# Federal Jobs Guarantee Aff-Neg

## Topic Overview

A Federal jobs guarantee (FJG) is a program that would provide government funded employment to citizens. Federal jobs programs have existed in the past in the form of FDR’s New Deal which provided employment to Americans in light of the great depression. Advocates argue that these programs would be beneficial in lifting people out of poverty by providing stable access to jobs. Critics on the other hand focus on how these jobs may affect other areas of the market negatively and suggest that it could be harmful for the broader economy.

Both advocates for a Federal Jobs Guarantee and it’s critics highlight the effect that such a program would have on private employers by causing them to adapt their job marketing and pricing strategies. Advocates see this as a positive step, by providing workers the ability to bargain their wages and setting an industry standards for the workplace. Generally speaking, they believe that this increased competition would foster conditions that allow for better workplace environments due to this. On the other hand, critics argue that the pressures that would amount from this are too great for many businesses to handle – one way they frame this argument is by suggesting that because the government doesn’t have a profit motive they’re able to be more flexible. Meanwhile, private businesses would be unable to compete due to their need to maintain profit.

A significant influence on the recent literature around Federal Jobs Guarantees is the impact that Coronavirus has had on the economy and on people’s financial stability. One thing that appears important to discuss is whether a federal jobs guarantee is necessary outside of crisis – for that reason there’s evidence that precedes the pandemic which could be utilized strategically.

In recent years there’s been increasing debates about whether a Federal Jobs Guarantee is the best method to prevent people from going into poverty. While there are a variety of debated alternative options to ensure economic stability, some of the most prominent that are discussed are universal basic income, universal basic resources, expansions on existing welfare, and negative income tax. Each of these have their own benefits and drawbacks that would be important to discuss. Additionally, it’s necessary to demonstrate that a Federal Jobs Guarantee would preclude these other options which can be found in this file.

## Further Reading

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# Federal Jobs Guarantee Aff

## 1AC

### Value Criterion

#### For this debate we should look to the value of quality of life

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Economic, subjective and social indices can all shed light on a society's quality of life, as well as on how specific factors influ ence well-being. An example of the way researchers analyze how unemployment affects the quality of life should prove instructive in this regard. For a researcher proceeding from a normative ideal, involuntary unemployment is an evil, and social indicators can indi cate the extent of this in a society. In addition, the social indicator researcher might analyse what other outcomes covary with unem ployment, such as poorer healthcare or the likelihood of commit ting crimes. In contrast, the subjective well-being researcher wants to know whether unemployment affects people's moods and life satisfaction. The subjective well-being perspective also asks when people will enjoy their work. Finally, the economist will analyze unemployment in terms of its causes. Is there a discrepancy between the education of the available workforce and the jobs available? Do welfare payments induce people to choose unemployment instead of accepting lower paying jobs? Does the minimum wage law prevent some people from being hired? Notice, however, that how much people enjoy work can influence rates of unemployment. Thus, the social indicators perspective, subjective well-being measurement, and the economic approach can each tell us interesting and different things about the causes, consequences, and experience of unemploy ment. We have argued that social indicators, subjective well-being measures, and economic indices are needed in unison to under stand human quality of life, and to make informed policy decisions. Although the various measures each have a number of strengths and weaknesses, they are methodologically and conceptually comple This content downloaded from 128.110.184.55 on Wed, 05 Aug 2020 20:04:20 UTC All use subject to http 214 E. DIENER ANDE. SUH mentary. Quality of life is a complex, multifaceted construct that requires multiple approaches from different theoretical angles. We encourage scientists from the various disciplines of social science to exploit the strengths of other's contributions in a collaborative effort. Instead of turf battles over who has the best indicator, each discipline needs to borrow insights about quality of life from the other fields. A thorough understanding of subjective well-being requires knowledge of how objective conditions influence people's evaluations of their lives. Similarly, a complete understanding of objective indicators and how to select them requires that we understand people's val ues, and have knowledge about how objective indicators influence people's experience of well-being.

#### To evaluate quality of life we should analyze this topic through the ‘Veil of Ignorance,’ to apply our value to domestic policy

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Significance The philosopher John Rawls aimed to identify fair governing principles by imagining people choosing their principles from behind a “veil of ignorance,” without knowing their places in the social order. Across 7 experiments with over 6,000 participants, we show that veil-of-ignorance reasoning leads to choices that favor the greater good. Veil-of-ignorance reasoning makes people more likely to donate to a more effective charity and to favor saving more lives in a bioethical dilemma. It also addresses the social dilemma of autonomous vehicles (AVs), aligning abstract approval of utilitarian AVs (which minimize total harm) with support for a utilitarian AV policy. These studies indicate that veil-of-ignorance reasoning may be used to promote decision making that is more impartial and socially beneficial. Abstract The “veil of ignorance” is a moral reasoning device designed to promote impartial decision making by denying decision makers access to potentially biasing information about who will benefit most or least from the available options. Veil-of-ignorance reasoning was originally applied by philosophers and economists to foundational questions concerning the overall organization of society. Here, we apply veil-of-ignorance reasoning in a more focused way to specific moral dilemmas, all of which involve a tension between the greater good and competing moral concerns. Across 7 experiments (n = 6,261), 4 preregistered, we find that veil-of-ignorance reasoning favors the greater good. Participants first engaged in veil-of-ignorance reasoning about a specific dilemma, asking themselves what they would want if they did not know who among those affected they would be. Participants then responded to a more conventional version of the same dilemma with a moral judgment, a policy preference, or an economic choice. Participants who first engaged in veil-of-ignorance reasoning subsequently made more utilitarian choices in response to a classic philosophical dilemma, a medical dilemma, a real donation decision between a more vs. less effective charity, and a policy decision concerning the social dilemma of autonomous vehicles. These effects depend on the impartial thinking induced by veil-of-ignorance reasoning and cannot be explained by anchoring, probabilistic reasoning, or generic perspective taking. These studies indicate that veil-of-ignorance reasoning may be a useful tool for decision makers who wish to make more impartial and/or socially beneficial choices.

