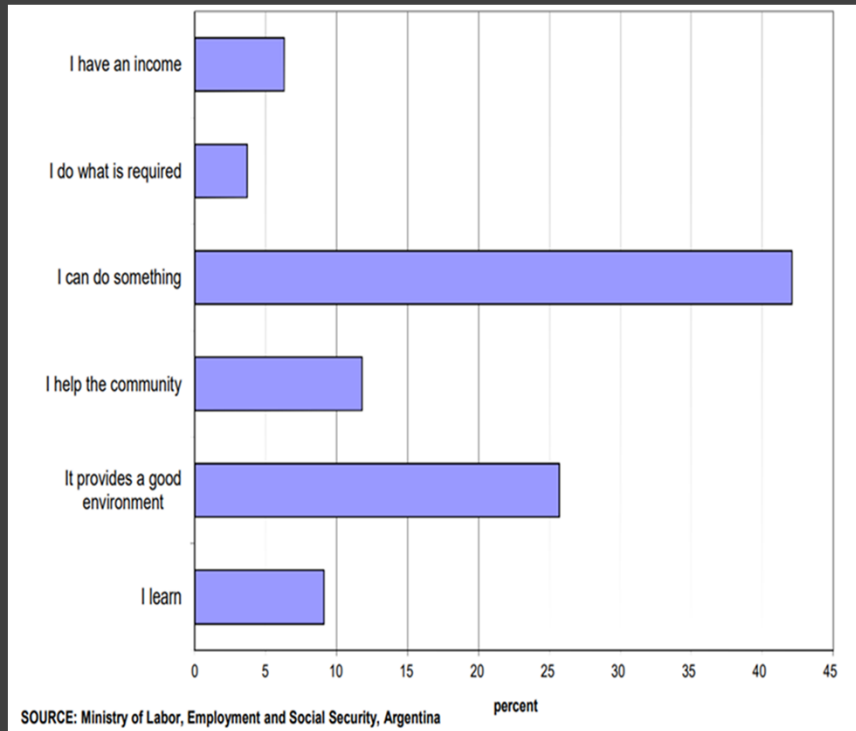
*Rate of pay – a new effective minimum wage.*

# *Plan Jefes (y Jefas) de Hogar 2002-6*

*“Plan Jefes provided a payment of 150 pesos per month to a head of household for a minimum of 4 hours of daily work. Participants worked primarily in community projects and were directed to training programs, including finishing basic education.*

*The program peaked at nearly 2 million participants. This was equivalent to about 5 percent of the population and 13 percent of the labor force. Several evaluations of the program by the Ministry of Labor and the World Bank reported overwhelmingly positive results.*

*Tcherneva and Wray report that every female participant they interviewed in Plan Jefes without exception wanted to work rather than receive a welfare check of equal amount.*





# *Jobs.*



www.alamy.com - CWCP66

## *Not enough jobs?*

There are plenty of things which need doing, given the funding.

*A local **Jobs Bank** - environmental repair; community gardens; recycling; small infrastructure; help for the elderly; working in charities; cultural work; voluntary training in areas of shortages...*

We are not short of things to do, and there is no evidence we will be any time soon.

# *Guaranteed Jobs.*



*Don't call me "unproductive".*

Unemployment is not (generally) the fault of the unemployed.

If the alternative is unemployment, JG jobs have a low productivity hurdle to jump.

JG jobs don't need to yield a profit – just meet local social needs.

JG jobs also contribute to the welfare of participants and non-participants.

*A right – not an obligation.*



*Not “work for the dole”.*

It should be voluntary and equitable – not exploitative and not ‘work for the dole’.

*It does not need to be a JG vs a UBI battle.....*

An above poverty level JG need not be truly inflationary, and can be combined with a (non-U) basic income.

*It can empower the low paid and those in insecure employment, and address the non-financial costs of unemployment.*

# *Balancing the economy.*



*A JG stabilises an unstable economy.*

It shrinks automatically in a boom.

