



Future To Fight For



What is a Job Guarantee?

A Job Guarantee is a federally funded, locally operated program that provides anyone willing to work with the opportunity to do so, in their own community. Work priorities would be based on each community's unmet needs, but could include environmental regeneration, maintenance and construction of infrastructure, community care, and charity or cultural work. There are a tremendous number of implementation options, but in order to be both successful and fair a Job Guarantee should:

- 01. Be federally funded without limit:** Similar to spending on our health, education and income support systems, which aren't capped and fluctuate based on need.
- 02. Locally operated:** Jobs are created by local governments, registered charities and cooperatives, utilising existing infrastructure that is focused on community outcomes.
- 03. Minimum wages and benefits:** Participants get the minimum wage-benefit package available to full-time workers in the private sector, including leave entitlements.
- 04. Voluntary participation:** A Job Guarantee is an alternative to income support, not a replacement. Unlike work for the dole, people are free to move between work and income support.
- 05. Flexible and accessible:** Part-time and flexible options available. Jobs are tailored to individuals' skills and particular needs.
- 06. Develops people and communities:** The program offers on-the-job training and focuses on community revitalisation, urban renewal and delivery of social services.
- 07. Invests in sustainability:** A Job Guarantee is an opportunity for the kind of mass mobilisation needed to address climate change and environmental degradation.

Conversation starter: *What kinds of minimum conditions would be necessary to ensure a Job Guarantee was fair and dignified?*



Why is a Job Guarantee necessary?

A Job Guarantee addresses a number of simultaneous problems.

Involuntary unemployment: The private sector doesn't create enough jobs for the number of people who want to work. There are currently 200,000 private sector job vacancies for 700,000 people who are looking for work, and 1.1 million people looking for more paid hours.¹ Involuntary unemployment can be devastating to people and their families - leading to stress, social isolation, early death, as well as affecting self-esteem and the ability to make ends meet for dependents.^{2,3} These effects aren't the result of low income, but an inability to access formal work.⁴

Social Deprivation: On a local level community needs are understaffed and under resourced. Whether it's maintenance of local infrastructure, roads and community housing, local efforts at environmental regeneration, or the provision of community services, charity work and care for the elderly - a job guarantee provides a framework for pairing unemployed people with work that needs doing.⁵

A solution to ineffective job active programs: We spend billions on ineffective employment incentives,⁶ and pick up the tab for the hidden costs of unemployment: higher healthcare needs, over-incarceration, increased reliance on the age pension and lost work-ready skills. Work for the dole programs like the CDP are akin to modern slavery for indigenous communities. This is a humane alternative that provides people with meaningful work and decent pay, rather than trying to bully people into private sector jobs that don't exist.

Insecure work: Flexibility in the labour market can be good, so long as it's what both parties want. Too often, casual, contract and labour hire arrangements are exploitative attempts to bypass workplace protections and industrial awards. A Job Guarantee creates a floor for private sector labour market conditions, by providing a permanent, public alternative for all workers.

Conversation starter: *What community and public services in your local area would be improved if they could be fully staffed?*

1. Roy Morgan, "Unemployment at 10% in July highest in nearly a year", August 2018.
2. Standing Committee on Employment, Education and Workplace Relations, "Age Counts Report", Parliament of Australia, June 2000.
3. Richard Smith, "Unemployment: here we go again", British Medical Journal, March 1991 Vol. 302.
4. Linn MW, Sandifer R, Stein S. Effects of unemployment on mental and physical health. American Journal of Public Health, May 1985.
5. Cook et al., "Creating effective local labour markets: a new framework for regional employment policy", Centre of Full Employment and Equity, November 2008.



What are the benefits?

Although a Job Guarantee will change the lives of those working under it, the impact does not stop there. The benefits will be felt from families to local communities, right up to the stabilised national economy. It will empower everyday Australians to expect better pay, working conditions and job security.

Security for the unemployed and underemployed: A Job Guarantee provides meaningful opportunities for individuals stuck in harmful cycles of unemployment and poverty, alleviating the associated stress, stigmatisation and physical health effects.

Power and alternatives for those working under insecure or unfair conditions: The rise of casualisation and gig-economy work has been a source of freedom for some Australians, but for many it is a last resort. A Job Guarantee would provide an alternative for those struggling in exploitative jobs out of desperation.

