



A JOB GUARANTEE FOR EUROPE

ECONOMIC POLICY INNOVATION FOR STABILITY, SECURITY AND SUSTAINABILITY

ABSTRACT

As Europe faces structural unemployment, this policy brief proposes the establishment of a public Job Guarantee for job creation. The Guarantee would reduce the significant costs and deleterious effects of unemployment while providing the labour force and public sector with the capacity to start immediately tackling the social and environmental challenges communities face. It can achieve this by creating employment in areas of unmet social need, prioritising care and environmental services. As such, the Job Guarantee is a key piece of an effective environmental strategy, creating millions of new jobs and supporting a just transition of the workforce. The programme could be implemented and financed by the European Union through new or existing mechanisms, like SURE.

The European Job Guarantee is ambitious in scope and scale, but it is also based on real-world experiences. Many direct employment programmes around the world have provided employment to those most vulnerable. They have increased economic stability and reduced scarring effects. Moreover, evidence shows that the Job Guarantee enjoys significant public support. The programme also serves as a powerful macroeconomic stabilising mechanism: it provides a strong contrast to traditional stabilisation policies, especially on the supply side, which have failed to stimulate job creation and left almost 13.5 million people unemployed in the EU. Ultimately, the Job Guarantee programme is an opportunity to create a truly transformative employment policy, which provides lasting, quality employment while delivering social and environmental good.



AUTHORS

PAVLINA R. TCHERNEVA

Professor of Economics at
Bard College, research scholar at
the Levy Economics Institute,
Director of the OSUN Economic
Democracy Initiative

AUORE LALUCQ

Economist and Member of
the European Parliament

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**THE FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES (FEPS)**

European Political Foundation - N° 4 BE 896.230.213
Avenue des Arts 46 1000 Brussels (Belgium)
www.feps-europe.eu
[@FEPS_Europe](https://twitter.com/FEPS_Europe)



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Jobs for all: a European Job Guarantee

In 2020, there were 96.5 million people at risk of poverty or social exclusion in the European Union (or 22 percent of the EU population).¹ Nearly a third of them lived in households with low work intensity. And while labour markets have been improving post-COVID, 13.3 million people remain unemployed (6.2 percent in January 2022), including 2.5 million young people (or 14

percent of youth unemployment). The European continent has become accustomed to elevated and volatile levels of unemployment (see Figure 1).

It is well known that the official statistics hide the true extent of the unemployment problem. Official unemployment accounts for less than half of the actual demand for employment in the European Union (see Figure 2).²

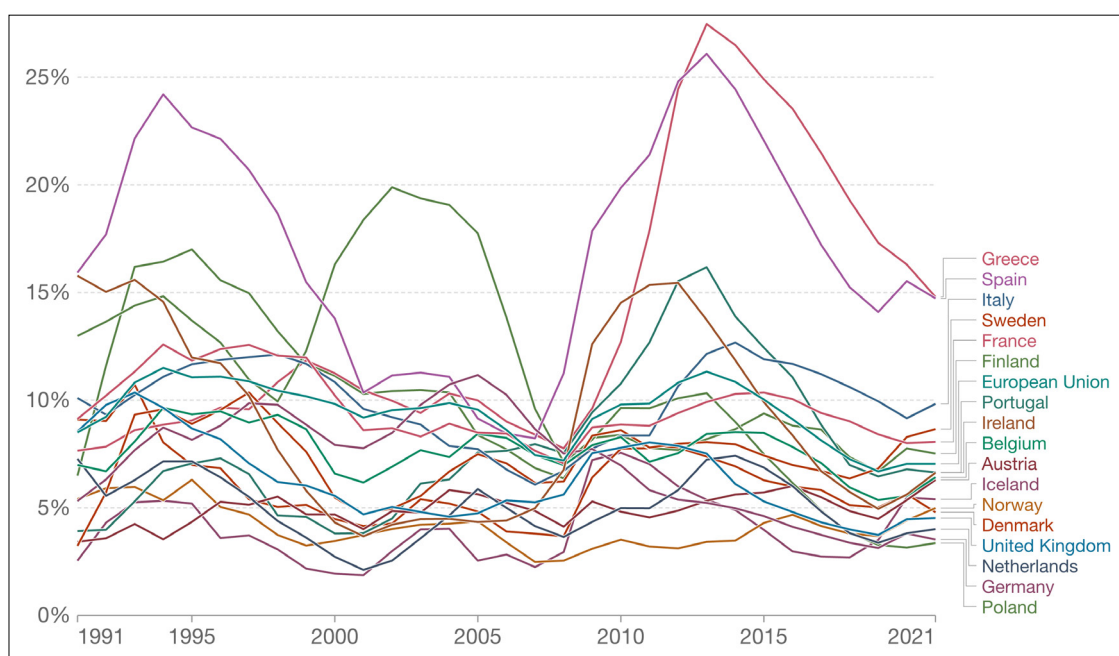


Figure 1. Unemployment rate, 1991 to 2021 (% of total labour force).

