

## **Guaranteeing the Right to Decent Work**

**Article by Pavlina Tcherneva, Thomas Belaich, Ulysse Lojkine**

March 4, 2021

The job guarantee is an ambitious proposal that aims to ensure everyone in society has access to fairly waged, decent work. Amid the upheaval caused by an economic recession that threatens widespread unemployment, solutions need to be found rapidly, and many proposals have been brought to the table, from universal basic income to more traditional stimulus measures. Pavlina Tcherneva, author of *The Case for a Job Guarantee*, explains why these alternatives are destined to fall short, and sets out why a job guarantee would benefit not just the unemployed but society as a whole, providing individuals with greater autonomy, empowering communities, and contributing to solutions to urgent problems such as the environmental and care crises.

***Thomas Belaich and Ulysse Lojkine: Can you explain what a job guarantee is, and why there is a need for it?***

***Pavlina Tcherneva:*** The main aim of the job guarantee policy is to “democratise work” and empower individuals, both by giving them the opportunity to choose their work, but also by creating jobs whose goal isn’t to make a profit for a business.

Most jobs in our economies are created by the private sector and are increasingly precarious. The labour market has not given most people a stable standard of living and quality of life, and jobs are becoming harder to bear. So we need a new social contract, a new promise for individuals: if you are seeking work, you will be able to find a decent occupation with an adequate wage.

It isn’t just the private sector that can create jobs; the public sector remains completely overlooked in this regard. Many of the public dimensions of our social life are, in fact, poorly taken into account.

In our modern societies, it has become widely accepted that we should guarantee pension rights, however basic, healthcare provision — except in the United States, unfortunately —, and we know that a free minimum level of education increases the public good — as does guaranteed access to libraries, quality information, and so on. Work is the most important determinant of wellbeing, yet we only ever guarantee unemployment insurance, or sometimes just anti-poverty assistance, but really guaranteeing a decent job is much more empowering for life itself and has a much stronger and clearer effect than the patchwork of policies that we have. It’s a structural policy rather than an additional “measure for employment”.

The system that we’re proposing rests on three pillars. First, the job guarantee would be based on participative decision-making, starting from the principle that unemployed people and communities know what is right for them — so “bottom up”. Next, it would complete the social protection system by including the basic right to work. Lastly, it would be a better stabilisation policy than the different benefits surrounding work and unemployment, which is precisely the purpose of public service.

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**There have been initiatives in the spirit of your model. Do you consider the Argentine scheme Jefes y Jefas, which ran between 2002 and 2007, and the Indian system started by the 2005 Mahatma Gandhi National Rural Employment Guarantee Act good examples of what you're proposing?**

Yes, these two programmes are completely in keeping with our proposals. In fact, the Jefes plan was developed from the job guarantee model that we had devised with colleagues from the University of Missouri.

Of course, neither of the programmes is universal — the beneficiaries of the Jefes plan are unemployed individuals with dependent children who are minors or disabled, while those of the Indian scheme are adults from poor rural households who volunteer for relatively unskilled tasks. Even so, they generally follow the model that I advocate, and they perfectly illustrate how a job guarantee could be implemented in developing countries by focusing on a country's particular problems. For example, both programmes had significant beneficial effects for the poorest women, and the Indian programme created essential environmental jobs.

**There are some policies that go in this direction in Europe, like in France with its Territoires zéro chômeurs (zero unemployed areas), and in a very different manner, Hungary's public works scheme, which seems to have contributed to the sharp fall in unemployment under Viktor Orbán. What do you think about these European cases?**

I've followed the this solution in France closely and, to my mind, it is a very good model for thinking about extending the programme nationally. On the other hand, Orbán's policy is a workfare policy. It forces individuals to return to work to receive their benefits, a condition that applies regardless of their situation or the characteristics of the job.

The fundamental question is about the collective effort that we're willing to make to ensure that those who need a job, a decent job, can benefit from a mechanism that guarantees one. There are two ways to do it, democratically or undemocratically; based on the consultation model, like in France, or on the workfare model, like in Hungary.

