

Why politicians should promise every American a job

 [vox.com/2018/4/27/17278052/case-for-jobs-guarantee-sanders-booker-gillibrand](https://www.vox.com/2018/4/27/17278052/case-for-jobs-guarantee-sanders-booker-gillibrand)

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April 27, 2018

The policy wonk community is rather suddenly being torn apart by a phrase that lurked in incredible obscurity just a few months ago: “jobs guarantee.”

The idea, which exists in different forms, is that the government ought to accept responsibility for ensuring that everyone who wants to work can get a job — directly hired by the public sector if necessary.

The idea dates back at least to French socialist Louis Blanc’s mid-19th-century plan to establish “national workshops” to guarantee employment to the poor. Franklin Roosevelt in his 1944 State of the Union address spoke of establishing “the right to a useful and remunerative job in the industries or shops or farms or mines of the Nation,” and the concept is enshrined in the United Nations’ universal declaration of human rights. And now Democrats are increasingly talking about bringing the idea back.

Sen. Kirsten Gillibrand (NY) broadly endorsed the concept of government-sponsored jobs for all who need them in March, Sen. Cory Booker (NJ) unveiled a specific plan for a jobs guarantee pilot program last week, and Sen. Bernie Sanders (I-VT), who managed to get through an entire 2016 primary campaign full of ambitious policy proposals without a jobs guarantee, now says he’s preparing to unveil a plan for one soon

The response from many wonks has been scornful. Moody’s Analytics economist Adam Ozimek says it’s “absurd”; former Treasury Department economist Ernie Tedeschi observes any such program would be “extremely expensive” and not necessarily a well-targeted use of money. From the left, Matt Bruenig of the People’s Policy Project has repeatedly scorned jobs guarantee plans as “muddled,” especially on the critical question of “coming up with suitable jobs.” Mother Jones’s Kevin Drum denounced Sanders’s vague outline of a plan as “pretty close to insane.”

A better approach might be to take the jobs guarantee movement seriously rather than literally. Historically, Blanc’s national workshop scheme never really worked out, but the spirit of FDR’s right to a useful and remunerative job did live for a generation or so after his speech. Recessions were short and tackled forcefully. Unemployment was kept low, and wages steadily rose as a result. Even as Keynesian zeal began to fade in the 1980s, full employment remained a policy priority.

But the 21st-century labor market has been persistently weak, and people have suffered as a result. The time is right for a big plan to turn that around. Maybe you call it a “jobs guarantee,” or maybe you call it “full employment,” or maybe you call it something else. But the idea of doing something big to make it dramatically easier for people to find work makes sense, and it’s popular.

The case for a jobs guarantee

From 1948 to 2000, the American labor market had its share of ups and downs, but there was a steady upward trajectory toward a larger and larger share of the prime-age population having a job.

Since 2000, that trajectory has reversed. Even with the overall national unemployment rate now low, the share of 25- to 54-year-olds with a job remains lower than it was during the 2007 peak, which was itself lower than it was at the 2000 peak. Barack Obama's administration opted to essentially declare victory in its war on the recession during his final two years in office. President Donald Trump's administration — without substantially changing the underlying trend — decided to do roughly the same midway through 2017.

Republicans down ballot are not so sure, however, and have ambitious plans to juice employment by pushing low-income households into the labor market with new work requirements for Medicaid and SNAP, plus cuts to Social Security Disability Insurance.

Progressives can (and should) critique those cruel and likely unworkable schemes, but they also shouldn't be complacent about their ability to beat something with nothing. The notion of work as critical to mainstream participation in American society has deep roots, and the observation that fewer people (and especially men) are working these days than in the past is not mistaken.

The notion that it is, instead, the responsibility of policymakers to ensure that remunerative work is universally available is a powerful alternative construct. That's why jobs guarantee rhetoric plays well in fictional contexts as distinct as *Dave* and *House of Cards* and why Democratic pollsters are excited about the strong numbers they get for the idea.