Source: International Labour Organisation (via World Bank).

Despite the efforts made by the European Union and its member states, unemployment and poverty in Europe have become ever more entrenched over the last decades and are much higher than was the case in the immediate post-war period. *Unemployment is now a pervasive and dominant force that structures European labour markets.* The lack of employment

opportunities has produced a lost generation of youths, while unemployed prime-working-age individuals find it even more difficult to regain employment. Long-term unemployment had been rising well before the pandemic, and labour flows across Europe are increasingly driven by economic distress and persistent unemployment. Meanwhile, the climate crisis

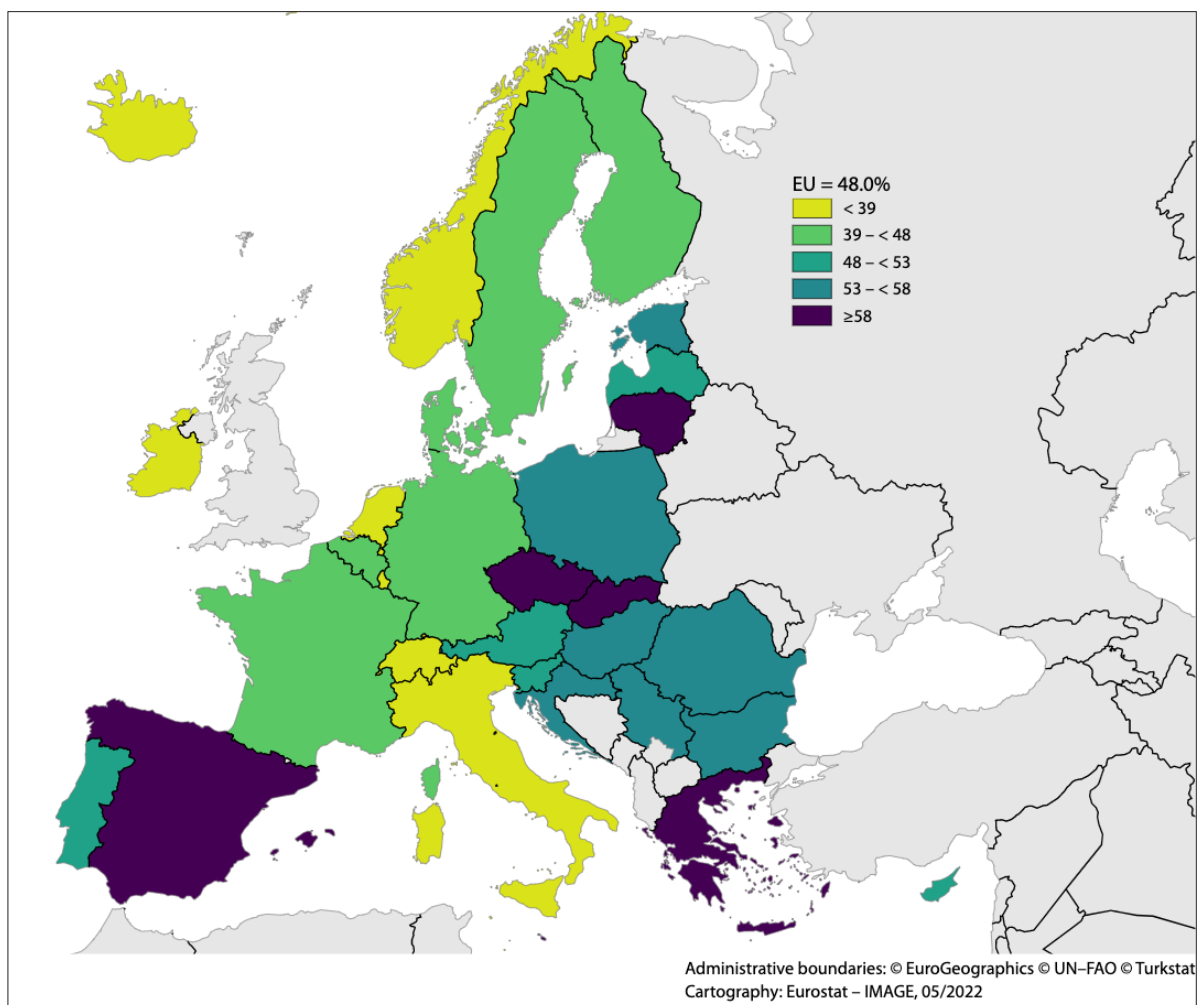


Figure 2. Share of unemployment in the labour market slack, 2021.

Source: eurostat.

has produced hundreds of billions of euros in economic losses, reductions in working hours, heat-related illness and injuries, and losses in labour productivity. The climate crisis will continue to exacerbate the large decent-work deficits that already exist throughout Europe.