The confusion between these two policies stems from the fact that the job guarantee is often mistaken for an employment programme like any other, opening jobs to individuals, punitively or otherwise – you can always force people to work! But the job guarantee is not a workfare policy, it's an addition to the safety net that's already in place, or rather an overhaul of what social protection should take into account.

The aim is to rethink social protection, and to rethink it so that it guarantees more fundamental rights, of which work is one. Work has long been recognised as a fundamental human right, but we need to make more of an effort to guarantee it for all, voluntarily, with a bottom-up approach, which is the opposite of the coercive incentives and top-down approach of workfare policies.

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**Let's look at the differences between the French and Hungarian experiments. In Hungary, this employment**

**programme was put in place at the expense of social protection, particularly unemployment benefits. Furthermore, the tasks are not defined in the same way: mayors are in charge of the unemployed, whereas in France it's the unemployed themselves who define their occupations. What do you think about this democratisation of "tasks" themselves?**

People know what they need. In my work in Argentina, those who came up with their own projects were the most interesting: they knew precisely what families needed, they knew what would benefit young people quickest, and they knew precisely what the local situations were. In this respect, to use Graeber's concept, they weren't "bullshit jobs". It wasn't a case of building infrastructure in the middle of nowhere just to keep people busy. It was about responding effectively to the needs of the community.

That the people doing jobs have a say in defining them is at the very heart of the idea of democratising work. It's not a question of a central administrator allocating work by consulting their roadmap but it needs to be led by the community in which that job is based.

The main message is that new occupations shouldn't just be jobs, but a way to fill a void in public life. If a community is ravaged by unemployment, it's not simply a matter of providing a certain number of "posts"; the creation of jobs should be used as an opportunity to consider the specific needs of each community — its elderly, its children, and so on — while giving power to the myriad local groups that try to address its challenges. The job guarantee would therefore prioritise care work.

There are numerous needs and problems, starting with the energy transition. In fact, the job guarantee would be very conducive to the transition. The most effective project in the United States' New Deal was the rehabilitation and conservation of national parks, which we have inherited. The people who live in regions that have been flooded, burnt, or polluted are well aware of this need.

**While the main goal of the job guarantee is to help job seekers, such an ambitious programme would also affect the employed. What effects would a job guarantee have on the labour market for the employed? Couldn't we expect a reduction in the bargaining power of employees particularly among the least skilled?**

Quite the opposite. Because we're in a real unemployment paradigm, we accept massive levels of it, which makes us underestimate its effects on workers. The existence of unemployment creates and makes people accept a race to the bottom in the labour market. They lose their benefits, their protection and, little by little, the precariat gains ground, all because the existence of unemployment creates fierce competition for a small number of jobs. Employees are in a situation where they have to put up with their job, as precarious as it may be, for fear of not finding another. As the famous saying goes, nobody is safe until everyone is safe.

If we were to orchestrate a paradigm shift by asserting that all those who need a job should be offered one, the economy would work very differently. Of course, the most skilled won't see their lives transformed, and a job guarantee wouldn't change their lives much. But if I work in McDonald's, I would gain more leverage. I have an option, an alternative. Then, if there's harassment at work, I can say no and look for another job opportunity, which isn't the case today.

Many would respond that you can do this with a universal basic income, because quitting a job doesn't mean losing too much income, but the goal is to offer a job, because the market doesn't create enough of them. Unlike UBI, the job guarantee doesn't perpetuate the competition over jobs, and therefore raises the employment floor by providing a decent job and adequate income. Employers who take advantage of the threat of unemployment to keep workers' wages low will have to at least match the standard of the job guarantee to continue to find labour. There's the real effect for the employed. We've already seen this phenomenon in the United States, where raising a state's minimum wage above the federal minimum has a ripple effect on wages in neighbouring states.

Fundamentally, ensuring full employment helps to systematically increase the bargaining power of the least skilled workers, of the most vulnerable, who are usually discarded by the labour market first, and included last.