Wage growth and improved working conditions: Australian workers have not experienced real increases in their wages for 6 years, despite uninterrupted productivity growth.^{7,8} By providing employees with something to fall back on, and ending the threat of unemployment a job guarantee strengthens the bargaining power of workers seeking fair wages and improved working conditions.

Targeted investment in economically deprived communities: A Job Guarantee provides extra funding to communities with the highest unemployment and economic disadvantage. A Job Guarantee will not only work towards revitalising the community and environment, it has also been shown to stimulate the local economy, resulting in higher wages and increased consumption.⁹

Expanding the meaning of work: A Job Guarantee will help shift our perception of productive labour, from what is profitable, towards what is of benefit to society. This could include a rethinking of how we view the unpaid labour involved in raising children and caring for families and communities. Although environmental protection is essential for life and future generations, it is often not perceived as productive or profitable. For Indigenous communities, this could mean expansion of already successful projects that involve preservation of culture and the land.¹⁰

Recession prevention and stabilisation of the national economy: Financial crises are out of the control of everyday people, yet they hit us the hardest. A Job Guarantee protects against market crashes, by ensuring workers are shielded from the worst effects of private sector cutbacks. As a result, recessions are shorter and less severe, because incomes and consumption levels don't shrink as severely during downturns.¹¹

Conversation starter:

*How do you think this could change the way we view and participate in our economy?
Common criticisms?*

6. Rick Morton, "Failing job sites branded a mess", The Australian, October 2017.

7. Gareth Hutchens, "Most Australian Wages Have Declined but CEO Pay is Better Than Ever", The Guardian, July 2018.

8. Greg Jericho and Gareth Hutchens, "Whatever Happened to Wage Rises in Australia?", The Guardian, March 2018.

9. Karthik Muralidharan, Paul Niehaus, Sandip Sukhantakar, "General Equilibrium Effects of (Improving) Public Employment Programs", Jan 2018.

10. Department of the Prime Minister and Cabinet, "Indigenous Rangers - Working on Country".

11. William Mitchell and Warren Mosler, "Fiscal Policy and the Job Guarantee", Australian Journal of Labour Economics, June 2002.



Can we afford it?

The net cost of ending unemployment in Australia with a Job Guarantee would be approximately \$25 billion per year. To put that in context, the Turnbull government's recent proposals for corporate and income tax cuts are projected to cost \$22 billion per year. For further context, Australia currently spends \$159 billion on welfare each year. In other words, alongside a commitment to reject tax cuts for the wealthy Australians, we can guarantee a job to every Australian for a 1.9% increase in welfare spending in Australia. This cost doesn't factor in the savings and benefits that arise as a result of keeping people in stable employment: a higher skilled, more productive workforce that is able to provide better community services for others to access for free.

Wouldn't it be too difficult to organise and administer?

Consider the endless list of logistical challenges involved in providing health and education across Australia. Similar to healthcare and education provision, a job guarantee won't be perfect, and will undoubtedly develop and become more sophisticated over time, to better suit the people and communities involved. Setting up something that works well enough initially isn't prohibitively complex. Much of the infrastructure already exists through centrelink offices, local councils, and networks of registered nonprofits and cooperatives. There are already a variety of employment initiatives, both private and public, and state government's are the largest employers in the country. Further, the practical challenges of implementing a Job Guarantee have been explored and addressed in depth by decades of policy and economic analysis.¹²

Won't automation mean there aren't enough jobs to go around?

The consensus position of a majority of economists, scientists and policymakers is that automation will not so much displace people's jobs, as change what people do. Only 5-9% of jobs will disappear altogether, and the efficiencies created by automation will likely generate more jobs than it destroys.

¹³ A Job Guarantee would ensure that Australian employees have the power to demand a fair share of the profits of automation. The challenges of unemployment and the need to constantly retrain the workforce in a context of automation, are issues that are addressed by a Job Guarantee. In the long term, rather than experiencing mass unemployment, automation alongside a Job Guarantee would likely see us working shorter weeks, as well as expanding our definition of work away from what is profitable towards what is beneficial to society.

For more information, go to <https://futuretofightfor.org.au>

¹³. Quirk et al., "The Job Guarantee in Practice", Centre of Full Employment and Equity, December 2006.

¹³. CSIRO, Tomorrow's Digitally Enabled Workforce, 2016; OECD, The Risk of Automation for Jobs in OECD Countries 2016; McKinsey, Harnessing automation for a future that works, 2017