Therefore, what is required of policy is to find a solution to both the epidemic of unemployment the European Union is faced with and to the necessary fight against climate change. The

current energy crisis has tragically highlighted the need for the EU to reduce its dependence on fossil fuels and especially those coming from Russia. Repeated heatwave episodes have also reminded us of the urgency to adapt our cities and countries to climate change.

To this end we need a bold and ambitious strategy, led by public authorities, to create jobs and hire workers where they are most needed: planting trees; restoring coastal areas;

installing solar panels. We need to act and we need to act fast. A bold job-led strategy that tackles the intersecting problems of entrenched unemployment, precarious work, shortages in public service, and rising environmental distress is needed.

We propose an innovative policy approach uniquely suited to tackling these ills while delivering a number of critical structural macroeconomic benefits. The centrepiece of this approach is a demand-driven direct job creation programme known as the Job Guarantee.³

The Job Guarantee directly reduces the large economic and social costs of unemployment and precarious employment, while instituting a robust employment stabilisation policy that is based on genuine full and lasting employment that does not compromise price stability. It is the most direct path to launching projects that support the green transition. It combines an employment safety net that serves as an automatic employment stabiliser with a robust workforce development strategy that fill critical public service gaps in the areas of care service and environmental stewardship.

It tackles environmental challenges head on, strengthens labour force attachment and establishes a decent minimum labour income for the entire economy. It eradicates most forms of involuntary unemployment, helps alleviate decent-work shortages, mobilises public resources, and thus helps transform existing labour relations and democratise work in all of its forms.⁴

Unemployment: large costs, no benefits

While the European economy reopened after the pandemic lockdowns and has been recovering since 2020, millions of people still have no work

to return to. Conventional policy is based on an understanding of unemployment that suffers from pervasive myths. One of them is that unemployment is an individual-level problem, remedied by more training and education. Yet the data is clear – even the strongest recoveries fail to quench the acute demand for decent jobs. The scarcity of employment opportunities means that however desirable and necessary more training and education may be, they alone cannot solve the unemployment problem. What is required is direct action to create the missing jobs. This is the task of the public sector, which has the means and the responsibility for addressing the fallout of unemployment.

Another common misconception about fighting unemployment is that doing so is too expensive. The reality is precisely the opposite. *Unemployment is costly and produces no social or economic benefits.* The scarring effects of unemployment are well documented, including negative long-term consequences for labour force participation, household incomes, individual and family health, social solidarity, and political stability.

The economic costs of unemployment are large too – lost output, declining productivity, reduced tax revenue, increased outlays for the social consequences of unemployment in the areas of housing security, public health, child protection, food assistance, and other social services.

According to one study, the average cost of unemployment per person in 2010 ranged from 18,000 euros per year in the UK and 19,991 euros in Spain, to 33,443 euros in Belgium per year. Germany, France and Sweden are in a median position, with average unemployment cost ranging from 25,550 euros in Germany to 28,737 euros in France.⁵ Each of these costs are equivalent to one or more living-wage jobs in these countries.

In addition to the loss of income, unemployment inflicts considerable long-term costs and scarring effects on individuals and their families, ranging from the consequences of low self-esteem to deteriorating mental and physical health, including but not limited to high blood pressure, anxiety, depression, and heart disease.^{6,7} It also causes excess mortality. A metadata study of 69 countries found that one in five suicides is linked to job losses (or nine times higher than previously believed).⁸ The cost of unemployment is therefore not merely economic: it is also social and psychological.

We must account for the large costs that individuals, communities and municipalities already incur as a result of unemployment. Study after study finds that it is detrimental to human health, erodes community wellbeing, and reinforces labour market precarity. Many other social problems, like homelessness, hunger, poor educational outcomes, deaths of despair, property crime, and political instability are often connected to the absence of stable employment in a community. *The costs associated with addressing these are already part of public sector budgets.* Society ends up addressing only the symptoms of unemployment and their staggering costs while failing to stem the most important underlying cause – the absence of enough employment opportunities. While providing jobs requires new spending, the chief cost advantage of the Job Guarantee is that it *reduces already existing and large expenditures* on social deprivations, while boosting productivity.

Unemployment contributes to and intensifies the consequences of ageism, sexism and environmental degradation.⁹ Job insecurity and unemployment are unevenly distributed among the population, impacting especially youth, women, people of colour, and low-income households. And when recessions

hit, unemployment spreads throughout the economy much like an epidemic, resulting in an avalanche of job losses from one community to another.¹⁰ The collapse in aggregate demand from unemployment is mitigated by unemployment insurance and other income support programmes, but these measures on their own are inadequate to bring a sufficient number of jobs back to these communities. A programme of direct employment at decent wages would be more effective in stabilising the local economy than a jobless recovery. Jobless recoveries adversely affect the economy further by worsening income inequality, exacerbating social tensions and producing social exclusion.