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**When looking at Europe, which has both national and EU-wide labour markets, what is the most relevant level for a job guarantee?**

Ideally, we should be brave and ambitious from the outset, and think directly at the European level. Of course, there are major limitations in the Eurozone, the biggest being the lack of a European budget. But there are also things that we can build on: I'm thinking about the legal requirement for the European Commission to publish information on unemployment and social justice, and the European Union's Youth Guarantee, which is implemented by national governments.

In the meantime, national governments can already act. For example, France spends billions on subsidies for companies but the impact on unemployment is quite modest. The government could use some of this spending to directly hire the unemployed, enhancing the effect on employment.

Obviously, national governments face budgetary constraints due to the Maastricht criteria. This prevents them from boosting employment as widely as the United States does on a regular basis in times of crisis, and it's a real straitjacket for European states. However, they already spend a fair amount on unemployment insurance and fighting poverty, aimed particularly at people without work. With these costs deducted, job guarantee programmes wouldn't be as expensive as people say they are.

**Why opt for a job guarantee rather than more conventional Keynesian stimulus policies? After all, Europe saw full employment after the war without a job guarantee.**

Even during the Keynesian era of the 1950s and 1960s, we didn't exactly reach perfect full employment; there was still lots of poverty and unemployment, which we have had a tendency to underestimate. Above all, the share of long-term unemployment has been rising since the 1960s, which has contributed to the gradual rolling back of labour market protections. It's the classic reserve army of labour, which holds the threat of unemployment over people's heads and lowers job standards. We should aim to make it disappear.

As for Keynesian policies, they tend to only reduce joblessness among the most employable. They only affect the most skilled individuals who receive the best wages and who never experience unemployment. Even during the Keynesian era, this phenomenon of "last in, first out" persisted; those at the bottom of the income scale were also those who had the most precarious experience of work.

Keynes himself favoured – far more so than post-war Keynesians – public works in places where people were unemployed. It's a message largely forgotten and boiled down to the idea that you simply have to flood the economy with cash to kickstart growth, despite growth itself being very unequal and contributing to financial instability and environmental destruction.

We have to adopt more surgical policies that directly target employment, understand the limits of growth, and create more sustainable bottom-up growth.

Another candidate in terms of progressive policies is universal basic income, which is attractive for many reasons — its simplicity, the fact that nobody allocates job tasks, nobody is responsible for job programmes, etc. I think this attractiveness is very overrated. To say that this measure would be “universal” is a false promise. It’s actually the quickest way to get rid of hard-won safety nets and replace them. Many see this as a substitute for what’s left of social protection. What’s more, it does not create any jobs. Income is just one of the many reasons that push an individual to want to work. Helping people with a universal income will not give them a job. There will still be too few jobs for which people will have to keep fighting.

**Once the job guarantee is in place, what should we expect in the medium term? Should we expect the guaranteed sector to first fill up and then spill over into the private sector?**

The simplest answer is that it’s a counter-cyclical programme, simply because the private sector is cyclical. What we’re seeing in large-scale programmes like those in Argentina or India is that they take on huge numbers of new workers during crises. During upturns, people turn again to the private sector, and much more quickly than they would leave unemployment.

We’ve modelled our programme at the Levy Institute, and like all budgetary measures, there would be a counter-cyclical effect, and without any effect on inflation. For the United States, we found that the measure could increase inflation by a maximum of 0.74 per cent, an effect that rapidly falls to 0.09 per cent. It will therefore limit macroeconomic fluctuations, because in a situation of mass unemployment where the future is uncertain, unemployment lasts much longer than if the most vulnerable are offered a job, which allows economic activity to continue a bit better.

If you take the case of countries who experience full employment for long periods, like Sweden or Japan, you see that their economic activity is much more stable than in countries like France or the United States, where unemployment has fluctuated for decades. Employment is a stabilising force for economic activity in general.

*An extended version of this interview first appeared in [Le Grand Continent](#) in French.*

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Published March 4, 2021

Article in English

Published in the *Green European Journal*

Downloaded from <https://www.greeneuropeanjournal.eu/guaranteeing-the-right-to-decent-work/>

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