

## Conference proceedings

# Degrowth and unemployment: Guaranteed jobs?

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## Abstract

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Economic shrinkage (recession, degrowth) in richer countries is accompanied by increased unemployment. Distinct from the issue of poverty, unemployment is personally painful and socially undesirable. In trying to solve unemployment de-growing societies could adopt a laissez-faire stance, i.e. rely on falling wages and the removal of barriers to self-employment (in both the formal and informal economies) to ensure jobs for all who want them. Or they could react with a direct full-employment policy, namely the job guarantee (JG) with the state as employer of last resort (ELR). This would leave nothing to chance and establish a right to paid work. Combatting unemployment is traditionally attempted by economic growth, deficit spending, stop-gap programs and a shorter work-week, but these are not necessarily effective. A right to work is necessarily effective and would avoid sacrificing the ecological and social goals of degrowth on the altar of full employment. While economic recession is virtually synonymous with job loss in politics, press and academia, a JG policy moves full employment from the economic to the political realm. The distinct but not necessarily rival income guarantee has been well-studied, but both experience in and literature on the job guarantee is thin. The goal of this paper is therefore to sketch a conceptual map of job provision in a shrinking or shrunken economy.

## Keywords

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degrowth; unemployment; job guarantee; employer of last resort; right to work; guaranteed income

## 1 Introduction

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Unemployment is often psychologically and socially negative. Even with a sufficient level of purchasing power boredom, depression, guilt, social exclusion and partial loss of identity often result. Unemployment moreover often hits those who are already socially or economically disadvantaged. Costs for society range from direct ones such as health problems and alcohol consumption to indirect ones such as job rivalry between natives and immigrants and the simple unproductiveness of many unemployed (Wray, 2007: 2-4). Therefore even 'in the best of times' a society might reasonably decide to honour Article 23.1 of the Universal Declaration of Human Rights' right to work: "Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment (UN, 1948)".

'Job', 'work' and 'employment' are here defined conventionally as *delivery of goods and services in return for pay*. It is thus distinguished from both the same activity done voluntarily and from payment in the absence of this activity – as in welfare benefits or 'the dole'. As job guarantor the state or government would be the employer with whom terms and wages are negotiated. This paper assumes for the sake of argument a relatively low wage which would simultaneously constitute a societal minimum wage since anybody earning less would likely take a guaranteed job (Wray, 2007: 10, 18). In order to avoid conflating various policy goals, however, it makes no assumptions about length of work week or type of work (*see nef 2010*). Try also to imagine a solution that is politically acceptable, with whatever reluctance, to private employers and unions fearing competition.

I'm also assuming that in the richer societies facing the degrowth imperative employment and economic growth (as conventionally defined) are positively correlated. This is disputable in light of persistent levels of unemployment higher than the 'natural' level due to job change known as 'frictional' unemployment. But not only do other factors influence job-seeking in affluent economies, such as high average affluence, relatively long working weeks, unemployment insurance, minimum wages and welfare payments, but it is indisputably the case that over at least two centuries the human population and the absolute number of jobs (as opposed to the employment *rate*) have increased roughly in proportion as 'the economy' has grown.

The *Guardian* writes, "Last year, as the banking crisis rapidly turned into a severe recession, the great worry was about how many millions would lose their jobs." Channel 4 News reports that after Obama's health care victory "his focus will be on the economy, on jobs". A British columnist writes, "The budget message will be growth and jobs." During the current UK general election campaign no newspaper or televised debate lacks non-partisan concern over "recovery", "jobs for British workers" and the government's purported "jobs tax". Recession *equals* unemployment; degrowth is synonymous with job loss. Indeed, given today's institutions this is true – as witnessed during the unintended degrowth since summer 2008. How can anyone claim that the recession in and of itself is good – as degrowth must do – if that means taking the role of job killer?