*It grows in a downturn.*

It means spending where, when and on whom the spending needs to go (e.g. - precisely targeted to geographical locations where it is needed at the time it is needed)

*It maintains social cohesion and supports and revives communities doing it tough.*

# *Inflationary anchor.*



*A JG provides an inflationary anchor*

The JG replaces a buffer stock of unemployed with a buffer stock of the JG employed

*It 'flattens the Phillips curve' (Mitchell)*

[https://youtu.be/M-8RXC\\_vY2g](https://youtu.be/M-8RXC_vY2g)

*It provides a fixed wage, that anchors the labour market.*

(For me) there is a question of whether the JG can perform as a 100% effective inflationary anchor and a 100% effective decent minimum wage at the same time. Some level of inflation will erode its value.

But it is far better than what we currently have!

## *Improved Bargaining Power.*



## *A JG improves workers' bargaining power*

If workers' do not have the threat of unemployment hanging over them, they be emboldened to press for better pay and conditions

Delivery riders will quit low paying jobs with poor conditions. **It is a true minimum wage, in that it includes all and is watertight.**

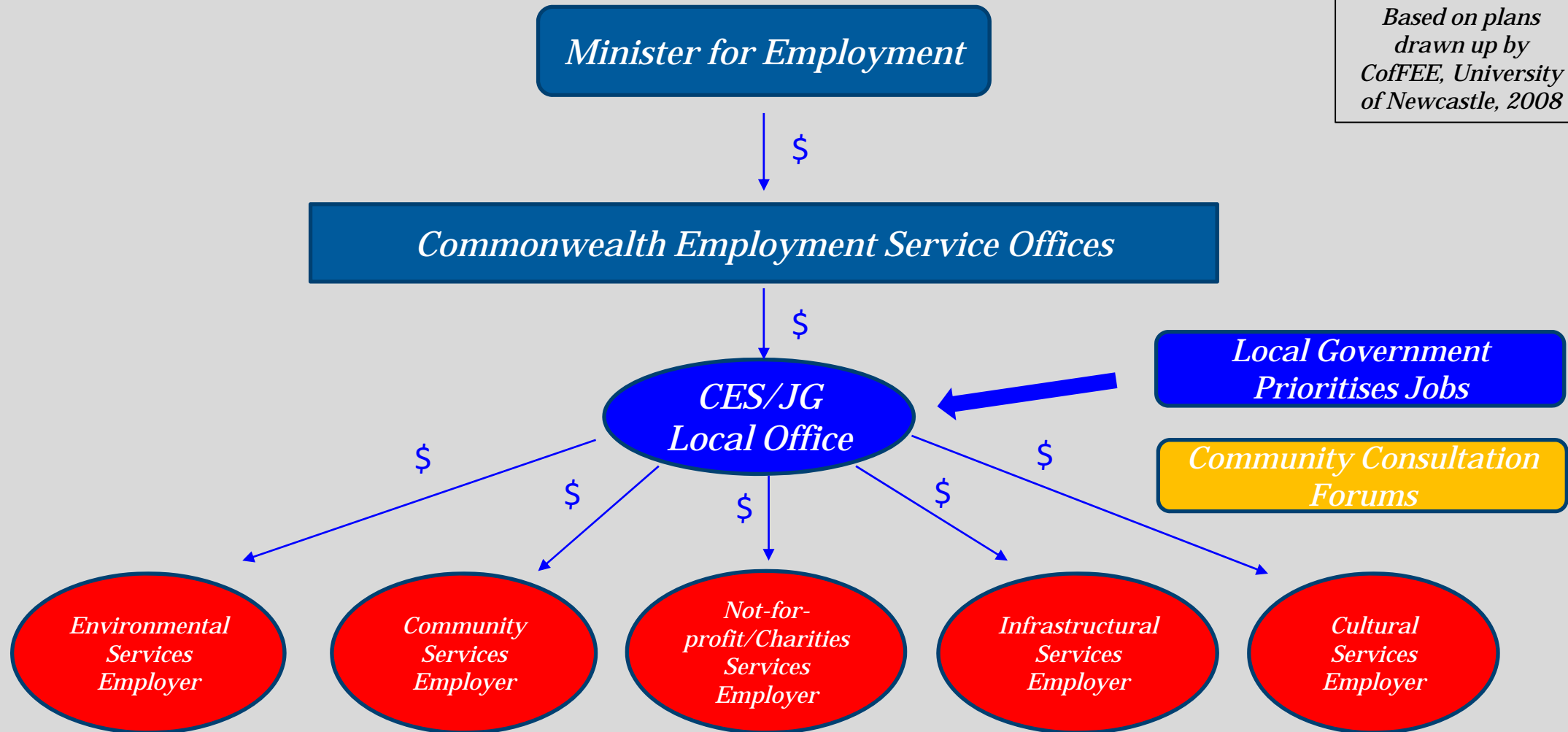


This could be seen as having an inflationary impact and there would be a change in relative prices as a more even distribution of resources is achieved.