### Poverty

#### Federal jobs guarantee is necessary to remedy the current job market which places people into financial ruin

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Trina Traylor spent much of Juneteenth handing out groceries to her South Los Angeles neighbors in need. “It was a wonderful event,” she told me a few days after her team handed out food to more than 500 families. “People were so appreciative.” But Traylor expressed a nagging frustration that the food drive, organized by the Los Angeles Black Worker Center, was necessary at all. Food insecurity here, unfortunately, is nothing new — particularly among a Black community grappling with unemployment, homelessness, and low-wage jobs in one of the nation’s most expensive cities. But the COVID-19 pandemic has brought a new level of need. Traylor said she sees food drives almost daily now. “And when you go, you see people of color. That’s all you see.” As an LABWC volunteer and an organizer with the Service Employees International Union Local 2015, Traylor sees the full spectrum of coronavirus inequities during this pandemic job crisis. Low-wage workers, many of them people of color, are either unemployed or forced to work in public-facing jobs deemed essential. That’s been the case for her union members working in nursing homes, which have been particularly hard-hit by COVID-19. “Most of white America, they’re working from home,” she said. “We don’t have that luxury.” The economic crisis driving folks to the bread lines is being experienced by workers throughout the West. A fundamental problem is that jobs in the modern economy often pay too little for a person to meet their basic needs; the United Way estimates 40 percent of American households were one crisis away from financial ruin before the pandemic. The workers who hold these jobs lack access to adequate health care, and they’re likely to live in neighborhoods without robust options for food, child care, or transportation. It’s a problem that predates the coronavirus, one now putting workers — especially in communities of color — at unprecedented levels of risk. “All of these things created a perfect storm for Black people,” Lola Smallwood Cuevas, a project director at the University of California, Los Angeles Labor Center and founder of the LABWC, told me. “What was already weak just got rocked by COVID-19.” Fixing our nation’s relationship with work and labor, both during and after the pandemic, is going to be a long and multi-step process. The first is to keep employees economically and physically safe until a vaccine is developed. A bill introduced by Washington Representative Pramila Jayapal, modeled after countries that have been far more successful than the U.S. at containing COVID-19, would go a long way to that end. But to build resiliency among working families, structural changes inspired by the New Deal policies of the Great Depression could be necessary, especially if unemployment remains high. President Franklin Delano Roosevelt’s stimulus packages of the 1930s didn’t just bring us new dams and bridges — they hastened the country’s economic recovery by getting money directly to workers, and preceded a period of more equitable wealth distribution. Our modern problem is systemic, and will require wide-ranging fixes. But at the heart of a jobs crisis is, indeed, the lack of well-paying jobs. Solving it might require the government to create some. In March and April, Congress scurried with rare bipartisan speed to pass bills directing some $3 trillion to coronavirus relief. A large portion of that — $1.85 trillion — went to businesses in the hope they would keep their employees on the payroll. Nonetheless, unemployment surged. By April, when coronavirus-related furloughs and layoffs reached their peak (so far), more than 38.2 million people had lost their jobs. The unemployment rate, 14.7 percent, was higher than anything seen since the Great Depression. Employers added some jobs back in May, but the Congressional Budget Office predicts unemployment will hover above 9 percent through 2021. As far as Pramila Jayapal is concerned, a huge chunk of those job losses could have been avoided. In May, the Washington Democrat introduced the Paycheck Recovery Act, which would have the federal government cover compensation up to $90,000 for employees of eligible businesses, nonprofits, and state and local governments. Organizations would also get help with operating costs, and the program would automatically renew until the national unemployment rate remained below 7 percent for three months. “It is both an economic plan and a health care plan,” Jayapal told me in an interview. “If we’re going to beat the virus, we need to keep people home. If we want to keep people home, we’ve got to make sure they have money in their pockets.” Our journalism is possible only with reader support. Contribute to Bitterroot today. How Congress responds to the coronavirus will have lasting economic implications. Sociologist Megan Tobias Neely points to the difference in our recoveries from the Great Depression of the 1930s and the late-2000s Great Recession. In the Recession, she explained, stimulus funds were funneled through banks and big corporations, which stashed the money or used it to buy back their own shares on the cheap. On the other hand, New Deal policies implemented by Roosevelt prioritized labor over capital. “In the New Deal, the focus was on employing as much of the population as possible,” Tobias Neely, a Stanford University postdoctoral researcher and co-author of Divested: Inequality in the Age of Finance, told me. Sure, we’re familiar with the grand public works projects, but Tobias Neely said keeping folks like artists and teachers employed was equally important. “It was a much more well-rounded, comprehensive, community look at how to sustain society as a whole. I think that’s an important message for today.” The New Deal ethos of quickly getting money to workers is behind Jayapal’s legislation. With coronavirus cases still on the rise, she said, economic stability is the priority; after all, a restaurant that opens up today could close again in two weeks. A paycheck guarantee would allow the broader economy to flex as the coronavirus dictates without sending massive amounts of workers and small-business owners into economic calamity. Jayapal’s bill quickly gained 102 co-sponsors, and Republican Josh Hawley of Missouri floated a similar idea in the Senate. But the bill has, thus far, gone nowhere. The $3 trillion relief measure passed by the House in May didn’t include a paycheck guarantee provision. As the U.S. economy improved following the Depression, people’s incomes grew at the same rate whether they were at the top or bottom of the pay scale. If a company’s profits went up, it was likely that both the CEO and the frontline factory worker got a raise. But that began to change in the 1980s. “Our society has transformed into one where finance is at the center of our economy,” Tobias Neely, also an assistant professor at the Copenhagen Business School, said. “Because of that, it has completely changed the relationship between shareholders, executives, and workers.” Anti-union laws have watered down workers’ collective bargaining power, and companies have kept wages relatively flat for decades. Firms these days are quick to downsize their workforce, and we’ve witnessed the growth of on-demand labor performed by independent contractors like Uber drivers. From 1980 on, incomes for the top 1 percent of earners grew five times faster than for the middle 60 percent; those folks at the top now possess more than 40 percent of the nation’s wealth. All told, “it creates a more unstable society,” Tobias Neely said. Traylor witnessed that instability in South Los Angeles. Growing up in the 1970s and ’80s, she said, there was a thriving Black middle class. Family members worked public-sector jobs that paid enough for them to buy homes on their own, while other folks landed union jobs in the city’s robust manufacturing sector. But in the 1980s, car companies began moving production out of Los Angeles to regions where labor was less expensive. Corporate share prices jumped, but jobs evaporated, and with them went the tax base. The heyday of Los Angeles’ Black middle class, preceded by centuries of legal discrimination, lasted less than two decades. Discussions of American financial instability often focus on those who earn about $2,000 a month or less for a family of four — the federal government’s benchmark for poverty. But it’s obvious that incomes well above that threshold still yield a life of insecurity. Researchers with the United Way coined a term, ALICE (asset limited, income constrained, employed), for just such workers. These folks have jobs, but their incomes are low enough that one or two missed paychecks could spiral them into financial ruin. And the number of households that fall under this category is incredibly high. Among Western states, the share of sub-ALICE households exceeds 40 percent in New Mexico, California, Oregon, Nevada, Arizona, and Idaho. Consider the situation in Oregon, where, according to the United Way, a family of four must bring home more than $6,300 per month to live comfortably — triple the federal poverty line. Despite robust economic growth after the Great Recession, 44 percent of households here were struggling to meet their monthly costs in 2018, up from 32 percent in 2007. Wage increases over that period didn’t keep pace with the rising cost of living. Many jobs added since the Recession are low-wage positions with unreliable hours, unpredictable scheduling, shoddy benefits, and no potential for wealth creation. “The position of many workers in Oregon has been eroding despite the economic recovery since the Recession,” said Janet Bauer, a policy analyst at the Oregon Center for Public Policy and a member of the Northwest ALICE research committee. “These are trends that are worrisome, and really call for strengthening our structures so workers are faring better and participating in the fruits of the economy.” Folks in ALICE households overwhelmingly work jobs deemed essential during the pandemic — bus drivers, cashiers, farmworkers — or in the retail and hospitality sectors that have been decimated. Systemic racism and sexism shows up in the stats, too. In Oregon, nearly 8 in 10 households headed by single women earn below the ALICE threshold; the figure is two-thirds for Black households, and 60 percent for Hispanic-led ones. Extrapolate those trends to the entire nation, and the COVID-19 damage follows a logical path. Native Americans and Black people are dying of COVID-19 at disproportionate rates. People of color and women are most affected by job losses — 21 percent of Hispanic women lost their jobs during the outbreak. This dynamic frustrates Jayapal. An Indian immigrant, she spent decades working with public health and immigration organizations before being elected to Congress. Since taking office in 2017, she has authored legislation aimed at helping low-wage workers, immigrants, and LGBTQ people. One of her driving principles, she told me, was to re-establish the dignity of work. “Whether you’re a bricklayer or warehouse worker or grocery store clerk — that is work that is essential to our economy,” Jayapal said. “You should be paid a living wage, and you should have the benefits that allow you to put a roof over your head, put food on the table, put your kids through college, and retire with dignity.” Lifting wages could improve the standard of living for all. In Oregon, for instance, the United Way estimates that boosting every worker’s pay above the ALICE threshold would pump $58.2 billion a year into the state economy — a whopping 24 percent increase in gross domestic product. And the benefits to family units compound: A parent who can adequately raise her family on a single salary has greater capacity for time with children, self care, education, cooking, and numerous other activities that reduce stress and improve quality of life. Chronically low wages and unemployment are “counterproductive, and something we shouldn’t tolerate,” Bauer said. “We live in a consumer-oriented economy, and we limit ourselves when people don’t have the resources to go out and meet their basic needs.” So — how do we fix it? First, the pandemic. If the goal is to keep the virus at bay and folks on payrolls, Jayapal’s idea has a proven track record (when coupled with adequate testing and contact tracing). Workers in Denmark, Singapore, and South Korea were able to stay at home in relative financial comfort thanks to a paycheck guarantee, and these countries quickly stemmed the virus’ lethality. As I write this, the coronavirus death rate in the U.S. is 37.1 per 100,000 residents, and will certainly be higher by the time you read it. In Denmark, the figure is 10.4; South Korea and Singapore have experienced around 0.5 deaths per 100,000 residents. A paycheck guarantee would cost trillions, but our current approach has resulted in the loss of more than 120,000 lives. Value each death at $10 million — the figure the feds use when crafting policy — and we’ve already lost at least $1.2 trillion in human life. In addition, the Federal Reserve predicts our economy will shed more than $1.3 trillion in GDP by the end of the year. The cost of inaction is incredibly steep. Improving the broader labor situation is a task that will extend beyond the pandemic. Such a systemic issue will require a broad range of solutions. Bauer said a boost to the minimum wage and an expansion of the earned income tax credit would add thousands of dollars to workers’ wallets each year. For Jayapal, universal health coverage — she’s a co-sponsor of the Medicare for All bill — and comprehensive immigration reform are necessary. Given that so much of the work we now deem essential is done by immigrants, Jayapal said, it’s critical that they receive a path to citizenship. “If you eat food, immigrants have picked it, processed it, put it on your table, maybe delivered it to your door. Our home care industry and our health care industry are fueled by immigrant workers,” she said. “This is part and parcel to stopping the distinction between essential and expendable. You can’t be both at the same time.” But truly solving a jobs crisis has to get at the jobs themselves. FDR called for a federal jobs guarantee, as did Dr. Martin Luther King Jr. near the end of his life. Marriner Eccles, the Federal Reserve chair who was a key player in crafting the New Deal, argued that it was the federal government’s responsibility to create jobs in events of mass unemployment. “Why shouldn’t we declare as a national policy that we will, collectively, through government, offer the security of a job to all who are able and willing to work but are unable to find private employment?” he asked a New York audience in 1940. “Why not provide assurance of employment, not merely insurance for unemploy­ment?” One proposal in the New Deal mold, put forth by the Center on Budget and Policy Priorities, would create a National Investment Employment Corps to provide a job for any American adult who wants one. Much like the New Deal programs of old, NIEC would focus on public works projects at the behest of state and local partners. Pay would start at $11.83 per hour — well below ALICE thresholds in many states, but higher than the current $7.25 federal minimum — plus benefits. The program, CBPP estimates, would cost $543 billion a year. It’s a huge sum, but ending unemployment and eliminating poverty wages would cost about $180 billion less than the country spends on the military each year. “Workers are faced with stagnating real wages and a continued erosion of labor’s share of income,” the proposal reads. “The job guarantee could significantly alter the current power dynamics between labor and capital — particularly for low-wage workers and traditionally marginalized groups.” Further, the cost of the program would be offset by “increases in local, state, and federal tax revenues, decreases in uptake of existing social insurance programs, increases in the growth rate of GDP, and substantial productivity and capacity gains in the U.S. economy.” With federal funding, jobs programs could take shape at the local level, and correct some of the imbalances experienced by people of color. Households that fall below the United Way’s ALICE thresholds spend disproportionate amounts of their income on health care, housing, and transportation. In Los Angeles alone, a federally funded jobs program could put people to work establishing clearly-needed public health networks in the neighborhoods most affected by COVID-19. They could build the 517,000 affordable rental units needed in the county, and rail lines in transit-starved neighborhoods. “Our communities are in such need of infrastructure development, from sidewalks to rail systems to our schools and parks,” Smallwood Cuevas said. “The key here is we have to use measures to create equity mandates.” That could soon be easier in California, where voters in November will decide whether to repeal the state ban on affirmative action. Traylor sees potential in such programs, too. Her Juneteenth food drive was held off Crenshaw Boulevard, where the city of Los Angeles is building a new light-rail line. It took pressure from the LABWC before the city added Black workers and contractors to the project, but Traylor sees a future in which public works projects are built by the very community members who will put them to use. “I cannot say enough about public sector jobs,” Traylor said. “That is how we restart the Black middle class.”

#### Despite record-low unemployment rates prior to the pandemic Americans remain unable to find secure full-time jobs

Treuhaft 20 Sarah Treuhaft is a managing director of PolicyLink,a national research and action institute advancing racial and economic equity. Angela Glover Blackwell is the founder-in-residence at PolicyLink. "A Federal Job Guarantee Is a Crucial Tool to Fight Inequality." Published by Inequality.org on January 2, 2020. Available here: (https://inequality.org/research/federal-job-guarantee/) - AP

Skyrocketing inequality and persistent racial inequities are erasing the American dream for all but the lucky few and hobbling true economic prosperity. Tackling this toxic inequality must be the fight of this decade, and doing so requires breaking up the stranglehold of wealth at the top, growing the largest and most diverse middle class in history, and ensuring that no person or family falls below a standard of living that affords them economic security and dignity. One crucial tool that would go a long way toward establishing a new baseline of economic security for all is a Federal Job Guarantee: a public option for a good job that pays a living-wage and offers full benefits on projects that address long-neglected community needs and produce public benefits. Environmental restoration and energy efficiency retrofits to address our climate crisis; sidewalk and street repair, public art, and greening projects to reinvigorate disinvested neighborhoods; and new teachers’ aides, child care workers, and elder care workers to create a care infrastructure are just a few examples of the community-building work that would become possible with a job guarantee. RACIAL INEQUALITYGet the facts Guaranteed jobs would address a key failure of our economy: the inability to provide jobs for all even in the best of times. Today, amidst record-low unemployment, millions of Americans — 11.2 million as of the most recent jobs report — want full-time work but cannot find it. Some 5.8 million workers are actively job-seeking. Another 4.2 million are working part-time but want more hours. And 1.2 million want a job but have given up looking for one. This is a chronic crisis that disproportionately harms Black, brown, and rural communities. A job guarantee would also target our epidemic of low-wage, unstable jobs. A recent Brookings Institution analysis revealed that 44 percent of American workers earn less than $18,000 per year. And the latest Fed study found that 17 percent of workers contend with unpredictable, varying schedules. Guaranteed jobs would provide them with a far better option. A Federal Job Guarantee would set a new, higher standard — not only for wages but also for hours, schedules, and benefits — that private employers would need to compete against to find workers. Ensuring that all who want to work can have a good job would transform our economy. No one would need to go through the devastating experience of not finding employment. Workers facing discrimination because of their race, their gender identity, or for having a criminal record would gain economic opportunity. People stuck in jobs where they are harassed or unsafe would have a viable alternative. Poverty, racial inequity, and working poverty would decline. And, when the next recession hits, workers could take up guaranteed jobs — maintaining consumer demand and moderating the effects of the downturn for workers and businesses alike. This vast potential to deliver on economic security, dignity, and stability is why hundreds of individuals, leaders, and organizations working for racial, economic, and environmental justice have signed on to a Jobs for All manifesto calling on policymakers to enact a job guarantee. We hope that the readers of this blog will also sign on. In putting forth this manifesto, we seek to bolster growing political momentum for a job guarantee. Last fall, Senator Cory Booker and Representatives Bonnie Watson Coleman and Ilhan Omar introduced legislation for a pilot job guarantee program in 15 communities across the country. A job guarantee is also a key feature of the Green New Deal Resolution introduced by Representative Alexandria Ocasio-Cortez with 98 cosponsors. And Senator Bernie Sanders has made a job guarantee a key plank in his economic policy agenda in his bid for the presidency A job guarantee is also one of the most popular economic policies around. Multiple polls show that a majority of eligible voters support guaranteed jobs—including a good share of Republicans (48 percent according to one poll). At this time of unprecedented economic and ecological upheaval, it is time for bold policies that move us toward an inclusive and sustainable economy. It is time for a Federal Job Guarantee.

#### Federal Jobs Guarantee generates stable jobs and increases workers’ bargaining power in the private sector – this increased stability is key to decreasing poverty

Carpenter and Hamilton 20 Daniel P. Carpenter is the Allie S. Freed Professor of Government at Harvard University. Darrick Hamilton is currently the Executive Director of the Kirwan Institute for the Study of Race and Ethnicity at Ohio State University. "A FEDERAL JOB GUARANTEE: ANTI-POVERTY AND INFRASTRUCTURE POLICY FOR A BETTER FUTURE." Published by the Scholars Strategy Network on April 30, 2020. Available here: (https://scholars.org/contribution/federal-job-guarantee) - AP

Today the federal government employs considerably fewer people than in 1990. State government hiring has increased much more since the 1960s, from approximately 2 million full-time equivalent employees to 4.3 million, but most of this increase is due to growing community colleges, other colleges and universities, and prisons and corrections systems. Hiring in welfare, public hospitals, conservation, and even policing has stagnated in the last two decades, with all of these sectors declining on a per-capita basis. 3. Government Employment Has Distinct Advantages. Direct government hiring has advantages over other forms of counter-recessionary policy. In addition to direct government payments (stimulus checks, for example), government hiring provides jobs. One’s dignity is not limited to work, but jobs do entail work, and productive work with proper working conditions can confer dignity, meaningful exercise of mind and body, and benefits often in social settings. And combined with at least livable wages and salaries, a federal job guarantee would increase worker bargaining power in the private sector and reduce uncertainty over income streams. Unlike “gig economy” work, where take-home pay is often limited, and work provided by contractors, where pay may be very low for some and potentially egregiously high for others, government jobs are characterized by limited high-end pay and provide meaningful working-class to middle-class incomes. Direct government employment thus holds the potential for limiting income volatility and inequality, and the very real possibility that counter-recessionary policy will only exacerbate it. And finally, the spending that goes into direct government employment is spread diffusely among workers, limiting the gains from lobbying for contracts and grants, and thus blunting some of that political activity. We’ve Started This Before, and We Can Finish It Today: The New Deal and Contemporary Proposals. The proposal here builds on and meshes with the ideas of others. The obvious precedent rests in many public hiring programs that exist in American and world history, most notably the New Deal. Especially in the first two terms of Franklin D. Roosevelt’s presidency, the American government launched a bold series of public hiring programs whose names are now etched in memory: the Works Progress Administration, the Civil Works Administration, the Civilian Conservation Corps, the Federal Emergency Relief Administration. These programs provided many grants to states (such as through the Public Roads Administration and Social Security Administration Public Assistance Program), but also sponsored direct government employment, such as the federal component of the Public Works Administration and the Civilian Conservation Corps. Whether in grants to states or directly, work relief programs mean a massive increase in public sector hiring. Importantly, research by economic historians suggests that the New Deal’s public employment programs were robustly associated with a range of desirable public policy outcomes, including boosts in state income, consumption activity, and internal migration, and reductions in crime and mortality. The program of loans to banks and railroads under the Reconstruction Finance Corporation is not associated with these indicators of economic and social wellbeing. And as many historians and political scientists have shown, the effects of the New Deal were sharply limited by the racial segregation of its program structures. The New Deal thus provides positive and negative lessons for direct government employment programs today.