Arguing for degrowth therefore requires a solution to the jobs problem. As a Greenpeace activist I often heard nuclear-industry employees, dragnet fishermen and woodworkers angrily asking us, 'And our jobs?' At first I answered, Not to worry, the same purchasing power will 'create jobs' in other sectors. But eventually I wondered why argue in terms of growth and prosperity at all? Why not offer a political rather than an economic answer? Of course the unemployment rate is always indirectly politically decided; the 'First World' has always consciously accepted a large number of involuntarily unemployed. And in accordance with the official discourse, wherein jobs depend on 'the economy', so-called full employment programs have been stop-gap. But a radical decoupling jobs from 'the economy' began to seem to me like a good idea.

Thus from the point of view of both humane policy and conceptualising degrowth, research into full employment seems important. **Section 2** locates the guaranteed job within a broader set of policies. **Section 3** briefly describes several concrete policies implying or moving towards a right to work. **Section 4** reviews some conceptual literature. **Section 5** concludes this armchair-and-library paper by naming crucial distinctions and areas for further research. This is an introductory article intending only 1) to distinguish between economic and political approaches to solving unemployment and 2) to frame the issue in terms of the coming shrinkage of the natural resource throughput in the economy in the interests of social sustainability.

## 2 The right to a job as policy

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How should policy treat jobs, as defined above, so that supply is sufficient to meet demand? The proposed right to work, with the government as employer of last resort (ELR), would *directly* solve the problem – as would traditional stop-gap public works programs if they are large and often enough. While however these traditional anti-cyclical programs are hit-and-miss, ELR constitutes the fulfillment of a right and therefore guarantees success. In contrast, a slew of *indirect* full-employment strategies deck the table: 1) economic growth, 2) deficit spending, 3) general education, 4) job-training, 5) fewer working-hours, and 6) matching jobseekers to jobs in extant, largely private, markets. Since they are not defined in terms of job provision, none of these methods can guarantee success.

Instead of criticising the approaches above this paper locates ELR or the guaranteed job (JG) within related policies and answers some criticisms of it. The present section asks: 1) Should the political entity intervene at all, or leave full employment to market forces? I.e., is the best policy no policy? 2) How does employment policy relate to income policy? Are welfare benefits or even a guaranteed income compatible with a right to work? 3) While the right to work is almost nowhere recognised, is it really such a radical or unprecedented idea?

### 2.1 Let things be?

The laws of supply and demand tell us that if an hour of work is cheap enough it will be bought, and if it is expensive enough it will be offered. Classical economics saw that if a product's costs of production are not covered by its sales price it is 'not brought to market'. If the product is 'an hour of work', however, the purely supply-and-demand analysis breaks down: in the absence of a guarantee of either purchasing power or paid work provided by one's fellows – work *must* be offered (supplied) if utter misery and death are to be avoided.<sup>1</sup> Nevertheless if suppliers (workers) are assumed to be subsisting in good health it is true that if they lower their price, there will be full employment. At some living wage, all who want to work do work.<sup>2</sup>

The laws of supply and demand further predict that minimum wage laws, as well as any collective-bargaining outcomes wherein a majority of workers raises its wages at the expense of a minority of marginal workers, actually cause *unemployment*. Of course a partly empirical, partly ideological dispute reigns over whether real-world unemployment is attributable to these factors. The supplier surplus –

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<sup>1</sup> We often forget that for most of humankind today and throughout history help with subsistence has been provided very locally or not at all.

<sup>2</sup> On absolute vs. socially relative living wages see Sen 1984; I am ignoring societies where non-policy would mean malnutrition or starvation.

remembering that here the workers are the suppliers – could for instance be taxed such that demand was created in government sectors, thereby mitigating unemployment. On the other hand unemployment can result when employers have monopoly power – although, again, the thus heightened profits would eventually constitute higher demand somewhere in the economy. To play it safe, though, a *laissez-faire* non-policy for full employment would eschew minimum-wage legislation and leave poverty problems to be otherwise approached.