Basically the most popular substantive issue I've ever polled <https://t.co/bQWOwoLiCV>

— ((David Shor)) (@davidshor) [April 25, 2018](#)

Specifically, Civis Analytics field-tested the idea by polling a version of a jobs guarantee that specified a partisan framing and was explicit that there would be costs: "Democrats in Congress are proposing a bill which would guarantee a job to every American adult, with the government providing jobs for people who can't find employment in the private sector. This would be paid for by a 5 percent income tax increase on those making over \$200,000 per year. Would you be for or against this policy?"

They got resounding 52-29 support, a key sign that the notion of taking affirmative measures to put people to work continues to resonate with the public. The crucial thing is not to overreach. An ambitious program to get millions of people off the labor market sidelines and into employment while crushing the conservative drive to reinflct the mistakes of welfare reform on America's most vulnerable people is a really good idea. It doesn't need to *also* completely turn the American economy upside down.

Two problematic think tank proposals

Political enthusiasm about jobs guarantee ideas is, naturally, helping to spur the generation of wonkier white papers from think tanks to fill out the slogan. Unfortunately, two of the most prominent versions of think tank job guarantee plans suffer from serious flaws — one is underpowered and the other much too ambitious.

The Center for American Progress rolled out an idea in May 2017 that they characterized as “a new jobs guarantee” but in reality was something rather different — a call for a significant expansion of public sector employment in infrastructure building and child care.

This is a reasonable idea and could boost aggregate employment, but it’s obviously not a guarantee of anything.

Conversely, the fringe-left Levy Institute of Bard College published a report this month calling for a true guarantee of public service employment. But not only would all comers be guaranteed a job under this scheme, the job would pay \$15 an hour plus full health care benefits.

The Levy proposal would, of course, engage many current nonworkers or part-timers into full-time work. But given that it would overbid the wages of upward of 40 million current American workers, it would also completely upend the labor market. Levy’s analysis, oddly, projects that only 80,000 to 160,000 current full-time workers would transition into their new public service positions — hand-wavily asserting that everyone else would just get a raise.

That seems like a stretch to me. At a minimum, it’s a completely different proposition than the poll-tested one of a publicly financed employer of last resort, and it addresses a completely different problem than stagnating labor force participation. It’s a bit like calling Jurassic Park a hotel construction project and just hoping nobody will notice the velociraptors.

A serious jobs agenda would focus more narrowly on the problems of people who are currently not working but would like a job without being as constrained as the Center for American Progress plan about the available tools. It would also recognize that a little rhetorical flourish is allowed in politics.

The 2001 No Child Left Behind Act did not literally ensure that no child would be left behind any more than its 2015 successor, the Every Student Succeeds Act, ensures that every student will succeed. The point is to make the schools better.

Notes toward a jobs guarantee

The public’s eyes glaze over if you start trying to talk about monetary policy, but the beginning of wisdom on any kind of big jobs push needs to be that most Americans work in the private sector and the most important federal agency for job creation is the Federal Reserve system.

From FDR through Gerald Ford, the United States had Fed chairs who were obsessed with maintaining full employment and showing that capitalist economies could function. After the Great Inflation of the 1970s, priorities flipped and from Paul Volcker forward, Fed chairs have acted more paranoid about inflation than about unemployment. The cornerstone of any jobs plan is to turn that around and appoint people to the Federal Reserve Board of Governors who are kept up at night by haunting fears about the scourge of involuntary unemployment.

What would a more job-friendly Fed do, specifically? Mostly stuff that would make your eyes glaze over with boredom. But if you're interested, [Scott Sumner of the Mercatus Center](#) has a proposal for how the Fed should think about its goals, and [Mike Konczal and J.W. Mason of the Roosevelt Institute](#) have a proposal for what tools specifically the Fed should use to achieve those goals.

Next on the list should come something like what CAP proposes — a big push around creating new permanent public sector positions aimed at doing some clearly useful things like providing much-needed child care services and building the clean energy infrastructure the country desperately needs.