#### Federal Jobs Guarantee reduces regional and social inequalities through job creation and expanded programs with larger workforces

Carpenter and Hamilton 20 Daniel P. Carpenter is the Allie S. Freed Professor of Government at Harvard University. Darrick Hamilton is currently the Executive Director of the Kirwan Institute for the Study of Race and Ethnicity at Ohio State University. "A FEDERAL JOB GUARANTEE: ANTI-POVERTY AND INFRASTRUCTURE POLICY FOR A BETTER FUTURE." Published by the Scholars Strategy Network on April 30, 2020. Available here: (https://scholars.org/contribution/federal-job-guarantee) - AP

What would a federal job guarantee program look like? The program would be administered by the Department of Labor and overseen by the Secretary of Labor. The Secretary and Department of Labor will be charged with working in conjunction with other agencies, and states and localities to identify an inventory of public infrastructure tasks and associated jobs. 1. Jobs to support state and local governments. State and local governments account for most of the government employment in the United States, and they comprise an important part of our federalist system. In a range of policy domains – public health, education and job training, infrastructure, health provision and conservation – it is state and local governments that have the legal authorities and historical capacities to act. Yet state governments also have the weakest capacity to respond to an economic crisis. First, state governments have nothing like the Federal Reserve to back their debt (this is one among several reasons that the Federal Reserve has recently been looking into mass purchases of municipal bonds). They cannot print money. Second, state governments lack the expansive revenue-generating capacity of the federal government. Beyond this, state governments have in recent decades constrained their powers with balanced budget amendments, while a number of states (Illinois and Connecticut are two examples) have badly underfunded pension systems, and still others have tethered their income to commodity (especially petroleum) sales, which are at historically low prices and whose price declines have damaged state revenues. Workers and some capital costs for projects at the local, county, or state levels can be funded in a way to provide regional full employment and infrastructure needs. The projects and areas with the greatest needs could be cued to receive the federal intervention sooner. The Department of Labor would work closely with local governments. Local and state governments would, in conjunction with community organizations, develop project proposals to address local infrastructure needs, similar to the local, state, and federal collaborations in the design of direct government employment programs of the New Deal. Localities are likely most aware of the infrastructure needs to offer the greatest benefit to their communities. In order to minimize inequality across states and reduce the burden of discrimination, the workers under this program would be federally employed but would be tasked or apportioned (perhaps by formula, to reduce near-term political discretion) to states according to their economic, public health, and infrastructure needs. Even if the work occurs at the state and local level, the federal government needs to step in to provide the jobs, and there are a range of tools it has to do so. The traditional tool consists of program-specific block grants that have been an important feature of American government since the New Deal and especially the Nixon era. The problem with these grants is that they often permit state and local officials to withhold important resources from populations in need, as occurred with so many states’ refusal to take Medicaid expansions under the Affordable Care Act. Our proposal would build upon the strengths of grants by making the jobs available to states and local governments, but would address the inequality-related weakness of these programs by making the employees federal workers who, as such, are made available to state and local governments. In order to avoid potentially unconstitutional imposition of requirements upon state governments (which were declared unconstitutional in NFIB v. Sebelius (2012)), the federal government could offer these jobs as an option, as it did with Medicaid expansion in the Affordable Care Act. Another alternative is to allow state and localities to develop a bank of proposals for physical and human infrastructure from which a federal authority (operating under formulaic or discretionary procedures) can prioritize with regards to urgent and useful needs. The state and localities can even administer the program with federal oversight, however, the workers would be ultimately employed by the federal government, as opposed to state or local employees by way of a federal grant. 2. Jobs to support federal agencies. Direct government hiring by federal agencies would be essential for many reasons. First, in a polarized political environment, it is quite possible that some states may obstruct cooperation with federal government employment. Having a robust program of federal hiring, including directly in uncooperative states, would broaden the distribution of benefits and mechanize the mandate for guaranteed employment. The federal government has a well-established personnel system that has expanded before: witness the mobilization of government employment after the September 11th, 2001 terrorist attacks, including the creation of a new Cabinet-level department and the launching of new agencies such as the Transportation Security Agency (TSA). Congress should both create new federal programs and fund federal agencies to expand existing programs. The kinds of programs can and should be shaped by the imperative social, political, and economic needs of the American republic. What kinds of programs and what kinds of jobs make the most sense? Public health infrastructure. The news that we get on a daily basis on COVID-19 comes largely from the numbers collected by state health departments, agencies that are usually invisible but ever a bulwark against the most daunting health threats. Yet state and local health agencies have shed capacity since the 1980s. Then came the Great Recession. From an already weakened state, the American public health system has lost 55,000 jobs since 2008. Reliable estimates suggest that the deficit in American public health infrastructure amounts to at least 250,000 additional jobs. An assertive program of public hiring would include nurses, physicians, epidemiologists, health care aides, mental health professionals, social workers, health clinic administrators, workers to perform contact tracing for this and future pandemics, and building services workers like janitors. Rebuild our crumbling cities. Urban infrastructure would be an important part of any American rebuilding effort, but key to rebuilding America’s cities would be to invest in the public hospitals, health clinics, schools, and libraries (including informatics and digital training centers) that would promote both civic engagement and human capital formation. Construction jobs alone to build the new buildings and renew the older ones required for first rate public health, education, and library systems in cities and towns could provide hundreds of thousands of jobs, with many more in buildings operations and maintenance. Funding these positions would also allow governments to target black and brown communities and lower resourced communities in general who have traditionally been passed by in government employment programs. Expansion of rural programs through augmented postal services. The post office is the branch of government that Americans probably know best, with offices in essentially every zip code in the country. Until 1970, the Post Office Department provided banking services in its branches, providing an important tool of savings that dated from the Progressive Era. Over one hundred countries around the world offer a postal banking option. In addition to banking services, post offices could be augmented to provide rural broadband (not merely network extension but installation and repair consultations), health and wellness clinics, and claims processing for federal programs. Building upon our postal system would leverage existing infrastructure and provide rural benefits.

### Emergency Preparedness

#### Crises plunge families and the economy into chaos – the Covid-19 epidemic proves

Ingraham 20 Christopher Ingraham, is a data reporter at The Washington Post and previously worked at the Brookings Institution and the Pew Research Center. "Coronavirus recession could plunge tens of millions into poverty, new report warns." Published by the Washington Post on April 20, 2020. Available here: (https://www.washingtonpost.com/business/2020/04/20/coronavirus-recession-could-plunge-tens-millions-into-poverty-new-report-warns/) - AP

The coronavirus recession that has sparked unprecedented job losses will probably drive U.S. poverty rates to five-decade highs, according to new projections from Columbia University researchers. If unemployment hits 30 percent and stays there, as a recent Federal Reserve report has warned, one widely used measure of poverty would skyrocket more than 50 percent, from 12.4 percent to 18.9 percent, according to a report by Zachary Parolin and Christopher Wimer at the Center on Poverty and Social Policy. This would add more than 21 million people to the poverty rolls and mark the highest recorded poverty rate since at least 1967, they said. Even under a best-case scenario, in which employment levels recover rapidly after the summer, “the annual poverty rate will reach levels comparable to the Great Recession.” The pandemic has ravaged the economy, as stay-at-home orders have sidelined businesses and social life to stem its spread. More than 22 million Americans have filed unemployment claims since the White House declared a national emergency on March 13, wiping out a decade’s worth of job growth. The authors use the Census Bureau’s Supplemental Poverty Measure in their calculations. Many researchers give the SPM more weight than other federal poverty measures because it “counts a more comprehensive measure of resources, which include after-tax income, in-kind or near cash benefits, and a subtraction of non-discretionary expenses like those for medical, work, and child care expenses,” according to the authors. But they also calculated a poverty rate before taxes and transfers are factored in. That rate is reflected in the higher line in the chart above. The authors note that the rate is useful for identifying the living conditions “delivered by the wider economy,” before incomes are adjusted by redistributionary policy measures, food stamps and unemployment benefits. The $1,200 stimulus checks are arriving. People are mostly spending them on food For a family of four who rents their home, the SPM poverty threshold was $28,166 in 2018, according to the Census Bureau. Nearly 1 in 5 Americans will be below this threshold if 2020′s unemployment rate hits 30 percent, according to the Columbia study. Under a more optimistic scenario in which unemployment peaks at 10 percent, 15 percent of households would be under this threshold. The numbers look much worse before accounting for taxes and transfers. Under 30 percent unemployment, for instance, nearly 35 percent of households would hit the poverty threshold before cash benefits kick in. One big caveat is that these figures do not reflect the coronavirus stimulus bill, which provides one-time cash payments to most American families and greatly expands unemployment benefits. Those measures will reduce the share of families falling into poverty. The report is intended to depict how much damage the recession will inflict from baseline prerecession levels to help policymakers calibrate how much relief American families need. Because poverty rates are calculated on an annual basis, the authors stress that the numbers are blind to month-to-month income fluctuations that could greatly destabilize some households. Elizabeth Warren urges Congress to enact more protections for ‘essential’ workers A government check could help keep a household above the poverty line when looking at total annual income, for instance. But if that check arrives weeks or months after the loss of a job, that family is likely to face financial precarity if it doesn’t have another source of income to draw on. The report additionally finds that children and working-age adults are at the greatest risk of falling into poverty because of the recession. Adults older than 65, who are at less risk of losing employment income simply because many of them are retired, are likely to see a smaller spike in their poverty rate. In a 30 percent unemployment scenario, nearly one-third of all black families would end up below the poverty line. To avoid such dire scenarios, the authors “emphasize the urgent need for the provision of income assistance to all U.S. residents, with a particular focus on children and working-age adults who we find are at the greatest risk of falling into poverty.”

#### Although Covid-19 experienced unique difficulties in leadership the problem of US unpreparedness is much deeper and requiring solution

Balz 20 Dan Balz is chief correspondent at The Washington Post. He has served as the paper’s deputy national editor, political editor, White House correspondent and Southwest correspondent. "America was unprepared for a major crisis. Again." Published by the Washington Post on April 4, 2020. Available here: (https://www.washingtonpost.com/graphics/2020/politics/america-was-unprepared-for-a-major-crisis-again/) - AP

President Trump downplayed the coronavirus threat, was slow to move and has delivered mixed messages to the nation. The federal bureaucracy bungled rapid production of tests for the virus. Stockpiles of crucial medical materials were limited and supply lines cumbersome. States and hospitals were plunged into life-and-death competition with one another. When the public looked to government for help, government sometimes looked helpless or frozen or contradictory — and not for the first time. Political Reckoning A series exploring the political dynamics surrounding the coronavirus crisis. America was unprepared for a major crisis. Again. Government is everywhere now. Where does it go next? As Washington stumbled, governors stepped to the forefront Crisis exposes how America has hollowed out its government America convulses amid a week of protests, but can it change? The politics of race are shifting, and politicians are struggling to keep pace The country and its leaders were caught off guard when terrorists on hijacked airplanes attacked the homeland on Sept. 11, 2001. The financial crisis of 2008, which turned into a deep recession, forced drastic, unprecedented action by a government struggling to keep pace with the economic wreckage. The devastation from Hurricane Andrew in Florida in 1992 and Hurricane Katrina in New Orleans in 2005 exposed serious gaps in the government’s disaster response and emergency management systems. “We always wait for the crisis to happen,” said Leon Panetta, who served in government as secretary of defense, director of the CIA, White House chief of staff, director of the Office of Management and Budget and a member of the House. “I know the human failings we’re dealing with, but the responsibility of people elected to these jobs is to make sure we are not caught unawares.” In interviews over the past two weeks, senior officials from administrations of both parties, many with firsthand experience in dealing with major crises, suggest that the president and his administration have fallen short of nearly every standard a government should try to meet. 2:31 State and local officials on March 15 criticized the Trump administration’s slow response to the coronavirus as the outbreak continued to spread nationwide. (JM Rieger/The Washington Post) Repeated crises have shown that government is rarely, if ever, fully prepared. Nor is government as flexible as it needs to be to respond as quickly or creatively as conditions often demand. Many factors contribute to what appear to be chronic weaknesses that can compound problems and reduce public confidence. Lessons learned after the fact solve past problems without necessarily anticipating future ones. Leadership is important, and President Trump will have on his record what he did and didn’t do in the early stages of this particular crisis. But the problems go far broader and deeper than what a president does. Lack of planning and preparation contribute, but so too does bureaucratic inertia as well as fear among career officials of taking risks. Turnover in personnel robs government of historical knowledge and expertise. The process of policymaking-on-the-fly is less robust than it once was. Politics, too, gets in the way. Long ago, this was far less the case, a time when the United States projected competence and confidence around the globe, said Philip Zelikow, a professor at the University of Virginia who served in five administrations and was executive director of the 9/11 Commission. “America had the reputation of being non-ideological, super pragmatic, problem solvers, par excellence,” he said. “This image of the United States was an earned image, of people seeing America do almost a wondrous series of things. . . . We became known as the can-do country. If you contrast that with the image of the U.S. today, it’s kind of depressing.”