Unemployment brings no justifiable economic benefits. While at the micro level, firms use the threat of unemployment to reduce wage demands, the already discussed costs of unemployment worsen business conditions compared to a situation of full and stable employment. At the macro-level, it is typically believed that unemployment is necessary to keep inflation at bay. But as the US Federal Reserve has recently recognised, the relationship between inflation and unemployment has broken down¹¹ and the model of inflation may be fundamentally mis-specified.¹²

Even if one were to believe that unemployment can be used to fight against inflation, the critical question to ask is: is it necessary? We resoundingly reject that unemployment is necessary. An economic model that uses economic insecurity, human suffering, unemployment and loss of economic opportunities, human capacity and productivity to fight inflation is a model that is economically deleterious and morally bankrupt. This is especially important to note because unemployment is wholly unnecessary to fight inflation. Public policy has many tools to address inflation without sacrificing jobs.

Indeed, we have a policy option that can secure full employment and price stability.

The Job Guarantee is such a policy option. It creates long-run full employment without introducing inflation. It helps stabilise inflationary pressures that emanate from traditional fiscal stimulus. This is because the programme itself acts as an automatic stabiliser – increasing in downturns and deflationary periods and shrinking naturally in growth periods when private activity heats up. The programme hires those at the bottom of the income distribution at a base wage without competing for high-wage, high-education workers, thus filling the jobs deficits where they are most acute without engaging in a bidding war for workers with the private economy. The Job Guarantee secures a living wage and working conditions that any person should be entitled to as a matter of economic security and equity. It provides structural support for the economy that does not use job losses as a policy tool to fight inflation.

A recent study¹³ examined the economic effects of an ambitious Job Guarantee proposal for the United States and found that the programme boosted GDP by 2 percent, added millions of jobs to the private economy, improved state budgets, and lifted 83 percent of poor children out of poverty. Net spending of the programme (under the higher bound/high-cost scenario) was only 1.33 percent of GDP and the programme had a negligible impact on inflation (contributing 0.74 percent to inflation at its peak, settling down to 0.09 percent soon thereafter).

None of the existing costs of unemployment are inevitable. An open-ended programme for direct job creation would reverse many of the negative social and economic multipliers associated with unemployment. The Job Guarantee approach would be the most straightforward method for tackling and preventing unemployment,

reducing its social and economic costs and instituting a strong economic stabiliser, while producing tangible and meaningful economic benefits.

Thus, one of the most unique aspects of the public Job Guarantee is that, compared to unemployment and the non-accelerating inflation rate of unemployment (NAIRU), it delivers much social and economic benefit without compromising price stability.

The Job Guarantee alternative

To restate, the costs of unemployment are large and impact everyone – working or not. With a Job Guarantee, jobs are no longer the casualty of globalisation, technological change, geopolitical instability, financial crises, or pandemics. The direct job creation programme provides the employment safety net in good times or bad. Technology, reduced working hours and trade are no longer threats but can deliver real and meaningful benefits because they do not jeopardise jobs and livelihoods.

The Job Guarantee attends to areas of great social need. Instead of paying the economic costs of neglect, public policy now reorients its budgets to paying for employment and socially useful services. It helps reduce the monetary and non-monetary costs of unemployment and offers a robust automatic stabiliser. It supports labour incomes by raising the income floor and thus helps address income inequality. It does all this without introducing new inflationary pressures. The Job Guarantee reduces economic instability and poverty. It breathes new life into communities plagued by unemployment and provides transitional employment to young people, the long-term unemployed, and anyone else facing high barriers to employment. It offers employment security to people with disabilities and caregivers returning to paid work activities

and provides dignity from work to millions across the European continent.

Whether a country has minimum-wage laws or not, the wage of the unemployed person is always zero. This contributes to the general erosion of pay standards in the economy as a whole. The existence of unemployment degrades the employment conditions for those who have work. By instituting a public option for jobs, the EU would have a policy that supports market incomes for the vast majority of working people across Europe. Not only would the Job Guarantee salary and benefits become the labour standard in the respective member state, but also the employment programme would begin to invest in human capacities and community wellbeing, and fill the social needs gaps.

What kind of work?

Modern economies face a well-known paradox: they suffer high levels of unemployment, while an incalculable number of social and environmental needs remain unmet. The private sector cannot fill these gaps for lack of sufficient (if any, in some cases) commercial return. It is the job of the public sector to do so. The Job Guarantee connects needs with resources and tackles both problems at once: it creates stable and decent jobs for all jobseekers in the neglected areas of social and environmental need.

Green jobs

Environmental protection, remediation, restoration, and preparation are areas where a Job Guarantee shines. While Europe is already experiencing heatwaves, mudslides, water and air pollution, the worst impacts of climate change are yet to be seen. As the 2022 IPCC report warned, we 'must act now' to avert climate chaos.¹⁴ The 2016 Paris Accord was also clear that climate justice

rests on 'human rights and the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined priorities.'¹⁵

Indeed, there are many climate-remediation projects and urgent tasks that can provide meaningful employment opportunities in every part of the European continent. Maintaining coastal areas, flood control, waste prevention and management, community cleaning, organic farming and sustainable agriculture, water monitoring and clean-up, restoration of depleted fisheries, habitat rehabilitation, re-creation of functioning ecosystems, reforestation, peatlands, floodplains, upland forests – all of which improve water retention, prevent droughts and mudslides, and mitigate heatwaves. These are but a few examples of the environmental work that is required and can be done through the Job Guarantee.