*Laissez-faire* also precludes barriers to self-employment. After losing a job there would be no restrictions on opening one’s woodworking shop, law office or greengrocery. Barriers often consist of simple licensing for a fee, but also include more tenacious things like unfair landowning regimes and the desire of the government not to miss out on any tax revenue. There used to be a man on the road from Cali to Yumbo in Colombia who filled in potholes; drivers would brake and give him something. This ‘informal’, i.e. non-taxed, economic activity was tolerated, and was a way of adjusting unemployment levels: this man lived from this work.

Theoretically at least, absolute non-intervention thus likewise guarantees full employment. Why then should a program be preferred? What’s more, if the ELR program cannot cover its wage, administration and capital-equipment costs through sales of the goods and services produced within it – perhaps bought by the government itself – taxes would be higher than in the base *laissez-faire* scenario. At any rate this means that in choosing JG a society would be making an explicit decision to let the eradication of joblessness cost something.

At least two tangential factors, on the other hand, speak for ELR. If the jobs offered paid a bit more than some physiologically-defined minimum, income disparity in society could be reduced, arguably a social value in and of itself. Further, in its role as employer society would gain increased say over the type of goods and services delivered: As in any policy area today when *laissez-faire* is rejected in favour of social choices, society could tip the balance towards beautiful parks, clean pavements and more schooling, instead of crisps, pepsi and weekend air-trips to European capitols; on the other hand, of course, the jobs could produce Olympic Games...

A further argument for ELR is at once vaguer and more fundamental: To have a right to something – it must be delivered by society – both indicates and fosters strong social bonds, even belonging<sup>3</sup>. Citizens would owe each other employment, just as we now accept that we owe all children an education, or are willing to provide police protection or medical care for everyone. A more individual-psychological argument is that job security would remove fear of job loss in the same sense that compulsory pension schemes offer a relaxed view of old age. Nothing would be left to chance. A related ‘fringe benefit’ would be greater self-confidence in normal jobs: One could more easily quit obnoxious employment and/or employers (Mitchell 1998: 551). Like, In sum, full employment could be left to the market, as could schooling or policing, but perhaps it shouldn’t be – the more so in unstable times of recession or degrowth.

## 2.2 De-coupling income and jobs

We must avoid the common conflation between income and work. To be sure, the two can be mentioned in the same breath if a ‘decent’ or even minimal amount of purchasing power is contingent upon a job. For example Millenium Development Goal #1, Target #2, calls for “full and productive employment and decent work for all.” But as aristocrats and welfare recipients know, purchasing power is one thing, delivering goods and services another. Today a combination of unemployment insurance and aid to the poor combine to provide subsistence to all and show that a guaranteed job and guaranteed subsistence are distinct. Yet our customary way of thinking regards poverty as part and parcel of job loss.

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<sup>3</sup> To be sure, some argue that a sense of belonging is restricted to scales much smaller than today’s nation-states of millions of people.

Many societies have decided to prevent absolute poverty, independently of job situation, through both public and private efforts. Whether this is a right *de jure* or more *de facto* only further research on 'welfare states' could reveal. Present job-creating programs, on the other hand, do not seem to be anchored in an explicit right to a paid job.

The point of this sub-section is to recall Jan Tinbergen's rule that at least in the first analysis, the number of policy "instruments" should be equal to the number of policy "targets", illustrated by him with the example of the targets "full employment and monetary equilibrium" (1956: 55-56, 63-68). The lesson for us is that being involuntarily idle poses different problems than being poor, and we should begin by identifying two separate instruments or tools.