#### Federal Jobs Guarantee builds resiliency to respond to crisis both economically as well as materially by incentivizing necessary production

Carpenter and Hamilton 20 Daniel P. Carpenter is the Allie S. Freed Professor of Government at Harvard University. Darrick Hamilton is currently the Executive Director of the Kirwan Institute for the Study of Race and Ethnicity at Ohio State University. "A FEDERAL JOB GUARANTEE: ANTI-POVERTY AND INFRASTRUCTURE POLICY FOR A BETTER FUTURE." Published by the Scholars Strategy Network on April 30, 2020. Available here: (https://scholars.org/contribution/federal-job-guarantee) - AP

Executive Summary To combat the current health and economic crisis, and build national infrastructure in the public health, environmental and transportation domains, American government should directly hire millions of citizens in the coming two years, offering a federal job guarantee (FJG) that strengthens government at all levels, especially local and state. Doing so would transcend the limits of current stimulus programs. Those programs confer money but not stable, dignified work. This direct government employment (DGE) would rebuild sectors of our country that have withered – our public health clinics and agencies, our transportation network, our physical plant for education and services in both urban and rural settings. DGE would also supply workers for the vital transition to a new, energy-efficient, reduced-carbon infrastructure. Unlike other relief programs, a federal job guarantee can eliminate involuntary unemployment, directly build the capacity of government to reduce the likelihood of future crises and respond effectively to those crises that do arise. A FJG can complement other relief programs including social insurance and income support, but there is no substitute for its poverty-combatting, inequality-reducing, worker-empowering, nation-stabilizing, and infrastructure-building potential. Scale matters. To meet the needs of the nation, a FJG would provide millions of new jobs, ranging from public health positions (at least 250,000 jobs), enhanced postal services, including postal banking (at least 100,000 jobs), construction, rehabilitation, retrofitting and staffing of schools, clinics, parks, senior centers and civic centers (at least 1 million jobs), new infrastructure, energy transition and conservation work, including solar installation (many millions of jobs), as well as investments in unemployment and social insurance and job training (hundreds of thousands of jobs). And a FJG would rejuvenate America’s civil service at a moment of mass impending retirements, injecting greater diversity and youth into a system that sorely needs it. Introduction The multidimensional crisis unfolding with the global coronavirus pandemic calls for a multidimensional solution. It demands bold thinking. American public officials have done some of that bold thinking in greatly extending unemployment benefits, in offering loans and loan guarantees by the hundreds of billions of dollars, and by using rarely-invoked federal authority to incentivize and compel the production of medical necessities. The Federal Reserve has undertaken actions even beyond those it took in response to the financial crisis of 2008. Yet an important part of the policy toolkit has been neglected to date: direct government employment. Put simply, governments at all levels can and should employ millions more Americans in the years to come. Direct government hiring at all levels of the American political system will be an essential part of the response to the coronavirus pandemic. This paper lays out the case for large-scale direct government hiring—a federal job guarantee, and then explains the types of jobs and projects that could deliver value to the American people.

### Economic Stability

#### Federal Jobs guarantee is necessary to provide the workforce with decent wages and benefits

Blackwell and Hamilton 20 Angela Glover Blackwell is is the founder and CEO of PolicyLink, a national research and action institute advancing economic and social equity. Darrick Hamilton is a pioneer and internationally recognized scholar in the field of stratification economics, which fuses social science methods to examine the causes, consequences and remedies of racial, gender, ethnic, tribal, nativity, etc. inequality in education, economic and health outcomes. "Will We Face Depression-Era Job Losses? Let’s Not Find Out." Published by New York Times on May 9, 2020. Available here: (https://www.nytimes.com/2020/05/09/opinion/federal-jobs-guarantee-coronavirus.html) - AP

On Friday, the Labor Department announced that over 20.5 million Americans lost their jobs in April, bringing the unemployment rate to 14.7 percent. This level of devastation has not been reached since the Great Depression. With more than one in four companies shuttered to minimize the pandemic’s death toll and at least 30 million workers seeking unemployment benefits, we are in the throes of an unprecedented jobs crisis. Just like the health crisis, economic fallout is hitting black and brown communities particularly hard. Far more black, Latinx, and Native American households are financially impacted or severely harmed by the coronavirus than white households. People of color make up an outsized share of the essential workers — grocery store clerks, bus drivers, janitors and home care workers — who risk exposure to the virus while earning low wages with few benefits. While Congress has taken some important steps to provide relief, more must be done to keep people safe, prevent job losses and maintain incomes. We face a recession with the potential for Depression-era job losses, and we know from experience that black and brown workers bear the greatest risk of long-term economic setbacks. To ensure an inclusive recovery and a more resilient future, Congress needs to enact a federal job guarantee: a public option for a job with living wages and full benefits on projects that meet long-neglected community needs. This idea is not new. The Humphrey-Hawkins Act — introduced in the 1970s by Senator Hubert Humphrey, a Democrat from Minnesota, and Representative Augustus Hawkins, a Democrat from California — proposed employment guarantees. The original bill allowed citizens to sue the government if they couldn’t find a job. A version of federal job protections has been percolating for years. In 2018, three Democratic senators — Kirsten Gillibrand of New York, Cory Booker of New Jersey and Bernie Sanders of Vermont — approved of the idea. Hundreds of scholars, leaders and organizations working for racial, economic and environmental justice have signed on to a Jobs for All pledge calling for a federal guarantee. The coronavirus exposes the extreme vulnerability of a system that actively produces inequality. A job guarantee is a powerful solution that would not only address urgent needs but also bend our economy toward racial and economic justice. As Pavlina Tcherneva, an economist at Bard College, described, some of these guaranteed jobs could be in disaster preparation and monitoring. We could hire workers to conduct the community-based testing, monitoring and contract tracing necessary to contain the virus and safely reopen the economy. Workers would be equipped with proper personal protective equipment, and could have access to child care provided through the program. Employment (rather than unemployment) offices across the country could identify and fill shortages of ventilators and masks. Unlock more free articles. Create an account or log in The program would be funded by the federal government and administered locally, with community input to identify projects that address long-term physical and care infrastructure needs. Communities could implement energy efficiency retrofits and environmental restoration efforts to fight climate change. They could hire teacher’s assistants, child care providers and elder care aides to support our youth and seniors. And they could remediate brownfields and create new public art. States and cities could also implement larger-scale projects, for example laying municipal broadband networks that plug disconnected communities into the modern economy — a divide made visible as public schools scrambled to implement distance learning. By ensuring that everyone can have not just any job, but a good job with dignified wages, benefits, health care, safe working conditions and full worker rights, a job guarantee would deliver long-needed worker reforms. It would tackle poverty by providing a viable alternative for the 40 percent of workers who earn less than $15 per hour. And it would reduce racial employment disparities by guaranteeing good jobs for everyone, including black, Latinx and Native American workers who face hiring discrimination and are disproportionately relegated to low-wage jobs. Hope, Despair, Control: The 1950s China My Father Saw, Echoed Today A federal commitment to universal employment has deep roots in the New Deal and the civil rights movement. The Works Progress Administration employed 8.5 million people over eight years, building infrastructure that supported and powered the nation over the next century. In 1944, President Franklin D. Roosevelt called for an Economic Bill of Rights, beginning with the right to employment. Martin Luther King, Jr., pushed for guaranteed jobs in his final years and Coretta Scott King led a grass-roots movement championing it. An updated version of Roosevelt’s vision would increase bargaining power and expand the social safety net for all workers. By hiring workers at the beginning of a downturn, a permanent job guarantee would operate as an automatic stabilizer in perpetuity, maintaining consumer spending and protecting us from recessions — making our economy more resilient as well as more inclusive. This time last year, no one would have predicted that a global pandemic would bring us to the brink of economic collapse. But we can predict with certainty that Covid-19 will not be our last economic shock. A job guarantee can mitigate this harm and usher in a more just and equitable economic future.

#### Federal Jobs guarantee stabilizes the economy by preserving workforces during recession

Pearkes 20 George Pearkes is a research analyst and key writer for Bespoke Market Intelligence. "The latest progressive economic policy is designed to stabilize the US labor market — and it looks a lot like the military." Published by Business Insider on February 13, 2020. Available here: (<https://www.businessinsider.com/job-guarantee-economic-idea-progressives-us-military-similarities-2020-2>) - AP

One of the burgeoning policy ideas in progressive circles is the idea of a job guarantee: a policy in which the government would offer a well-paying job with full benefits to anyone who wants one. While that may sound radical — and has drawn its fair share of scorn from conservatives — it should be familiar to anyone that knows how our military works. How the guarantee would work A federal jobs guarantee is a pretty simple idea: if you want a job, you get one, at a living wage and with full benefits that we associate with full-time labor, like healthcare. Granular specifics such as the level of wages offered or the specific level of non-wage benefits can vary, but all job guarantee proposals share those basic attributes. Unlike other left-wing policy proposals like universal basic income, a jobs guarantee involves production instead of simple transfer of resources. In plain English, participants in the program would be providing goods or services we as a society think are being under-supplied such as infrastructure improvements, childcare, or healthcare. The specifics of which goods or services would be provided also vary. For instance, some proposals like the Green New Deal focus on de-carbonizing the economy, while others put forward ideas like inadequately available child care for working parents. A jobs guarantee would also serve a variety of other roles within the US economy: improving worker bargaining power and raising labor income, stabilizing economic cycles, and improving productivity. A jobs guarantee could help stabilize the US economy Let's work through some of those benefits, the first being an increase to workers' wages. Wages for work as part of the guarantee program would in most cases serve as a wage floor, forcing private sector employers to pay above what the program was offering in order to attract and retain talent; that would to a large degree make minimum wages less relevant. Why work at a fast food restaurant that offers 30 hours a week and no healthcare when the job guarantee gives you full hours and coverage? Of course, that competition hurts employers relative to employees, and that's one potential cost of the program to consider. In periods of strong labor demand from the private sector, higher wages or benefit packages offered by non-government employers would draw workers away from the jobs guarantee. But during recessions, the program would act as a fallback option for workers and help prevent catastrophic declines in demand by preserving worker income and keeping them involved in the labor force. By preventing large pools of workers from dropping out of the labor force during periods of weak economic activity, losses of skills and networks with other workers are avoided. This preservation of skills and labor force attachment would likely improve labor productivity over time. A jobs guarantee also has some distinct advantages over ideas like UBI. Rather than simply transferring income, important capital projects like infrastructure can be built as jobs guarantee projects which in turn would raise the US economy's productive capacity. Even in relatively good times like these, there are millions of Americans who are looking for work, want a job but haven't been able to find one, or who are working part-time because they can't get full-time hours. As I mentioned in my last piece, the proportion of the workforce in those categories is at a record low, but that still means at least 10.6 million people are without a job and at least another 4.1 million who could be working more.