A European green Job Guarantee can address unemployment and climate change simultaneously. This is why we believe that the Job Guarantee is not only a useful tool in times of crisis, but should also be a permanent measure for stabilisation and social integration across Europe and a cornerstone of a truly transformative ecological policy.

The Job Guarantee is inherently a *green policy*, not only because of its organic connection with the climate conservation movement, but also because it remedies the neglect and squander that come with economic distress, unemployment and precarious work. A green policy is one that aims to address all forms of waste and devastation, including that of our natural and human wealth. The Job Guarantee recognises that environmental justice cannot be delivered without economic and social justice. It is a green policy in practical terms too – from the days of Roosevelt's Tree Army to modern

proposals like the US Green New Deal Resolution and the modern Climate Conservation Corps proposal.¹⁶

Most green transition initiatives focus predominantly on the skill-building component of their workforce development strategies. The Job Guarantee is superior because it is a jobs-first approach – that guarantees an employment opportunity and combines it with on-the-job training, education, credentialing, and upskilling. *Skills and education on their own do not guarantee employment in the green transition, but the Job Guarantee does.* It is a more robust employment, training and transitional employment approach than conventional policies.

The care economy

The Job Guarantee matches unmet needs with available resources. Because it aims to address the social deprivations of people, communities and the environment, it is not only a *green* policy, but can be viewed more broadly also as a *care* policy. Large swaths of the population face shortages of vital goods and services. In Europe, millions of people still lack access to healthy and affordable food. And even though many European countries provide nationalised healthcare, medical deserts have become a pervasive feature of the European health landscape. Community health clinics, preventative care, training, and retention initiatives for healthcare workers are in short supply. These problems are worsened by slowly deteriorating basic infrastructure across the continent. There are millions of urgent tasks that need to be done and there are millions of people across the continent that can do them. What is needed now is a bold commitment to direct and large-scale public employment and investment at the European level.

The care economy includes all aspects of public welfare. Borrowing a page from the New Deal experience in the 1930s in the US, the European Job Guarantee can launch care projects that span the continent that are not only limited to remediating the environment and eliminating the food and health deserts, but would also fill gaps in other social and cultural services that are essential for human health and wellbeing.

WHAT IS DIFFERENT ABOUT THE JOB GUARANTEE APPROACH

A Job Guarantee programme provides instant access to decent-paying jobs with benefits. The programme serves the public purpose directly by employing workers to meet needs within their community. It democratises economic participation, affirming the principle that anybody who wants to work should have the opportunity to do so in a meaningful way.

In recessions, the employment programme offers a stable employment opportunity for those who have been laid off, thus supporting local businesses by propping up purchasing power and encouraging them to start hiring again. Public Service Employment programmes keep income within the community and stimulate demand for local goods and services. In doing so, public employment slows the spread of unemployment, its scarring effects and the loss of income for local businesses.

The programme can support the arts, help with the preservation and maintenance of historic sites, record social and oral histories, strengthen community libraries and programming, create tool sheds, and expand continuing-education courses. It can launch community theatres and public art projects, expand after-school care, literacy and counselling programmes, and provide support and care for the vulnerable, people with disabilities, victims of violence, and at-risk youth.

Implementation

The examples above fall within a long tradition of direct employment programmes that have focused on critical areas of the public purpose. Experience shows that such initiatives can be launched very quickly to yield overwhelmingly positive results. The policy innovation of the Job Guarantee is a comprehensive, permanent and demand-driven policy that is open to all jobseekers. Unlike past programmes, it is not a short-term piecemeal job creation approach. Nevertheless, there are important real-world examples that provide key insights and blueprints for implementation.

Notable experiences in the European context include the Territoires Zéro Chômeur de Longue Durée (TZCLD) project in France,¹⁷ the Job Guarantee pilot and Aktion programmes in Austria, Actiris in Brussels, and Kinofelis in Greece, all inspired by the goals of social inclusion through guaranteed employment. Other public employment programmes have been attempted around the world in response to COVID-19.¹⁸

The basic principles behind a European Job Guarantee rest on the understanding that:

- no one is unemployable (even people who have been outside the labour force for a long time can contribute with human capabilities and know-how);
- there is no shortage of tasks to be organised (communities have many unmet needs and urgent environmental demands);
- there is no shortage of funding (existing spending on unemployment is very large and conventional job creation incentives yield disappointing results);
- participation in the programme is voluntary (while the unemployed may be recruited, they alone must decide to participate and should not be denied existing benefits if they choose not to);
- the public sector would create public employment and social enterprise organisations, which would provide contracts to the unemployed on demand;
- organisations would take workers 'as they are', irrespective of personal circumstance, skill level or disability;
- the programme's projects and activities would be new and in addition to existing activities (they would not compete with or displace ongoing private or public sector work in the community); and
- the Job Guarantee would prioritise a co-creation process, allowing for local-community stakeholders to create employment opportunities that match the skills of participants with the needs of the area where the project would take place.