Tinbergen's exposition is, to be sure, completely within the economic, rather than the political approach to full employment (1956: 63-79). When he does consider the "right to employment" – according to him harking back to the Parisian 'ateliers nationaux' of the mid-19th century – he rejects this not because it is incompatible with price stability but because he himself conflates the two targets discussed in this section, namely having work and having income. He for instance titles his treatment "Minimum Incomes; Guaranteed Minimum Employment" (1956: 191-193). He first lists technical problems with such schemes, which I discuss below in **Section 4.2**, but then seems to admit these are not insuperable: "If the requirement of efficiency were neglected only poor wages could be paid which was probably not the intention of those who made the proposal." (1956: 192). Today's ELR proposals, however, do precisely this, namely separate out the wage or income target. At any rate, keeping the poverty and joblessness problems separate would be salutary in focussing our research.

### 2.3 One right among many

Resistance to guaranteeing work is strong; nations pursue it at best equivocally. To my mind this requires explanation. It could for instance be seen as objectionable because the right to a job is a 'material' right, i.e. a claim on society for provision of goods and services – as opposed to the 'immaterial' rights of free speech, assembly, sexuality, etc. Yet we willingly grant other material rights such as those to schooling, policing, accessible public spaces, health care and old-age pensions. Given these precedents it seems this formal objection cannot be very strong.

Perhaps 'deeper' cultural values are involved. Work for instance is both fun and irksome, good and bad, a wish and a duty. Its social psychology includes identification with a skill and a social network of people in the same field. At any rate, just as welfare recipients are looked down upon for mooching, the holder of a Guaranteed Job could be seen belittlingly as unfit for a 'proper' job. The work of last resort could carry a stigma. Yet again, because JG is there for people who want to work such a stigma would be something the individual must resolve, not a weakness of the program. Similar resistance, incidentally, faces the guaranteed income.<sup>4</sup>

Undoubtedly power politics are involved as well: Private employers shy from relinquishing goods and services provision to the public sector because for them buying (renting) labour is profitable. That is, the state as employer of last resort constitutes de-privatisation. Perhaps moreover the jobless are too small or weak a lobby, even weaker than that of the poor, to get anything done.

In sum, it might seem odd to grant certain 'material' rights, perhaps to transport, a gardening allotment, a house of worship or dental care, but work is arguably a more vital personal and even social good. Even if not expensive, e.g. because it would reduce straight welfare costs, this would argue for its being worth some social cost. Since rights have very strong legal status, they work their way only slowly from theoretical to effective status; the UN document declaring the right to a job dates, after all, from 1948. But

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<sup>4</sup> See Wray 2007 for discussion of work psychology.

it is at least plausible that a majority could be won for the idea that unemployment is painful enough to call for a principled rather than a piecemeal solution, the more so as increasing numbers of people experience it personally. What seems certain, though, is that such a policy would take the wind out of the sails of one argument against planned degrowth, namely ‘What about our jobs?’

### 3 The guaranteed job in practice

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My meager scoping study has revealed several extant programs. My next-door neighbour in Zürich supervises volunteer work programs for those whose unemployment insurance no longer pays and who therefore live off welfare payments. Obligatory for these long-term unemployed is a 4-week course to assess work capability, but the program is open to all, amounting to a right. Some employment is by bespoke ‘social firms’ partly under state ownership and some is in the extant private sector, employers in all cases paying a part-wage (*Teillohn*) while the rest is covered by a wage subsidy in the form of the regular welfare payments. As of June 2008 30% of people targeted by the program were working at 531 such jobs. The program largely functions delivering goods and services reserved traditionally for the private, often unionised sectors. It is only a few years old and is complementary to traditional policies of re-training and job placement<sup>5</sup>. There can in such schemes be ‘leakages’ such as non-additionality, replacing current employees, and corruption (Wray, 2007: 7, 14, 34). But the key policy shift is to render willingness to work the only precondition for getting work.