We also learned a lot during the Great Recession of 2008-2010 about both the value of fiscal stimulus in a recession and the difficulty of enacting adequate fiscal stimulus in a necessarily fraught political environment.

An appropriate response, as the Kennedy School's [Jason Furman](#) argued back when he was the Obama administration's chief economist, is to make automatic fiscal stabilizers more robust. Things like extended unemployment insurance benefits, a payroll tax holiday, and unrestricted cash transfers to state governments could all be automatically triggered by an elevated unemployment rate.

An idea from Rep. Ro Khanna (R-CA) for a [massive expansion of the earned income tax credit to offset a generation of stagnant wages](#) deserves mention here as likely to greatly increase employment. Smaller ideas like American Enterprise Institute economist [Michael Strain's plan for "relocation vouchers"](#) to help people with the logistical barriers to moving to places where more jobs are available are worth mentioning here too.

Medicaid eligibility rules should also be reformed to make it easier to move. The idea of expanding apprenticeships to more directly connect community college students with local labor market needs has enjoyed bipartisan support but could [enjoy another billion or two in money](#).

Booker's idea of demonstration grants to see what specific local areas could do with funding [designed to totally eliminate joblessness](#) is also worth trying. My read of the [evidence suggests that subsidizing private sector employers to hire people](#) will prove more cost-effective in the short and long term than the kind of direct public service work that job guarantee activists have in mind. It's worth letting different jurisdictions try both ways.

But most of all, we should remember that policy change is a marathon and not a sprint. The post-Nixon turn against a Keynesian, full-employment political economy was not achieved with a single bill — it was a sustained political drive to reorient America's policy conversation. In the wake of the massive catastrophe of the Great Recession, another sustained drive is warranted.

A jobs guarantee needs a reality check

What's true, of course, is that the most hardcore proponents of a jobs guarantee proclaim themselves uninterested in tepid half-measures. "With the revived popularity of the job guarantee idea," [Kate Aronoff wrote for the Intercept on April 1](#), "some imposters will enter

the fray, substituting the idea of a public option for employment with public-private partnerships and subsidies to companies to create more jobs.”

Yet some impostors are exactly what this situation needs.

Jobs guarantee proponents themselves are fond of citing the New Deal-era Works Progress Administration and Civilian Conservation Corps programs as antecedents of their thinking, but these programs fell short of offering a universal employment guarantee. FDR rhetorically endorsed the goal of a right to a job in his second bill of rights, but specifically invoked “the industries or shops or farms or mines of the Nation” — i.e., the private sector — as central to that vision.

FDR did so with good reason. For starters, while this is clearly not the intention of hardcore public jobs proponents, the practical reality is that for all the reasons that nonworking, able-bodied “welfare” recipients are stigmatized in American society, beneficiaries of a siloed make-work job scheme will similarly suffer.

So-called “workfare” schemes as implemented by conservative state and local officials in the late 1990s were no great shakes, and however much jobs guarantee proponents may protest that they have something else entirely in mind, the reality is that reliance on decentralized administration by state and local entities is at the core of their proposals. And it can’t be easily removed, because decentralization is critical to hand-waving away obvious questions about program administration: Can jobs guarantee workers be fired for cause? Who decides? What happens to them? How will jobs guarantee schemes be evaluated for cost-benefit or corruption?

A much wiser path is to follow Roosevelt’s actual model — the goal is a robust labor market, relief jobs are one of several tools to achieve it (and not necessarily the most important one), and it’s an enduring commitment, not a one-off policy shift. The best version of the jobs guarantee is a political commitment — a statement that the responsibility to ensure that people can find meaningful work rests upon the nation’s political leaders, and that pursuit of this goal is important enough to be worth bearing meaningful costs — rather than a single, specific idea.

It polls well, and while some versions of the idea are unworkable or a hazy rhetorical smokescreen for total transformation of American society, others are perfectly sensible. Rather than argue about the phrase, people who agree that macroeconomic policy in the 21st century has been too complacent about the state of the labor market should pitch in and put our own better ideas into the mix.