SECTORS TO WHICH JOB GUARANTEE PROGRAMMES CAN CONTRIBUTE WORK

- Arts
- Community jobs
- Cultural heritage
- Education and training
- Food security
- Green jobs
- Health deserts
- Social care

It is worth noting that in the case of the TZCLD, new French municipalities have begun requesting the programme, having seen that spending on the employment programme is less than spending on anti-poverty and unemployment programmes and that it creates needed social and economic value. Participants report anecdotally that the job opportunity has improved their wellbeing, including their chances for employment opportunities above the minimum wage offered by the programme. Meanwhile, city mayors in the pilot regions report that the programme is breathing new life into their communities.¹⁹

Like the proposal here, the TZCLD projects range from community gardens to nursing homes, recycling initiatives, administrative help for city councils or small local

businesses, apprenticeships in small manufacturing operations, elderly assistance, helping schoolchildren cross busy intersections, rehabilitation of abandoned structures and lots for use by local enterprises, to many others.

While programmes like TZCLD, Actiris,²⁰ Marienthal, Kinofelis²¹ and the Future Jobs Fund²² offer key insights for the European context, they are rather small in size and scale. It is thus important to consider the largest and most ambitious programme in the world today: India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). It is a significant policy departure from traditional income relief programmes by focusing on direct and guaranteed employment to rural households, providing 100 days of guaranteed work per year, irrespective of the employment status of the applicant. It is a notable example, not only because of its sheer size but also due to its scalability, architecture, implementation and impact.²³ MGNREGA has demonstrated that a permanent and wide-ranging job creation programme is viable. It has shown that demand-driven policies can be created on a very large scale and can be co-created and designed with direct community participation. The programme fluctuates with economic conditions and offers an employment safety net when needed. It expanded dramatically during the COVID-19 pandemic, covering nearly 40 percent of all rural households in India. In the 2020-21 fiscal year, a whopping 75.5 million households worked in the programme and another 71.7 million in 2021-22,²⁴ prompting widespread demands for extending the guarantee to 200 days.

As a permanent and legally enforceable right to employment, India's MGNREGA is an important institutional improvement over earlier large-scale employment programmes, such as the New Deal of the 1930s in the US and *Plan Jefes y Jefas* in Argentina in the early 2000s,²⁵

both of which were designed to respond to economic crises that produced depression-level unemployment rates. In both cases, the projects were launched within six months, built important infrastructure, and were federally funded and locally organised. Their principal drawback was that they were still too small for the scale of the unemployment problem and were phased out within a few years.

Nevertheless, these programmes have left a legacy to this day. The work relief programmes implemented in the US by the Roosevelt Administration during the Great Depression created many assets in just a few short years. They built 255,000 miles of road and improved 573,000 miles of rural roads, constructed 78,000 new bridges, 384 airports, 406 post offices, 700 college buildings, and 894 sewage-disposal plants. A large amount of the work was explicitly environmental: Roosevelt's Tree Army planted 3 billion trees, improved state national parks and trails, built 2,500 recreational cabins, constructed 68,000 miles of firebreaks, and spent 6.4 million workdays fighting forest fires. They also stocked 1 billion fish in ponds, lakes, rivers and streams, and restored 400,000 hectares of arable land, fisheries and ecosystems. The youth programmes built 2,354 tree and plant nurseries, 400 public swimming pools, 2,000 playgrounds, 4,000 athletics fields, 5,000 parks, and improved many existing recreational areas like public tennis courts and golf courses. The New Deal supported not only environmental work and launched the modern conservation movement, but it also offered employment support to actors, playwrights, musicians, and painters. It created libraries in the most remote parts of the country, offered employment to women and caregivers and created jobs and assets in every single county in the United States.²⁶

And while we may not face a Great Depression today, we have urgent need for immediate transformative solutions to the climate crisis and labour market precarity. The European Job Guarantee would prioritise employment in projects that improve the natural resources of rural communities. It would be an integrated programme for resource management and economic development. It can be the policy assurance to coal-mining regions in Europe that good and stable employment opportunities will be created for all in these areas during the green transition. It can serve as a significant engine of redevelopment while providing needed environmental assets and benefits. The programme will prioritise natural resource management across the continent.

The European Job Guarantee would be a bottom-up, people-centred and demand-driven programme that would focus on local job creation in proximity to the unemployed, where local groups, municipalities and non-profit enterprises can propose, plan, ratify and approve (or deny) projects. Subject to European-level guidelines and standards, once a project has been accepted by the local administrative bodies, the decisions cannot be overturned by higher administrative authorities, except in cases when the project violates the very basic operational guidelines outlined or the permissible activities under the programme (which would be revised periodically depending on local needs). European member states would provide general guidelines on what would constitute 'off-the-shelf projects', and would support local authorities in creating, designing and implementing them.