In the Indian State of Maharashtra the National Rural Employment Guarantee Act of 1965 (expanded in 2005 to include all of India) enabled for instance in 1984-85 the hiring of 600,000 workers for traditional public works. A study of the program claimed it has universal support because it stems the flow of migrants to cities and furthers political peace generally; it concluded: “Employment becomes a political as well as an economic issue, and the articulation of political demands becomes a means of securing a livelihood.” (Echeverri-Gent, 1988: 1304). Wray notes however that this scheme, like the similar Argentinian *Jefes* program, is open only to certain poor people, while he himself advocates universality (2007: 10). The fact that some corruption weakens the Indian program is incidentally not an argument against it, because all government activity is open to corruption: witness welfare cheats, unemployment-insurance fraud and simple tax evasion.

The UK’s alliterative ‘welfare-to-work’ scheme pays private companies for successfully guiding the long-term jobless to paid jobs; ‘New Labour’ misses no opportunity to create market niches for entrepreneurs. The *Guardian* for instance reports<sup>6</sup> that firms like Working Links are paid £1500 per placed person, covering advice, training and eventually coupling them with an employer. This particular firm devotes one-third of its earnings to a charity, the rest being private profit. This falls short of a right to work, and only about 13,000 people per year over the last decade have been so placed, but at least one has the right to join the program.

For clarity, a word on what JG/ELR is *not*: The Sheffield Employment Bond (yes, the home of *The Full Monty*) and the similar Newcastle Employment Bond stand for the myriad of stop-gap programs in dozens of countries that fall far short of guaranteed employment: This one is funded partly privately (e.g. by celebrities born in Sheffield), mainly aids start-up businesses (offers *self*-employment), and the propaganda for them blithely ignores Frédéric Bastiat’s (1850) point that this investment is lacking elsewhere. Some such UK programs go under the title ‘Investment Bond’, but ‘employment bond’ sounds

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<sup>5</sup> [www.stadt-zuerich.ch](http://www.stadt-zuerich.ch) > sozialdepartement > teillohn (22 April 2010).

<sup>6</sup> SocietyGuardian, 3 March 2010, p 5.

better. Such programs, non-universal and dripping with free-market rhetoric, perhaps show us why we should think more radically.

## 4 Theoretical arguments

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### 4.1 Arguments in favour

Sections 2.1 and 2.3 made a preliminary case for the job right, but as an introduction to and overview of the topic the recent work of L. Randall Wray (2007) is indispensable. While it occasionally conflates some policy goals and tends to portray the Employer of Last Resort program as purely win-win, it offers us a template. It also evaluates the Maharastran/Indian and Argentinian schemes mentioned in Section 3 and contains a survey of academic work. Wray shows where the guaranteed job is located relative to other employment policies and discusses not only program costs but other (albeit not necessarily pertinent) economic repercussions such as wage-price inflation. He notes that ELR cannot replace the welfare safety net because some people are 1) unwilling or 2) unable to work or 3) personally unsuitable as employees. He also covers potential conflicts with labour unions, the possible stigmatisation of ELR jobs, decentralised administration and earmarking the program to ‘good’ public works. Mainly, he rejects “Keynesian pump-priming” and passionately defends paid work as a right.

In Wray’s words:

The UN World Summit in 2005 and the ECOSOC Ministerial Declaration of 2006 stressed... that employment can no longer be considered a derivative of economic policies... An ELR is a direct job creation programme that provides employment at a basic wage for those who cannot otherwise find work. It is not meant to be an emergency programme or a substitute for private employment, but rather a permanent complement to private sector employment... No other program can guarantee access to jobs at decent wages. (2007: iv, 1)

Wray is associated with the Center for Full Employment and Price Stability at the University of Missouri, Kansas City.

The other hotbed of job-guarantee thought is the Centre of Full Employment and Equity (Coffee) at Australia’s University of Newcastle<sup>7</sup>. This group combats unemployment both economically and politically. On the one hand its key figure William Mitchell argues for the Buffer Stock Employment method of hiring through deficit spending: “Unemployment arises because the budget deficit is too low. It is always a macroeconomic problem.” (1998: 553). The ‘buffer’ idea means that the number of participants is predicted to rise and fall with recessions and booms. On the other hand the group’s website reports exhaustively and usefully on the political *right* to a job.