#### US economic recessions lead to massive losses both domestically and globally

Lynch and Long 20 David J. Lynch is a staff writer on the financial desk who joined The Washington Post in November 2017 after working for the Financial Times, Bloomberg News and USA Today. Heather Long is an economics correspondent. Before joining The Washington Post, she was a senior economics reporter at CNN and a columnist and deputy editor at the Patriot-News in Harrisburg, Pa. "With unprecedented force and speed, a global recession is likely taking hold." Pulbished by the Washington Post on March 14, 2020. Available here: (https://www.washingtonpost.com/business/2020/03/14/recession-economy-coronavirus-jobs/) - AP

The United States is suffering the most abrupt and widespread cessation of economic activity in its history, hurtling toward a recession that could mean lost jobs, income and wealth for millions of Americans. Across the country, consumer spending — which supports 70 percent of the economy — is grinding to a halt as fears of the escalating coronavirus pandemic keep people from stores, restaurants, movie theaters and workplaces. The rapid national shutdown already has caused layoffs and reverberated on Wall Street, driving stocks into their first bear market in 11 years. Amid panic selling, unusual strains have appeared in less visible market niches that are critical to the ability of businesses to operate normally. Latest updates on the coronavirus in the U.S. and worldwide For millions of workers, consumers and investors, the economy’s sudden stop comes as memories of the 2008 global financial crisis remain fresh. Less than 12 years ago, the economy sank into a painful recession after risky Wall Street investments tied to real estate went sour. The number of jobless workers more than doubled in the aftermath while the stock market lost more than half its value. One store’s effort to keep shelves stocked during coronavirus rush Sniders Super Foods in Silver Spring, Md., tries to keep up with the demand as the community makes coronavirus preparations. (Jon Gerberg, Zoeann Murphy/The Washington Post) Some veterans of that tailspin — the worst since the Great Depression — say today’s epidemic is hammering the economy in complex ways that could prove even more difficult to combat. “The problem is everyone in America is cutting back their consumption,” said Jason Furman, who led the Council of Economic Advisers during the Obama administration. “A lot of sectors are being hit, especially the services sector. A lot of income and spending is being reduced. That’s just an enormous shock to the economy.” The economy has weathered numerous painful recessions and previous shocks, including natural disasters and terrorist attacks. But what’s different this time is the speed of decline and the comprehensive economic hit caused by an unpredictable health scare that interferes with Americans’ ability to produce and consume. By the end of this month, the global economy probably will have shrunk by 1.2 percent — “not far short of the 1.6 percent drop in world output seen at the depth of the global final crisis” in the fourth quarter of 2008, according to Capital Economics in London. As the United States reels, Europe and Japan are also probably in recession. “This is like a hurricane happening everywhere simultaneously for months and months on end,” Furman said. The companies that feed America brace for labor shortages and worry about restocking stores as coronavirus pandemic intensifies President Trump supports the cruise industry amid coronavirus outbreak President Trump voices his support of the cruise industry and commends Vice president Pence for how he handled the Grand Princess in Northern California. (Video: Monica Rodman/Photo: Jabin Botsford/The Washington Post) The economic costs in the United States are mounting quickly. Apple chief executive Tim Cook said Saturday that the company is closing all stores outside China until March 27. In Las Vegas, MGM Resorts — where several employees have tested positive for the virus — said late Friday that it would begin layoffs and furloughs in the coming week. “Business demand has decreased significantly,” CEO Bill Hornbuckle wrote in a letter to employees, which was first reported by the Las Vegas Review-Journal. As Americans hunker down at home because of the health scare, restaurants are among the hardest hit. Within three weeks of the first reported coronavirus death in a Seattle suburb, restaurant reservations in the city fell nearly 60 percent, according to OpenTable, the online service. AD In Boston, Ayr Muir, who runs Clover Food Lab, a 12-restaurant chain, said he expects “a very serious drop-off” in sales. Several of his restaurants are on, or near, college campuses that are closing. Others are in business districts that have become ghost towns as workers telecommute. Muir said he knows of restaurants that have closed rather than risk incurring additional debt riding out an extended business interruption. “I think it’s less about people choosing not to go out and more that they’re not there,” he said. “I think this is going to end up being a pretty dramatic period, certainly for smaller businesses, but some larger ones, too.” Sign up for our daily Coronavirus Updates newsletter to track the outbreak. All stories linked within the newsletter are free to access. On the corporate front, the Big Three automakers and their suppliers pleaded with the Trump administration for a delay in the planned June 1 scheduled implementation of a new North American trade deal. AD “We are in the midst of a global pandemic that is significantly disrupting our supply chains, and the industry is throwing all available resources into managing production through this crisis,” an industry statement said. The eventual economic damage could be massive. More than 18 million Americans work in industries that are being hurt by the initial efforts to contain the virus: travel and tourism; spectator sports; museums; hotels; railways; and the performing arts, according to economist Michael Feroli of JPMorgan Chase. Activity in this roughly $2 trillion slice of the economy will be significantly depressed for three months, he wrote in a note to clients Thursday, longer if the virus does not dissipate in the summer. A sign of what’s ahead came Friday, when Delta Air Lines said it is slashing flights by 40 percent, the largest reduction in its history, surpassing even that executed after the Sept. 11 terrorist attacks. “The speed of the demand falloff is unlike anything we’ve seen — and we’ve seen a lot in our business,” Ed Bastian, Delta’s chief executive, wrote in a note to employees. Airports empty out as coronavirus fears slam airline industry Across the globe, flights were canceled and travelers stayed home as the novel coronavirus outbreak became a pandemic. (The Washington Post) The U.S. economy that President Trump hailed in January as “the best it has ever been” will be smaller at the end of June than it was on New Year’s Day, according to Feroli. And it will shrink in the second quarter at an annual rate that exceeds the decline at the time the failure of the investment bank Lehman Brothers turned the 2008 downturn into a cataclysm.

## Extensions

### Poverty

#### Poverty and job instability persists despite economic growth since 2009

Ajilore 19 Olugbenga Ajilore is a senior economist at the Center for American Progress. "The United States Is Not Ready for a Recession, But It Can Be." Published by The Center for American Progress on September 27, 2019. Available here: (https://www.americanprogress.org/issues/economy/reports/2019/09/27/475075/united-states-not-ready-recession-can/) - AP

The permanent recession Although the economy has been growing since 2009, even those who have benefited from this growth are still feeling the effects of the Great Recession. While recessions are harmful in a variety of ways—most significantly because people lose their jobs—they also leave a permanent mark on people’s consciousness. For some, there is the pain of being forced to take a lower-level job. For others, jobs are not even available. Several generations have been adversely and permanently affected by the Great Recession. Millennials, many of whom had only recently entered the labor market at the time of the recession, have altered their behavior because of the downturn, delaying big purchases such as houses.8 Baby Boomers with nest eggs wrapped up in the stock market saw their savings nearly wiped out.9 Homeowners of all ages were and continue to be profoundly affected. Economists Heather Boushey, Ryan Nunn, Jimmy O’Donnell, and Jay Shambaugh found that the Great Recession led to long-term damage to both businesses and households.10 In their report, “The Damage Done by Recessions and How to Respond,” the authors demonstrated that the employment-to-population ratio has not recovered since 2008 and that many people have permanently left the labor force. Moreover, Ulrike Malmendier and Stefan Nagel found that those who graduated from college during the recession have ended up with permanent wage losses.11 A new working paper by U.S. Census Bureau economist Kevin Rinz finds that Millennials have not only not recovered their earnings losses from the Great Recession but also that their earnings may never recover.12 He finds that from 2007 to 2017, Millennials lost 13 percent of actual earnings due to the Great Recession, while members of Generation X and Baby Boomers lost 9 percent and 7 percent, respectively. Because of this so-called permanent recession, the distribution of the benefits of the latest expansion has not reached certain demographics or geographic regions. And those who have benefited from recent growth have been heavily concentrated at the top of the economic pyramid. For example, nonmetropolitan counties have not fully recovered, as economic growth has been more heavily skewed toward metropolitan counties. Claims that the labor market is tight are therefore premature;13 many groups are not experiencing the outcomes indicative of a tight market. Federal Reserve Chair Jerome Powell recognized this fact when he said, “To call something hot, you need to see some heat.”14 He also pointed to meager wage growth as evidence that labor markets are not “hot.”

#### Jobs guarantees are necessary to prevent people from becoming impoverished especially after the disasterous effects of Covid

Pan 20 J.C. Pan is a staff writer at The New Republic. "Imagining a Real "Right to Work."" Published by the New Republic on May 1, 2020. Available here: (https://newrepublic.com/article/157515/imagining-real-right-work) - AP

It’s true enough that plenty of the more than 26 million currently unemployed workers may hope to return to their jobs, even if doing so comes at great personal risk. But that, of course, is mostly out of sheer necessity. “Capitalism begins not with the offer of work, but with the imperative to earn a living,” the historian Michael Denning once wrote. Since the vast majority of people have to work to survive—and because the country’s threadbare social safety net, including its onerous unemployment system, offers only the flimsiest cushion for anyone who loses their income—the choice of returning to work in a pandemic is less a triumph of freedom than it is a gamble on one of two bad options. In the states that have begun to scale back shutdown orders, consumers will be free to decide whether getting a haircut or dining out is worth the risk; the employees at those establishments, on the other hand, won’t have much say in the matter. The grotesque distortion of the notion of freedom when it comes to employment is perhaps most famously captured by the long-standing right-wing concept of “right-to-work,” the neologism for a type of union-busting legislation that allow workers to opt out of union dues and subsequently undermines the strength and financial resources of organized labor. But in this moment of conservatives braying for freedom to return to the workplace, particularly with spiking unemployment and no clear end to the pandemic, there’s also a chance to envision a new kind of right to work that meaningfully expands the freedom of workers—bringing real autonomy, better conditions, and more ease to our working lives—in the economy to come. Right-to-work laws germinated in the 1940s as the result of a business backlash to the National Labor Relations Act, signed by Franklin D. Roosevelt the decade prior, which enshrined the right of private sector employees to unionize and engage in collective bargaining. Over the next several decades, business groups and right-wing interests pushed right-to-work laws. Today, 27 states in the U.S. are right-to-work states, and the Supreme Court’s 2018 Janus decision further imposed right-to-work on the public sector. There is no legal magic wand, as labor attorney Julian Gonzalez once put it, that will automatically rescue the labor movement from its current predicament, and workers have always organized and participated in pickets and strikes regardless of the legality of those actions. The period of mass strikes that preceded the passing of the NLRA, for instance, also coincided with some of the most restrictive labor laws in the country’s history. Yet, as workers in low-wage sectors now risk their health and their livelihoods to undertake wildcat actions across the country, we can also sketch a policy blueprint for strengthening worker power. Call it a real right to work. That might start with the elimination of at-will employment, or the practice that grants employers the right to fire employees for any—or no—reason whenever they wish. As the political philosopher Elizabeth Anderson argued in her book Private Government, the at-will arrangement gives bosses immense power over workers that, in some cases, exceeds even the authority of the state. “Under the employment-at-will baseline,” Anderson wrote, “workers, in effect, cede all of their rights to their employers, except those specifically guaranteed to them by law, for the duration of the employment relationship.” A different kind of right to work, then, would protect workers from termination without just cause—which, incidentally, is already the standard in a number of European countries—and from the surveillance and abuse of employers. As the pandemic subsides, a federal jobs guarantee could function as another component of a worker-first right to work, particularly with the country sinking further into a recession. The demand for full employment, a plank of left movements throughout parts of the twentieth century, was revived more recently by a handful of former presidential candidates, including Bernie Sanders. Proponents of a jobs guarantee have argued that such a program would shift power to workers by tightening the labor market and reducing the ability of employers to use the threat of firing to discipline employees. And as my colleague Kate Aronoff wrote in March, a green federal jobs program has the potential not only to build the kind of sustainable infrastructure the country needs in the face of accelerating climate change, but could also set new labor standards for private sector jobs through the creation of a wage floor or a shorter workweek. Finally, a new, pro-labor conception of the right to work would expand and safeguard workers’ right to strike. If a strike is a withholding of work, it’s also ultimately what undergirds the demand for every other workplace right, including safer conditions, better pay, and more respect; the recent spate of strikes by essential workers forced to report to unsafe workplaces or denied protective equipment during the pandemic demonstrates that necessity. In the U.S., expanding the right to strike might include ending no-strike clauses in labor contracts, which bar workers from striking while a collective bargaining agreement is active; legalizing federal workers’ right to strike; and lifting restrictions on solidarity actions or “sympathy strikes,” which would allow unions to strike in support of other shops. “In a sense, we are living in an indefinite lock-out, facing an administration that sets a higher priority on destroying the Postal Service than it does on organizing a crash program to produce the tests, safety equipment, and antivirals that will allow the U.S. to return to work,” author Mike Davis wrote recently. Particularly as conservatives clamor to reopen states against public health experts’ caution, the right to refuse to work remains critical. We can fight for that while also insisting that the failure of federal and state governments to ensure workplace safety is its own kind of hostility to employment. These are meaningful rights—the freedom that comes with working in safe conditions, for good wages, and with self-determination. If the right’s ghoulish machinations to kick-start the economy represent any kind of freedom at all, it’s the freedom to die or the freedom to starve.