In sum, there is no shortage of programmes from the global north and the global south that have prioritised direct and targeted employment in areas of greatest need. A European Job Guarantee can usher in a new era in socially

inclusive macroeconomic stabilisation policy that centres around employment assurance that is available to all in need, in a programme that serves as a pan-European climate and care jobs corps.

Funding mechanism and legislative framework

We propose that the Job Guarantee programme be implemented at the European level as a policy for continued social and economic integration and stabilisation. The Joint Employment Report by the European Commission and Council mandated by Article 148 of the Treaty on the Functioning of the European Union could provide the legislative framework for pan-European funding, action and implementation.

The principle of guaranteed employment is also fully in line with the Commission's commitments to move towards a greener more inclusive economy as presented in the Green Deal, which can explicitly incorporate a European Job Guarantee component.

The existing Youth Guarantee (YG) programme also provides an important precedent for the European context. The challenge with the YG programme is that it places undue financial burden on individual member states, which makes it difficult to implement at the national level. Thus, additional financing instruments are needed.

The COVID-19 experience has offered some opportunities. In May 2020, the European Council adopted SURE (Support to mitigate Unemployment Risks in an Emergency), a temporary scheme to protect jobs and incomes during the pandemic. It aimed to provide up to 100 billion euros of loans under favourable terms to member states. The instrument enabled member states to request EU financial support

to help finance the sudden and severe increases in national public expenditure. We believe that such a mechanism could very well be the basis for a new programme to finance Job Guarantee programmes in Europe.

Europe-instituted temporary instruments like SURE could be made permanent in light of the fact that unemployment and the climate emergency are widespread. With respect to funding, the singular teachable moment of the pandemic was that, irrespective of the architecture of the monetary union, financing is not scarce. In the face of an emergency, the euro area did 'whatever it takes' to ensure that all necessary funding was available to fight the pandemic. There are several ways to proceed going forward, deploying mechanisms like SURE to help member states finance partially their Job Guarantee programmes or by creating new funding instruments altogether. As already noted, European countries already spend between 18,000 and over 33,000 euros per year per unemployed person. By financing direct employment policies, the European Union would fulfil its role and objectives of fighting unemployment, as articulated in the European Pillar of Social Rights, and it would immediately alleviate existing financial burdens on member states for tackling unemployment.

Additionally, member states could issue securities to finance their respective Job Guarantee projects at the national level, while the European Central Bank can establish programmes similar to the Public Sector Purchase Programme (PSPP) to provide support for those securities. As the German Federal Constitutional Court recently found, the PSPP programme did not circumvent Article 123 of TFEU and did not violate the prohibition of monetary financing of member state budgets.²⁷ Such a mechanism could help establish a euro safe asset that is directly linked to a national

policy of achieving and maintaining long-run full employment and price stability across Europe.

Implementing a just transition is not only a stated objective of the European Commission, but also an absolute necessity if we are to achieve the ecological transition. The targeted employment and investment approach of the Job Guarantee would be a direct method for tackling the economic disparities among European countries and the different levels of

dependency on fossil fuels, providing needed jobs and helping local residents to welcome the transition. To this end, the Job Guarantee programme could also be a tool that supports regions in training and hiring workers in the ecological sector. While accompanying the other objectives of the European Union, it is the assurance that no one is left behind.