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<sup>7</sup> [http://e1.newcastle.edu.au/coffee/job\\_guarantee/JobGuarantee.cfm](http://e1.newcastle.edu.au/coffee/job_guarantee/JobGuarantee.cfm) (22 April 2010).

## 4.2 Arguments against

In a challenge to the proposals of Wray and Mitchell, Malcom Sawyer argues for traditional or “mainline... public sector employment programs” when “private sector demand is inadequate to generate [high] levels of employment” (2003: 882; 2005: 257). While in his view jobs are still basically an economic rather than a political problem, he sees at least seven major weaknesses in schemes granting this political right (2003: 882, 884, 891, 894):

1. Are there enough jobs, enough things to do, suitable for Job-Guarantee (JG) jobs?
2. Do such jobs match the skills of the unemployed – or would the job-takers be overqualified and thus ‘underemployed’?
3. Could jobs be offered in the places where the unemployment is?
4. Are the types of work really of public value, i.e. would they be productive enough in the usual sense to warrant their cost? Would they prolong ‘structural’ obsolescence?
5. What effect would low ELR wages have on similar jobs in the private sector?
6. What becomes of capital investments and administrative staff when, in boom times, such jobs are not in demand?
7. What would a JG program cost?

Mitchell & Wray (2005) replied to these objections, eliciting in turn a response from Sawyer (2005), followed up by Wray’s manifesto for the ILO (2007).

All three authors, incidentally, write of a “buffer stock” of labour, a concept with a history that is unnecessary for the discussion; Sawyer expresses fear that an “industrial reserve army” and unemployment “serves to discipline workers” (2003: 904) – overseeing that ELR solves exactly this problem. A related issue is Sawyer’s fear of “punitive workfare”, i.e. a duty rather than a right to work, at least if one wants welfare benefits (2005: 256). This can be dismissed because there is simply no logical connection between the two.

Instead of detailing this definitive debate I merely present my own observations. First and foremost, I believe the main argument for JG (which logically entails ELR) is that it recognises the psychological and social value of productive work rather than only the economic value of the work as traditionally defined in terms of the costs and benefits of the work output or result or indeed the wage income of the worker. There is value in *working*. In my opinion Sawyer conflates these aspects and overemphasises the traditional calculus, even if he is correct to criticise programs of digging holes then filling them in again (2003: 890).

Similarly, if JG costs anything (*see Section 2.1*), we must of course estimate these in line with Bastiat’s dictum that behind what is seen is what is not seen (1850): more people could have been hired privately at a lower tax rate.<sup>8</sup> But we mustn’t assume that they mustn’t cost anything. If the psychological and social arguments are accepted, then it is a case of a public good with a price. Nobody claims that the benefits of JG must come for free. Neither should we ignore the possibility that someone doing a Guaranteed Job would cost society less than he or she would on welfare.

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<sup>8</sup> This truth is often forgotten, as when ELR proponents schemes praise the “multiplier effects” of JG spending but ignore the opportunity costs of unhired people. (e.g. Wray 2007, pp iv, 17, 26)

Regarding the match between the JG jobs and the job seekers, one must first clarify *to what* everyone has a right. While society could theoretically give the unemployed doctor a doctor's job, the unemployed carpenter a carpenter's job and the unskilled worker an unskilled job, such matching is not a necessary part of the scheme, at least as here conservatively defined as merely providing a job on demand. If the provided jobs match the skills and perhaps the wishes of the job-seekers, so much the better. While it is true that there could be people working below their skills (Sawyer, 2005: 257), this is not a fatal weakness of the programs.