Theoretically, a wage-price spiral could result, but this was not the case in the 50's & 60's and other policies can control inflation.

# How could it be organised?

Based on plans  
drawn up by  
CofFEE, University  
of Newcastle, 2008



# *Who decides what has value?*



## Value

Critics of a JG may argue that it allows only either the market or the government to determine which activities have value.

A UBI would allow anyone to do anything, providing more creativity and freedom.

But a closer look at how our monetary economy and system of social provisioning operates reveals that we all work for the government, directly or indirectly.

It is not a feasible method of provisioning to make the definition of work so broad as to include anything...

...we can have a broad JG and have a generous BIG but we cannot escape value judgments.



*Not a panacea..*

**NOT ENOUGH**

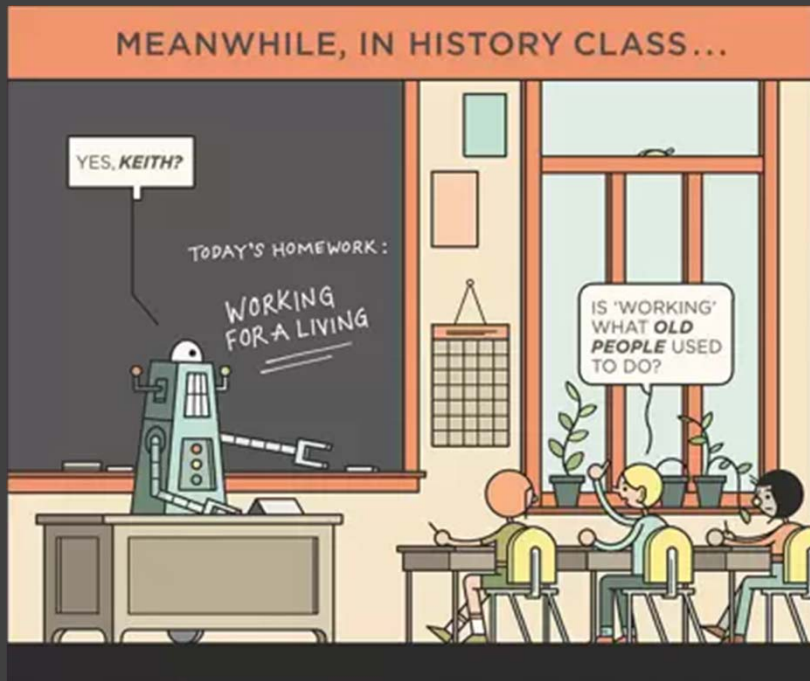
The JG is not designed to  
tackle....

....full employment on its own

....the Green New Deal

....everything!

# UBI?



## BIG or UBI?

A Universal Basic Income would address some of the same issues as a Federal Job Guarantee.

*A genuine UBI would be universal (go to all) and basic (enough to live on).*

It would not address all the non-financial costs of unemployment; would not be counter-cyclical; and while it could be paid for, would necessitate a re-write in the tax system to be non-inflationary, due to the net fiscal effect.

Without tax offsets, it would be inflationary because of the sheer scale of the stimulus plus it does not increase directly increase supply.

**The JG is the single most effective policy to tackle inequality.**

How about a Basic Income Guarantee coupled with a Job Guarantee?

*Time for a  
change?*



## *One view of the current system.*

“We are creating millionaires on the back of the long-term unemployed by paying providers to offer a failed service. The people that win are the service providers, not the unemployed or the employers... The whole system needs to be turned on its head. *A message for laissez-faire economists: you are a bunch of shallow intellects who have failed all of us due to your lazy pomposity: end message.*”

*Council of Small Business Organisations Australia CEO,  
Peter Strong.*