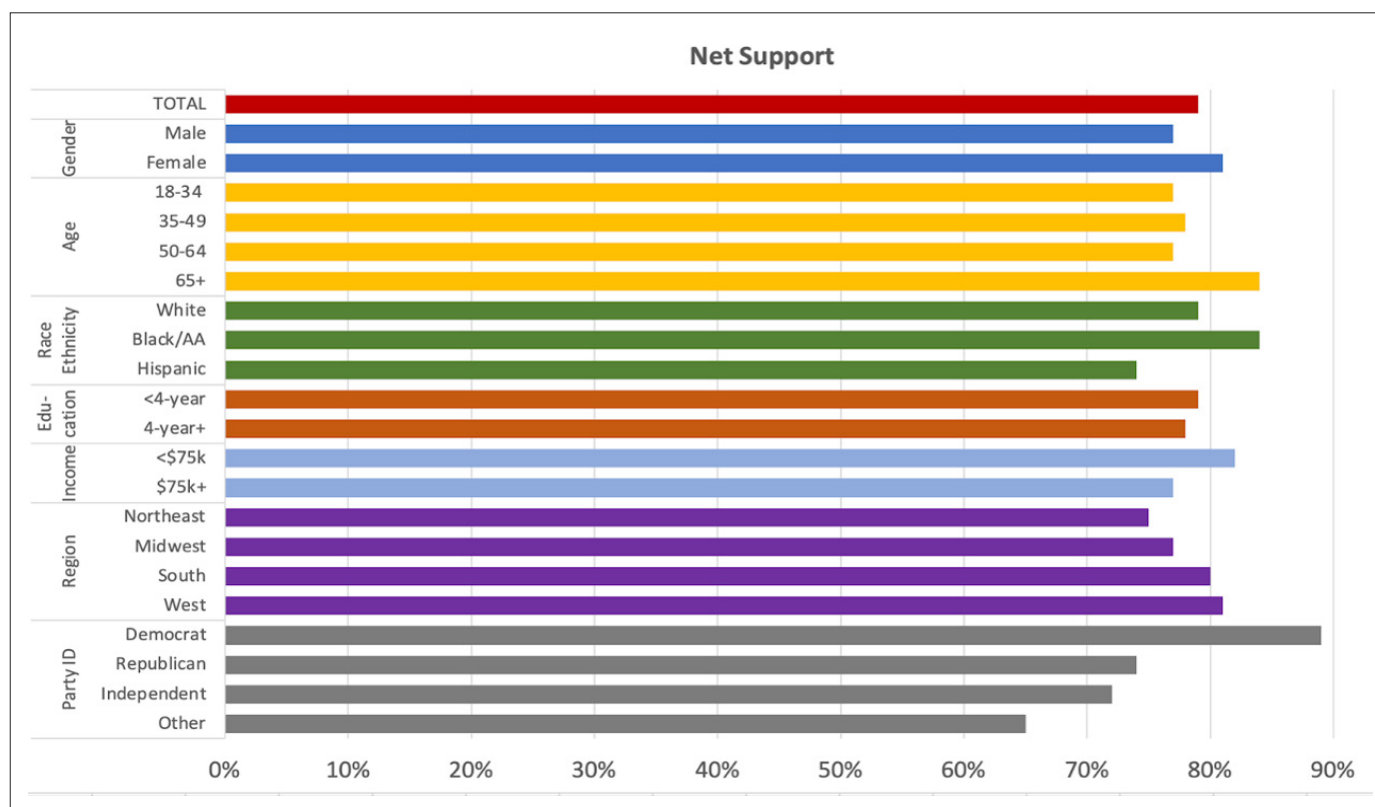


Figure 3. 'Would you support or oppose a federal jobs programme that created jobs for the unemployed?'

Source: Hill/HarrisX.

Public support

The Job Guarantee proposal resonates with the general public and enjoys the kind of bipartisan support that few other programmes can claim. In a 2020 poll in the US, 79 per cent of respondents spanning 'demographic, partisan, and gender lines' backed the idea²⁸ (see Figure 3), as did 72 per cent of respondents in a UK poll taken around the same time.²⁹ It is also far more popular with respondents than universal basic income (see Table 1). In France, 79 per cent of voters support a federal job guarantee.³⁰ More recently, a stunning 93 per cent of US respondents supported a national employment and training initiative that creates paid work for the unemployed, as a component of COVID-19 recovery efforts.³¹

In the US, coal-mining communities in West Virginia and Kentucky are beginning to see its transformative potential. From New England and Appalachia to California,³² a growing coalition of individuals, organisations and civil-rights leaders

in the US is making the policy a central demand, which resulted recently in a Congressional Federal Job Guarantee Resolution.³³ Today, the Biden administration has proposed to form a Climate Conservation Corps, modelled on Roosevelt's Civilian Conservation Corps, and there is draft legislation that incorporates a direct employment component in various Congressional bills.

At this critical juncture, Europe has the opportunity and capacity to lead with a truly transformative climate and employment policy. It can usher in a social compact which eliminates the insecurity from unemployment, mobilises human capacity to fight the climate crisis, provides an employment safety net and automatic economic stabiliser, establishes a new labour standard, embraces a democratic design, and values working people, the environment and the public good. We have the means and the tools. It is time to use them.

	Job guarantee (%)	Universal basic income (%)
Support	72	51
Oppose	6	24
Neutral	13	15
Unsure	8	9

Table 1. Support for the introduction of a job guarantee and universal basic income in Great Britain, April 2020.

Source: YouGov/NEON.

Endnotes

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About the authors



PAVLINA R. TCHERNEVA

Pavilna R. Tcherneva is Director of the Economic Democracy Initiative, Associate Professor at Bard College, and Research Scholar at the Levy Economics Institute, New York. She specialises in monetary macroeconomics and public policy. She is the author of *The Case for a Job Guarantee* (Polity), one of the *Financial Times* economics books of 2020. Her research has informed the proposals of members of US Congress and policymakers from around the world. Her first book, *Full Employment and Price Stability* (with Forstater), is a rare collection of papers by Nobel Prize-winning economist Bill Vickrey (2004).

AUORE LALUCQ

Aurore Lalucq is an economist and Member of the European Parliament. She is a member of the ECON and Employment Committee and the coordinator on Tax Affairs for the S&D group. She is also the chair of the Green New Deal Intergroup at the European Parliament.



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