The question whether there is a sufficient number of meaningful tasks, and jobs doing them, relates to the question of competing for tasks already being done, whether in the private or the public sector: In the case of a dearth of 'meaningful' jobs the ELR does imply encroaching on established workplaces. This seems, though, to be an objection that must be left standing until actual experience is gathered. Two other questions can similarly perhaps be answered only by experience. First, that of geographical mismatches between lost jobs and those the state is able to offer. Second, how to provide physical capital and administrative staff for JG jobs through the ups of the business cycle. Theory can, on the other hand, probably tell us something about the effect on wages in closely-related (private or public) sectors. But again, the program must be allowed to cost something, and should these costs fall on the relatively poor, explicitly redistributive policies are there to counter this.

Solving such technical, as opposed to social or ethical, problems, appears to Sawyer more difficult than it really is since he assumes that a JG participant could leave his work the instant he or she finds a better job elsewhere (2005: 256, 260). However, I see no reason why binding contracts similar to those in non-JG work should not be part of such schemes – such as serving notice, showing up for work and doing good work. Jobs thus must not be on a “temporary basis” and one mustn't be able to leave at a moment's notice (2005: 892, 896). I likewise think Sawyer is wrong in assuming that jobs would have to be created overnight in times of sudden widespread unemployment (2005: 883), largely because I assume a system of unemployment *insurance* is in place that allows some predictability. It also seems reasonable that some training could be part of the scheme, alleviating some of the mismatch between skills offered and those required. As for having to move house nearer to the job, this would be something decided by the jobless person; we are not talking about workfare.

Much of the debate between Sawyer, Mitchell, and Wray furthermore concerns whether the wages not paid for out of sales would be paid for by normal taxation or by deficit spending and/or money supply increase. Tinbergen (1956: 63-79) and Sawyer for example straightforwardly assume the latter (2003: 881, 897) although there is no reason why this must be so. In general I see no reason to conflate the issue of guaranteed jobs with how they are financed, and thus judge this lengthy part of the debate, including worries over inflation, to be irrelevant. Especially if any net costs were paid out of taxes the debate over “non-inflationary full employment” and the consequences for “price stability” of such schemes (2005: 264; 2003: 882) loses pertinence.

Similarly, contrary to Sawyer's assumptions (2005: 256; *also* Tinbergen, 1956: 192), the ELR is in no way necessarily tied to 1) a given wage level, although it would most likely be near the minimum; or 2) abolition of “unemployment benefits”; or 3) unemployment insurance or welfare payments generally. Sawyer agrees with “Shapiro and Stiglitz... that effort and labor productivity would fall to zero under conditions of full employment as the cost of job loss falls to zero.” (2003: 903) Tinbergen's identical criticism of lack of “efficiency” was reported in **Section 2.2**. On the contrary, not only is it conceivable to design the ELR program to include standards of worker productivity, somewhat higher wages and a welfare safety net, but the criticism misses the main point of ELR, namely to solve the misery of being out of work. Sawyer's view of the unemployment problem, by contrast, remains bound by *homo oeconomicus* – the problem is only “cost of job loss” in income terms or indeed in terms of lost output (2003: 904).

Finally, and most relevant to degrowth, Sawyer's framing the problem of employment exclusively in terms of “sufficient aggregate demand” (2003: 904-905) shows a traditional, pre-scarcity reliance on economic

growth to provide jobs. Indeed, if growth had no negative environmental or sustainability effects, e.g. did not deplete non-renewable resources, why not continue to stimulate demand through business-as-usual programs? We now however know not only that economic growth is by definition limited, but that we are living beyond our planetary means, meaning that the economic-stimulus route must be ruled out. If we take seriously the widespread (not universal) human wish to work, to be productively embedded in society, we must therefore take a political route confronting the issue of lack of employment. While cogently raising the key question of the real differences between traditional pump-priming and a guaranteed job, Sawyer only marginally enters this political realm of discussion.

It might, however, speak against the job guarantee that people would goof off on the job, having after all a 'soft' employer keen, moreover, to keep welfare costs down. In the former Soviet bloc, which to a great extent really had the right to work, jokes and anecdotes were rampant about loafers, cheaters and incompetence. The Soviet or Chinese experience is certainly worth studying.<sup>9</sup> Yet ELR programs are compatible with a relatively 'tough' employer, and mainly it should not be forgotten that the program is aimed at participants who want to work: The rest can stay on the dole.