#### The inability to afford basic cost of living expenses are forcing people out of their homes at skyrocketing rates

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If the term “working homeless” has not yet entered our national vocabulary, there is reason to expect that it soon will. Hidden within the world of homelessness has always been a subset of individuals, usually single parents, with jobs; what’s different now is the sheer extent of this phenomenon. For a widening swath of the nearly seven million American workers living below the poverty line, a combination of skyrocketing rents, stagnant wages, and a lack of tenant protections has proved all but insurmountable. Theirs, increasingly, is the face of homelessness in the United States: people whose paychecks are no longer enough to keep a roof over their heads.  Strikingly, this crisis of housing insecurity is erupting in America’s richest, most rapidly developing cities. New York, whose economy soared to historic heights between 2009 and 2018, watched its shelter population swell by 72 percent during that time. Washington, D.C., boasts one of the country’s highest median incomes; it also has the greatest per capita homeless rate. Seattle is close behind. In Los Angeles and Charlotte, San Jose and Nashville, the trends are similar. Unemployment is at a generational low; corporate profits have surged; the signs of growth—from new construction and consumer spending to the unbridled “revitalization” of urban space—are everywhere. Yet the teachers, maintenance workers, supermarket cashiers, and medical assistants who help sustain these cities are getting relentlessly priced out of them. Last year, 7.8 million extremely low-income renters were classified as severely cost burdened, meaning they spent at least 50 percent of their income on rent and utilities, and more than half a million people were homeless on any given night. Unlike earlier periods of widespread homelessness and displacement, such as during the recession of 2008, what we’re witnessing today is an emergency born less of poverty than prosperity—occurring not despite but precisely because of the economic boom.   Atlanta, the third-fastest-growing metropolitan area in the country, is illustrative. For the city’s working poor, there’s an inverse relationship between their ability to remain housed and Atlanta’s much-celebrated renaissance. Between 2012 and 2016, the city’s low-income housing stock declined by 5 percent each year, to the point that today, according to the National Low Income Housing Coalition, there are only 25 affordable rental units for every 100 poor families in the Atlanta area who need them. (The U.S. Department of Housing and Urban Development defines affordable as costing no more than 30 percent of a household’s income.) A recent report by the Brookings Institution found that Atlanta’s income inequality is the most extreme in the nation; another ranked it fifth among places most intensely gentrifying; and a 2019 analysis by the Federal Reserve Bank ranked Atlanta 360th out of 381 cities in terms of economic mobility. To truly grasp the severity of the crisis, however, it’s necessary to turn to a somewhat obscure study—The Worst Case Housing Needs Report to Congress—released biennially by HUD. Last published in 2017, the report tracks the number of extremely low-income renting families who (a) do not receive housing assistance and (b) spend more than half of their income on rent, live in grossly inadequate conditions, or both. In Atlanta, that figure was 127,000, or 49 percent of all very low-income renters—roughly the same proportion as San Francisco, and 6 points higher than the national percentage. Nevertheless, nine out of ten apartments built in 2017 were classified as luxury units.  Cokethia and her children outside her mother’s apartment. Outrageous rents would be less alarming if wages were increasing at a comparable rate. But the opposite is true. Nationwide, the hourly earnings of high-wage workers rose 41 percent between 1979 and 2013; those of middle-wage workers grew only 6 percent. The pay for low-wage workers, meanwhile, decreased by 5 percent. Contrast these figures to the 138 percent annual wage growth among the top 1 percent of earners. Factoring in the cost of housing only darkens the picture. Today, there is not a single county in the United States where someone making minimum wage can afford a two-bedroom apartment. In Atlanta, according to the National Low Income Housing Coalition’s annual Out of Reach report, the “housing wage” needed to pay for a modest two-bedroom unit is $21.27 an hour. (Georgia’s minimum wage is $5.15 an hour.) In Boston, a tenant earning minimum wage would have to log 141 hours a week to afford the same residence. In San Francisco, it’s 203 hours, or the equivalent of five full-time jobs.   Confronted with housing costs that devour the bulk of their monthly incomes, some choose to move away. But where do they go? Across the nation, the housing crisis now radiates far beyond major urban centers, pushing up prices in neighboring towns and cities—and, even if cheaper accommodations can be found, relocation may require searching for a new job, or enduring a long commute, which involves additional expenses. But staying put is often equally fraught. Many families are forced to cut back on basic necessities—health care, utilities, food, clothing—and rely on whatever help might be available from local food pantries and nonprofits. As for government support, whether in the form of public housing or Section 8 vouchers to use in the private rental market: It’s nonexistent for the vast majority of low-income tenants. Since the mid-1990s, 250,000 public housing units throughout the country have been lost (many through demolition) without being replaced, and the voucher program, though shown in numerous studies to be a crucial lifeline, is drastically underfunded. Today, only one in four households poor enough to qualify for rental assistance actually receives it. In a country where vital aid is treated as a lottery, families struggling to pay the rent are, with few exceptions, left to fend for themselves.  The slide from unstable housing into homelessness begins when this tenuous financial footing finally gives way. A missed paycheck due to sickness, a divorce—really any setback or unanticipated expense can be disastrous. Even a single lapsed rent payment can result in an eviction, especially in competitive markets where landlords are assured of a quick replacement. What awaits those evicted, in many instances, is a brutal cycle of job loss, severed social supports, and, above all, the heightened challenge of securing a future lease. Brian Gilmore, the director of Michigan State College of Law’s Housing Clinic, describes an eviction as “the civil equivalent of capital punishment,” leading tenants to “lose not only their housing but also their independence and dignity, often becoming isolated and hopeless.” Suddenly lacking a fixed address, they double up with friends or relatives, move between shelters and cheap motels, or stay in one of the “safe parking lots” that cities have started opening for their newly displaced residents. A 2017 report by a pair of University of Washington researchers found that if rents increase by 10 percent in Los Angeles, another 4,000 people become homeless; in New York, that number is 6,000. At Nicholas House, the longest-running family shelter in Atlanta, the director told me that more than half of the parents seeking help there are employed in low-wage jobs.  Nor are these patterns color-blind. More than 50 years after the passage of the Fair Housing Act, African Americans, in particular, continue to face well-documented discrimination at every level of the housing system, from barriers to homeownership to the disproportionate number of black renters who are evicted each year. While making up just 13 percent of the general population, African Americans represent a full 40 percent of those experiencing homelessness. In Atlanta, the disparity is even starker: 85 percent of the city’s unhoused population is black. It may be true, as the cliché has it, that anyone can become homeless. But it’s a great deal more likely to happen to some people than others.

### Economic Stability

#### Economic instability due to automation is a real threat – Federal jobs guarantees prevent this

Loomis 18 Erik Loomis, an associate professor of history at the University of Rhode Island. "The Case for a Federal Jobs Guarantee." Published by the New York Times on April 25, 2018. Available here: (https://www.nytimes.com/2018/04/25/opinion/sanders-booker-gillibrand-humphrey-hawkins.html) - AP

Employment numbers may look solid now, but economists, physicists and industrial engineers all say that automation will, in the not-so-distant future, drive higher unemployment. The Columbus Dispatch recently calculated that in Ohio, out of total state employment of about 5.5 million workers, 2.5 million jobs are at risk of automation. How do we prepare for such disruption and the future of work? We might revisit an idea from the 1970s: a federal guarantee of employment. In recent weeks, three Democratic senators (and likely presidential contenders) — Kirsten Gillibrand of New York, Cory Booker of New Jersey and Bernie Sanders of Vermont — have either expressed their approval of the idea or unveiled initial ideas about how an updated version could work. They are building on the legacy of the Humphrey-Hawkins Act, introduced in the 1970s by Senator Hubert Humphrey, Democrat of Minnesota, and Representative Augustus Hawkins, Democrat of California. In addition to the guarantee of employment, their initial bill allowed citizens to sue the government if they could not find a job. Resurrecting Humphrey-Hawkins can help pre-empt a technology crisis and even future labor dislocation from globalization. In the original Humphrey-Hawkins bill — not the watered-down version that ultimately passed in 1978 — the president would submit an annual plan to Congress to achieve full employment, and local committees would coordinate job needs in their communities. The bill would have spurred private-sector job creation and a New Deal-style federal job creation program. Private employment would limit government investment, while federally mandated wage and price controls would fight inflation. The final bill fell far short of this. Unions stripped out the wage and price controls in exchange for their support and put a priority on negotiating better contracts for their members over the fate of the nation’s poor. The Carter administration fretted about the potential impact on inflation from a bill without those controls. President Jimmy Carter never truly supported it, and the bill that passed committed the nation to ending inflation more than to full employment. Since then, the idea of full employment has largely disappeared from the American political system. The arguments against Humphrey-Hawkins in 1978 are largely irrelevant today. After decades of low inflation, wage and price controls are unlikely to be problems. Mr. Booker’s pilot plan to test these ideas in 15 areas of the country builds on the Great Society belief in community control over federal resources. The potential is great for helping revive depressed communities. West Virginia could clean up its streams and roadsides while building better housing. Flint, Mich., could construct new water systems and provide stability for private business to support a newly robust community. New York could construct low-cost housing to solve its homelessness crisis. What must exist in any job-guarantee program is an enforcement mechanism. The initial version of Humphrey-Hawkins allowing workers to sue for a job reminds us of the need for a strong enforcement mechanism. Without a legal requirement to provide work, lawmakers will find political excuses to not implement the program, and it will not serve as a useful solution to automation, poverty and social instability. True full employment would require an expansive view of worthy labor that moves us beyond nostalgic images of white men employed in steel mills and coal mines. This can range from the building of badly needed infrastructure to giving children music lessons. It can also underwrite our elder care and child care crises. Moreover, while an expanded public sector would be necessary to achieve full employment, the government can provide a variety of incentives to the private sector to increase employment. Ideally, a permanent Works Progress Administration, with the government directly employing tens of millions of unemployed workers, would not be required. For the last several decades, a corporate culture of quarterly earnings reports has emphasized short-term profit and executive bonuses based on cost cutting. That approach came at the cost of labor. With real competition for labor from the government, corporations would need to invest in long-term planning and job creation and training programs to keep workers. And if the most drastic claims of automation’s impact on employment come true, our society will have developed a plan to ensure economic and social stability through robust public employment, one that can be funded through taxes on the wealthy benefiting from automation and from those directly employed by the state. For those who cannot work, a limited version of universal basic income-style direct cash transfers can substitute. Job creation fits American cultural norms around work more effectively than the idea of universal basic income. It avoids politically unpopular forms of welfare while significantly bolstering the welfare state for those who need it. Encouraging private sector job creation would limit the impact on the deficit while adding tax money to the nation’s coffers. A federally guaranteed job is not the full answer to economic inequality or an automated world. It needs to be paired with a higher minimum wage and labor law reforms that allow workers to unionize and win collective bargaining agreements. Work under the federal job guarantee starting at $15 an hour would help produce those outcomes. The implementation of a federal employment guarantee would consist of difficult compromises, power struggles and policy corrections. But it also provides the most politically realistic answer to our future employment crisis. It deserves serious consideration.