## 5 Questions & Conclusions

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The New Economics Foundation report '21 hours' attests "the ill-being associated with unemployment", unemployment being one of the problems to be at least partially solved by its proposed reduction of the paid working-week to 21 hours (nef, 2010)<sup>10</sup>. Note that the French national 35-hour work week (as of 2000) had a similar goal, but empirical work is divided on its success. While the nef report does not consider the guaranteed job proposal, and rejects the guaranteed income, its idea of dividing a given amount of work-hours among more people should be added to the full-employment strategies discussed till now. But it is clear that this approach is indirect and does not guarantee success.

The UK Department for Work and Pensions in its White Paper of February 2010 establishes "full employment" as government policy but ignores not only the shorter working-life but also JG/ELR, offering instead other indirect measures such as education, jobseeker allowances, welfare-to-work, low interest rates, saving a few factories from 'structural change', and promoting exports. It seems that the right to a job is not yet really on the map.

It is perhaps a weakness of this paper that I have defined 'job' conventionally in terms of paid work registered by some authority. Thus the concept covers much less than the term 'work', which includes what is done outside the measurable, taxable realm. This is well-described as the "maintenance economy" which "cares for" both the natural world and our social relationships and "where the 'wage' of the work is its very product" (Jochimsen & Knoblauch, 1997: 109; *also* nef 2010: 16). I have also neglected gender differences in feelings about and perceptions of 'work', implicitly endorsing the commodification and pricing of, for example, women's work, defining jobs in terms of time rather than tasks, and ignoring in general the question of the conditions for the ability to work (*see* Mellor 1997: 131-132, 134-137). But we can imagine the guaranteed job as a first step that could solve some of the problems of unemployment arising within our present psycho-social context, like loss of self-esteem, social exclusion and long, boring days. As values change solutions would change, perhaps even including socialisation of some means of production analogous to work done in prisons.

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<sup>9</sup> The communist experience is however only weakly comparable since almost all employment was by the state.

<sup>10</sup> Others include income and gender inequality, unsustainable levels of throughput, an unrealistic and socially harmful definition of work, and imbalance in everyday life. To maintain weekly earnings the report logically advocates a higher minimum hourly wage.

This paper has also ignored the question of how the job guarantee would affect the 'benefits trap', where in spite of a usually unhappy way of life it isn't financially worth it to get a job. Perhaps ELR has no effect on this at all, but still, how does it fit into the broader 'incentive structure'? If wages for guaranteed jobs were high enough to break the benefits trap, how expensive would the program turn out to be? Is it totally beyond the pale to think about an obligation to work – under punishment of losing benefits – as proposed by the UK Conservative Party in late April, 2010?

Three points nevertheless are at one and the same time conclusions and ideas for further research on the immediate topic:

1. The job guarantee directly solves the unemployment problem. It is most likely compatible with, rather than in rivalry with, indirect solutions such as the shorter work week, education, removing barriers to a free labour market, and public spending; but it could render these superfluous for the solution of this problem.
2. Universal job provision should not be conflated with universal income provision ('citizen's income', etc.) or visions of what such jobs should do (e.g. the 'Community Development Job Guarantee' or green public works). Income loss and job loss are two different problems; providing work and doing 'good' public things are two different problems.
3. The need for economic degrowth renders it imperative that we conceive full employment as a political rather than an economic problem. This opens up the path to regarding work as a right. 'Jobs' and 'the economy' must be decoupled.

Economic shrinkage means less resource depletion and pollution, and this in turn means lower affluence at any given population level. Social peace and sustainability are thereby threatened. The job guarantee addresses, and by definition solves, one such social problem. Resistance to planned degrowth is moreover lowered when a policy is in place guaranteeing all who want to work a paid place in production.

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