### AT: Prohibitive costs

#### The benefits to Federal Jobs Guarantees quickly pay off the costs to establish the program

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SEN. BERNIE SANDERS’S endorsement of a guaranteed job for anyone who wants one, joining previous supporters such as Sens. Kirsten Gillibrand and Cory Booker, reinvigorated a debate that has been roiling within economics Twitter and academic circles for a long time. Those more partial to a universal basic income untethered to work clash with job guarantee supporters from the left; those who see the job guarantee as a dangerous slip into socialism attack from the right. And mainstream Democrats not running for the presidency don’t really want to talk about it. Those fresh to the debate, meanwhile, instinctively ask what feels like an intuitive question: How on earth can we pay for that? But if we’re going to have an honest debate about whether the government should be spending hundreds of billions of dollars so that people can obtain jobs, we should acknowledge that the government already does. Officials at the local, state, and federal levels push enormous amounts of money toward this stated purpose — they just channel it through corporations, in the form of special tax breaks and “economic development” subsidies. It’s not clear that businesses actually use all that money to create jobs, rather than just enjoying the subsidies and tax cuts for themselves, so if the true purpose really is to create work for people, the new jobs guarantee debate offers a much simpler — and probably much cheaper — approach to the same end. So while it’s worth talking about the best way to achieve full employment, the question of whether we can afford to spend the money can be dismissed. We can. The job guarantee proposal from Mark Paul, Sandy Darity, and Darrick Hamilton for the Center on Budget and Policy Priorities estimated an annual program cost of $543 billion, enough to pop out the eyes of more cautious policymakers. This would be partially offset by reduced demand for benefit programs for the working poor, like food stamps, Medicaid, and the Children’s Health Insurance Program, as well as the increased economic activity driving up tax revenues across the country. A report from economists at the Levy Institute put final costs at between $260 and $354 billion annually in the first five years and lower outlays after that. Put aside the fact that America controls its own money supply and that modern monetary theory suggests that the country need not actually pay for all federal spending. The question here is whether the nation can possibly manage spending $354 billion a year toward the goal of ensuring that all Americans have a job if they want one. Here’s the often-overlooked data needed to answer that question. Subsidies from state and local governments to attract employers to locate their facilities cost as much as $80 billion a year. I have to say “as much as” because local governments and businesses keep these deals secret. Even though the Governmental Accounting Standards Board requires localities to make such “economic development” deals public, around half of all local governments just don’t comply. But thanks to public filings and the subsidy trackers at Good Jobs First, we know enough to confidently make the $80 billion a year estimate. Wisconsin promised $3 billion to Foxconn for a factory employing around 13,000 people at its peak. Cities and states have offered as much as $8.5 billion to Amazon for its second headquarters, which would house around 50,000 people. These giveaways can include tax abatements or forgiveness, cash grants for relocation expenses, and in Amazon’s case, even giving workers’ state payroll taxes back to the company to use for its own purposes. It’s not clear that economic development subsidies create jobs, as much as they pit regions against one another to move jobs around to the benefit of large corporations rather than workers. A report from the Economic Policy Institute on Amazon’s $1.1 billion in known subsidies for “fulfillment center” warehouses found that they do not increase overall private sector employment within a particular county. The $80 billion in economic development subsidies is just the beginning. The Trump tax cuts were sold on the basis of job creation effects. The Republican Congress called the bill the “Tax Cuts and Jobs Act.” Sen. Mitch McConnell parroted the typical GOP take on the bill when he wrote last year that the tax bill would “unleash the potential of American enterprise to create more jobs and keep more of them here.” As a result, Republicans slashed the corporate tax rate by 40 percent, at a cost estimated by the Joint Committee on Taxation to be $1.34 trillion over the next 10 years. And like the economic development subsidies, the job creation potential of severely reducing corporate taxes is debatable. Even though the logic of the tax cuts was that they would give businesses more money to invest in equipment and wages, those measurements have actually fallen since the tax cut was enacted. GDP growth in the first quarter cooled off a bit compared to the end of 2017. Combining economic development subsidies and corporate tax cuts comes out to an average annual total of $214 billion per year, spent chasing job creation by handing over money to corporations. And there’s more. Nearly every state in America offers job creation tax credits, literally money paid per job. There are massive incentives in each state available for film and television production. Special “bonus depreciation” rules allow companies to write down equipment costs, deferring taxes for years on investments. And there are dozens of other ways in which corporations grab public money with the promise of delivering jobs. As Suzanne Mettler wrote in her well-regarded book “The Submerged State,” these kinds of under-the-surface perks and benefits form a barrier to activist government policies like a federal job guarantee. While enormous sums are funneled to private industry beneath the surface, the same policymakers who green-lit the expenditures claim that large public sector outlays to create jobs are fiscally impossible. This is nonsensical. The current unemployment rate of 4.1 percent may lead those dumping hundreds of billions of dollars on corporations for job creation to suggest that their plan is working. But the lower employment/population ratio and tougher employment prospects for people of color suggests that there’s more to be done. A plan for publicly funded jobs to pick up the slack happens to be absurdly popular. Critiques of the federal job guarantee — from the left and the center — make some valid points. Job guarantee positions would rise and fall with the business cycle, so they couldn’t be so essential that the nation would experience a shortage of teachers or child care workers when recessions ended and people returned to the private sector. (One way around this is to make job guarantee positions align with apprenticeships.) To ensure universal eligibility, it would be difficult for jobs to require advanced skills, making professions like construction — among the nation’s more dire needs — somewhat off-limits. Some see the proposal as similar to “workfare” programs that conditioned welfare benefits to jobs. But the one critique that cannot really be put on the federal job guarantee is that it costs too much. Or at least, you cannot say this without ignoring the mountain of taxpayer money we already employ for that intended purpose. That existing money could be channeled into direct job creation pretty quickly. It’s entirely reasonable to differ on how to accomplish the ultimate goal of ending poverty and the crushing burdens, both psychological and material, of unemployment. But there’s no real debate on whether America can afford it. We’re already picking up the tab.

#### Boosted public sector job creation works internationally

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Part Two: The Jobs This section describes some nuts and bolts of a direct government hiring agenda, the government units to do the hiring, and the kinds of jobs that will get done to build a stronger, more resilient nation. Secular Trends in Federal Employment. Without trying to recreate government as it existed in the 1960s and 1970s, it is worthwhile to note that expanding federal full-time employee hiring to the per-capita level it was in 1967 would require expanding the workforce from 2.9 million workers to 4.6 million, an increase of 1.7 million jobs. Government employment at all levels currently stands at 22.7 million, or 11 percent of the working-age population of 18- to 64-year-olds in the United States. A one percentage-point increase in this share would amount to over 2 million hires. A New Deal style increase (the kind witnessed from around 1929 to 1940) would amount to four to six million hires. And this does not take into account the immense surge in federal government hiring in World War II. In the current economic crisis, other countries have not shed jobs as quickly as America has lost them, in part because their countries directly support businesses, but also because their governments directly employ a greater share of workers. If America boosted its public sector employment rate (currently about 15 percent of the labor force) to the level of Great Britain (about 17 percent), we would be creating four million jobs. Augmenting to Canada’s level (19 percent) would bring another four million. Augmenting to the level of France (nearly 24 percent) would provide well over ten million jobs. In other words, highly feasible expansions of the civilian service at all levels of government would provide millions of jobs. This proposal argues that we can and should do better than our European colleagues. With a federal job guarantee fully implemented, naturally public sector employment would be substantially higher. Assuming a modest unemployment rate (U1) of five percent, and underemployment rate (U6) of 10 percent, Paul, et. al. (2018) estimate that a federal job guarantee would require about 13 million jobs to absorb all the workers looking for work or inadequately employed. At the peak unemployment resulting from the 2007 Great Recession, the estimate would be about 24 million jobs.

### AT: UBI

#### UBI And Federal Jobs Guarantee can coexist – but poorly implemented UBI yields far worse consequences

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THE ARGUMENT ABOUT A UNIVERSAL BASIC INCOME (UBI) VERSUS A JOB GUARANTEE (JG) has become one of the liveliest and most contentious debates on the Left. Each has been touted as a solution to all ills: the way to decrease depression, close the racial wealth gap, recognize historically undervalued forms of work, transform the economy, save the planet. Though UBI and JG are typically counterposed, it’s entirely plausible they could coexist. If paid work is as important to well-being as JG advocates say, most people would want a job even with UBI. In particular, the black freedom movement, from civil rights leaders to Black Lives Matter, has called for both a basic income and guaranteed jobs. Whether both can do all the things proponents promise—in particular, the essential work of transitioning quickly to a low-carbon economy—is a different, harder question. Whether it’s possible to achieve both is yet another. From the July 2018 issue A UBI program could actually be a danger to the climate if, in distributing revenue from publicly owned resources, we rely on profits from destructive industries such as oil, as in Alaska. But there are alternatives: a depletion tax on companies that degrade so-called natural capital, a tax on carbon and other pollutants, or a land value tax targeting large landowners—all of which foster environmental conservation and make public claims to natural wealth. I initially supported UBI because separating livelihoods from jobs is important, not only for human wellbeing but for breaking an environmentally destructive growth cycle. That’s where many JG proposals make me nervous. I have yet to see a JG proposal that doesn’t promise, at least tangentially, to increase growth and productivity. A proposal published by the Center on Budget and Policy Priorities, for example, suggests a JG would produce “increases in the growth rate of GDP, and substantial productivity and capacity gains.” But not all such gains are desirable. We ought to crowd out the many jobs that are actively harmful to people, society and the environment, whether in fast fashion or Amazon warehouses. Raúl and Rohan agree that we should work less in general, and it’s possible to build work reduction into a JG program. But the valorization of work nevertheless permeates JG discourse, often framed in terms of dignity or solidarity. If the point is for everyone to contribute to necessary work in the spirit of equality and solidarity, we should be making everyone work—but no one yet has proposed drafting landlords and the idle rich to shovel compost. (I’m on board.) It is encouraging, however, to see that many current JG advocates are thinking about what constitutes low-carbon, socially beneficial work. Economists Stephanie Kelton and Pavlina Tcherneva have both called for a JG oriented around care: for people, for the planet and for communities. Important questions remain. Could parents get “jobs” caring for their children? Could friends get jobs caring for one another? Yet the move to put care work at the heart of a climate program is important. We need to move away from the work of resource-intensive consumer goods toward the work of bettering lives, planting trees, constructing playgrounds, making art. Perhaps most promising is the combination of a JG and universal basic services: free and publicly provided housing, transportation, internet access, education, healthcare and other necessities. Dense housing and public transportation are particularly crucial to reducing carbon emissions in a just way.

# Federal Jobs Guarantee Neg

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### Value-Critereon

#### In this debate, Federal Jobs Guarantee should be evaluated under the value of prosperity

Murphy et al 14 Robert Patrick Murphy is an American economist. Murphy is Research Assistant Professor with the Free Market Institute at Texas Tech University. Jason Clemens is the Executive Vice President of the Fraser Institute and the President of the Fraser Institute Foundation. Milagros Palacios is the Associate Director for the Addington Centre for Measurement at the Fraser Institute. Niels Veldhuis is President of the Fraser Institute. "Economic Principles for Prosperity." Published by the Fraser Institute in 2014. Available here: (https://www.fraserinstitute.org/sites/default/files/economic-principles-for-prosperity.pdf) - AP

A central goal of the Fraser Institute is to provide interested Canadians with information about what works and what doesn’t when it comes to creating, maintaining, and improving prosperity. Often when people talk of prosperity, they conceptualize it in very narrow terms. For them, prosperity simply means money. Having money is no doubt a critical aspect of prosperity, but it is just that—one aspect. Other aspects of prosperity include a robust job market where employment is available and opportunities for advancement abound, an employment environment where upward mobility is based on hard work and on the acquisition of formal and informal education and training, and where invention is encouraged. In a prosperous economy, individuals are able to innovate, creating new and better products, services, and ways of doing things. A prosperous society also extends far beyond the working world. It includes an aspirational education system where children are taught not only the basics and critical thinking, but given the tools and confidence to aspire and dream. It includes a health care system that responds to the needs of the sick but also acts to prevent illness so as to achieve a healthy and productive society. It includes a clean and sustainable environment. It includes and encourages empathy by its citizens to care for the less fortunate and those in need using the most effective means available. In short, our view of a prosperous society is one that affords opportunities to everyone for personal and professional fulfilment. This book is about how best to achieve those aims. One of the book’s underlying tenets is that stagnation has been the overwhelming norm for human society. We recognize that the remarkable progress that began to take hold in the 18th century is atypical in the scope of human history

#### To best evaluate prosperity, we endorse a criterion of ‘Welfare-consequentialism,’ which considers the individual and community consequences of different public policies

Semple 19 J.D., Ph.D. Associate Professor, University of Windsor Faculty of Law. "Welfare-Consequentialism and Social Policy." Published by International Public Policy Association. Publication date unstated but author accessed sources June 9, 2019. Available here: (<https://www.ippapublicpolicy.org/file/paper/5cfaa3d488f4a.pdf> - AP

Welfare-consequentialism holds that the appropriate goal of all public policy is to make individuals’ lives better, for them. 2 The best public policy option is always, therefore, the one that can be expected to maximize aggregate welfare. 3 One leading technique to operationalize welfare-consequentialism is the social welfare function,4 developed most comprehensively in the work of Matthew Adler.5 This is a tool designed to identify the best policy choice, by aggregating the projected lifetime welfare values of the individuals affected by it, under the alternative outcomes. A social welfare function assumes that the overall welfare of any individual’s life can be represented by a single number, which can be compared to numbers representing the overall welfare of other lives. 6 For example, suppose Frances, George, and Harriet survive a shipwreck and land on an uninhabited desert island. There is no prospect of rescue, but there is plenty of food and fresh water and the climate is mild. They therefore anticipate living on the island together for many years. These three survivors decide to create a welfare-consequentialist government, the decisions of which will bind them all. Their first decision is where to build their camp: on the beach, or on a nearby plateau. They agree that their decision on this question must bind all of them, because of the great advantages of living in proximity to each other. However, Frances, George, and Harriet each have different preferences and sensitivities that are relevant to the question of where to live. The lifetime welfare of each will therefore be affected in a different way by the decision about where to live. Frances enjoys the sounds of the waves on the beach and finds the plateau too windy. George and Harriet consider the beach sand irritating, and they love the view from the plateau. They create two tables, comparing their aggregate welfare under the two alternative outcomes: The premise of a social welfare function is that lifetime welfare numbers are cardinal and comparable, both between people and between outcomes.7 In other words, it can be said that, if the beach camp is chosen, Frances will have a better life than George, who will have a better life than Harriet. George and Harriet would have better lives under the plateau-camp policy than they would if the beach-camp policy is adopted. The numbers in Figure 1 represent expected lifetime welfare. This allows the social welfare function to accommodate uncertainty.8 Harriet’s lifetime welfare if the beach camp is chosen cannot be precisely predicted. It might depend, for example on factors such as whether there will be sand-flies there in the spring. If Harriet’s lifetime welfare in the beach-camp outcome would be 3 if there are no sand-flies, and 1 in there are sand-flies, and both eventualities are equally likely, then her expected welfare under this outcome is 2.9 Utilitarianism is the oldest form of welfare-consequentialism. It holds that the moral value of an outcome is determined by simply adding up the numbers for the individuals affected. If operating on utilitarian welfare-consequentialism, the government would decide to create camp on the beach. An alternative is the prioritarian social welfare function. This gives weight to equality as well as the maximization of welfare. Different prioritarian functions reflect different degrees of aversion to inequality.10 Some prioritarian social welfare functions would tell the castaways’ government to choose the second option (making camp on the plateau), because welfare is more evenly divided even though its sum is smaller. Regardless of whether the function is utilitarian or prioritarian, it is not the votes or choices of the residents that make one policy option morally preferable to the other. Instead, it is the fact that aggregate welfare, under the chosen function, is higher under one than it is under the other. Unlike self-interested voting, the social welfare function takes into account how large a difference a policy choice would make to each individual affected by it. 1.1 Applications and Core Commitments The social welfare function, or the closely related cost-benefit analysis approach, is often applied to evaluate economic policies involving taxation and risk regulation.11 For example, banning a potentially dangerous chemical is considered a good policy if the positive effects of doing so on individuals’ welfare (e.g. better health and longer lives) can be expected to exceed the negative effects on individuals’ welfare (e.g. lost jobs for those who manufacture the chemical, and the removal of a market option for its consumers).12 However, the approach can, in principle, be applied to any public policy question. A proposed residential apartment building would be allowed in a low-density area, despite neighbourhood opposition, if the welfare benefits of the development to prospective residents, local merchants, and other affected parties would outweigh the welfare losses to the neighbours and any other affected parties.13 A military intervention to depose a foreign dictator would be justified if the aggregate expected benefits to the dictator’s potential victims, and expected security benefits for individuals elsewhere, would outweigh welfare costs such as the loss of life in combat and financial cost of the intervention.

### Private Sector

#### Federal jobs guarantees are prohibitively expensive and crowd out private options

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Democrats are plugging new energy into an old idea: a federal “Jobs Guarantee” program. Senator Cory Booker previously introduced legislation for a pilot in high unemployment communities. Now Senator Bernie Sanders will announce a plan guaranteeing a job or training paying $15 an hour and health‐​care benefits to every American worker “who wants or needs one,” in a host of public infrastructure, care giving and environmental upkeep projects. The scheme, seemingly based on a recommendation from the Levy Economic Institute, comes with grandiose purported benefits. It would, we are told, eliminate involuntary unemployment, deliver a living wage, boost GDP, reduce the cost of recessions, raise labor market standards, reduce environmental degradation, reduce racial inequality, and much else besides. If it sounds too good to be true, that’s because it is. There are severe problems with this idea, which can be loosely grouped under three “c’s”: costs, crowd out and corruption. Costs The Levy Economic Institute calculates up to 16 million could take part in such a program today (including the unemployed, those working part time seeking full time work and individuals currently inactive who might move into the labor market). Given the federal government would have to pay $15 an hour for full time jobs, plus benefits equal to 20 percent of wages, total labor costs per worker would be $37,440 per year. That’s before the cost of the materials for the programs and administration of the program itself. Even assuming some opt for part‐​time positions, and ignoring the non‐​labor program costs, we are talking about a gross cost of up to around 2.4 percent of GDP, significantly higher than the existing Medicaid program (2 percent of GDP). The net cost on these assumptions will be lower, of course. People who take jobs will require less in welfare payments and pay some back in taxes. Some might wisely consider it a risk for their employment fortunes to be tied to the whims of politicians and their willingness to fund this program, and so remain in the private sector. But even taking this into account, and assuming the policy generates the macroeconomic bounty that the Levy researchers expect, they still think the annual net cost will be between 0.8 and 2 percent of GDP, with the program employing up to 10 percent of the workforce. That would in itself be a huge new commitment to finance at a time when the long‐​term fiscal outlook is already dire, and the short‐​term deficit already expected to balloon to over 5 percent of GDP in the coming years. Crowd‐​out In reality, the fiscal costs are likely to be much, much higher, and the economic welfare losses even more significant, because in the labor market and broader economy, a public jobs guarantee program would significantly crowd out productive private sector activity. This type of policy will radically alter behavior of both workers and businesses, and so the supply and demand for labor. The Census shows that, among those who worked in 2016, 70+ million Americans earned under $32,500 (the full‐​time job guarantee salary would be $31,200). Yes, not all of these would seek out positions on the jobs guarantee program. But a large proportion would, especially those employed in uncertain roles with low levels of job security. In fact, some even paid more than $31,200 might consider leaving their jobs to pursue guaranteed roles if they perceive better working conditions or an easier worklife (asked under what conditions someone would be fired from such a role, the Levy Institute paper suggests that you would be sacked for failing to go to work, but that your performance would not be judged by “private sector ‘efficiency criteria’”, for example.) It’s not inconceivable then that over 25 percent of the labor force could find itself part of the scheme. This crowd‐​out is likely to be particularly acute in low productivity regions, and (ironically) after economic downturns. A nationwide jobs guarantee program paying $15 an hour will be particularly attractive to workers in low wage regions, and by setting a de facto wage floor the program will prevent private investment in regions on the basis of cheap labor. Though no doubt there would be some demand spillovers from well‐​paid jobs, the net consequence is highly likely to be weaker private sector job creation in poor regions, which has been the experience of countries such as Britain with a nationwide minimum wages and public sector national pay bargaining. Proponents of the scheme see “higher labor standards” as a good thing, but absent productivity improvements, policies which raise labor costs significantly will reduce the quantity of workers demanded. There’s good reason to expect the policy will reduce the efficiency and productive potential of the economy too. Taxes will eventually need to be raised to cover the net cost of the program. In infrastructure and care giving provision, costs will rise – because nobody would now work in these directly substitutable sectors for less than the wage and conditions offered in the job guarantee program. This will waste resources, and there’s highly likely to be overinvestment in lots of relatively low value ventures and programs to ensure workers are employed, especially given the explicit aim is to provide employment rather than deliver projects at low cost. Throwing resources at regions with higher levels of unemployment and after recessions too will work directly against market signals and deter the mobility of labor (in geographic and industrial terms) and capital to its most productive uses given prevailing market conditions. This is important: yes, employment is highly likely to have some positive externalities; but the real driver of better living standards over time are productivity improvements, discovered by market‐​based activity.

#### Federal Jobs Guarantees have multiple hurdles, oversight, and bureaucratic challenges that would prohibit it’s ability to stabilize the economy

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That’s just the small problem. The big problem is that designing a federal jobs program large enough to usefully employ all applicants is a devilishly complex challenge that none of the proposals currently circulating have worked through. Proposals to implement universal access to day care, or single-payer health insurance, have plenty of models up and running in industrialized democracies. The job guarantee doesn’t have an easy showcase to copy. Advocates point to the Works Progress Administration during the New Deal, which put millions of unemployed men to work. They have also mentioned the Jefes program in Argentina from 2001, and a rural jobs program in India. What all three cases have in common is that they functioned in an environment where the work required relatively little training or equipment. The WPA is justifiably famous, but these days, not a lot of construction work can be done with just shovels. The Center for American Progress cites large, unmet needs that could be filled with unemployed workers: “There are not nearly enough home care workers to aid the aged and disabled. Many working families with children under the age of 5 need access to affordable child care. Schools need teachers’ aides, and cities need EMTs.” It’s true that some temporary needs could be handled with the temporary workers who would be hired by the government for this purpose. But the program by design would fluctuate in size along with the business cycle, swelling during a recession, and contracting during a recovery. You can’t just have your teachers and child-care workers come and go. The jobs in the job guarantee would have to be for work that is either temporary, or optional. That constricts the kinds of work that can be done. This is a more imposing obstacle than you might think. (I was far more optimistic about the potential for a federal job guarantee before I began studying the details.) In both the private and public sector, jobs are designed with an output in mind, with employing people a by-product. If employing people becomes the primary goal, then instead of starting with a job description and finding people who can do it, you start with the people you need to hire and then find work they’re qualified to do. And this task would be undertaken, even with a several year ramp-up, on a massive scale. The white papers I’ve read have all basically yadda-yadda-yaddad away this enormous managerial challenge. “Let everyone from churches to civic organizations to individuals submit ideas,” proposes Jeff Spross in Democracy Journal. “That would create a ground-level dialogue, giving Americans more democratic control over the planning of their local economies.” Managing and overseeing $500 billion a year in open-ended employment subsidies, while safeguarding against direct embezzlement or the use of public labor for private gain, is a staggering bureaucratic challenge that won’t disappear by calling it “democratic control.”

#### A resilient private sectory is necessary to lead to global growth and development – Private sector investment in Latin America proves.

Rodriguez 19 Hugo Rodriguez is the deputy assistant secratary for central american bureau of western hemisphere affairs. "Engines of Economic Growth: The Role of the Private Sector in International Development." Published by the US Department of State on October 25, 2019. Available here: (https://www.state.gov/engines-of-economic-growth-the-role-of-the-private-sector-in-international-development/) - AP

The Need for Political Will: Creating Cultures of Compliance While the United States can and will support countries that work for a better future, we must also recognize the significant challenges facing this region. Corruption remains endemic and undermines faith in governing institutions. And by scaring away foreign investment, corruption stifles economic growth. As our Acting Assistant Secretary recently noted in front of the U.S. Congress, elected officials in Central America must show the political will to take on these problems boldly, directly, and effectively. If they do, much is possible. The U.S. government will encourage the U.S. private sector to spur job growth where we see our partners take concrete action to curb corruption and strengthen rule of law – these are the environments that are good for business, and that attract sound and sustainable investment. As we know, investments go where they generate the greatest return given the lowest possible risk. Historically, investors have largely avoided Central America because risk and uncertainty have outweighed opportunity. It is up to the countries in this region to turn that dynamic around by creating a fertile ground for international and domestic investment. To this end, governments must work with civil society partners and private sector groups – such as chambers of commerce – to reduce impunity, combat corruption, and improve budget and procurement transparency. Doing so will improve the business environment, create jobs, raise wages, increase tax revenues, and ultimately make countries in the region not just great places to visit – but great places to live and raise families. And let me just take a moment, if I might. I think everybody in the room is sensitive to the efforts we are undertaking, not just the U.S., but the governments in the region, to combat corruption. And one such effort is the MACCIH initiative. There are others in the region. And I’d like to encourage you to support these initiatives, to make your positions known, because if we cannot confront and eliminate corruption, it’s going to take much longer to make the progress these countries need and deserve. Helping Countries Solve Their Own Development Challenges: The Journey to Self-Reliance As we meet with foreign governments and partners around the region, we consistently hear the same thing: “we want trade, not aid.” That’s why the U.S. government is reorienting our approach to achieve greater development outcomes and work toward sustainable progress when foreign assistance is no longer necessary. We call it the Journey to Self-Reliance. As partners on this journey, we are empowering Central American governments and our partners to achieve locally sustained results. An Opportune Moment for Action So let me be clear: the U.S. government believes the private sector – working alongside civil society – will drive the future of international development. This is an opportune moment for action: today many private sector players and development actors recognize that they have shared interests. Donor agencies alone cannot achieve their goals for sustainable development. Central American governments are expanding efforts to diversify their economies and attract capital for investment. However, development financing should never result in unsustainable debt. Some countries outside the region use debt diplomacy to create dependencies, which may seem negligible today but will eventually constitute real leverage over governments and societies and could pose a challenge to state sovereignty. We support efforts by our Central American partners to look after their long-term economic interests by relying on open and transparent processes to select investment partners. There is also a growing recognition within the private sector regarding the benefits of investing in the developing world. After all, that is where the greatest growth potential is! Our companies are ready to engage, but they need a level playing field. When a U.S. company invests overseas, governments know that the Foreign Corrupt Practices Act requires certain obligations and responsibilities. This is a good thing for them, for you, and for all of us. This is why we continue to press for market access for U.S. companies, and for fair and reciprocal trade. This is why we will continue to demand that all economic actors operating here in the Americas adhere to the highest standards for transparency, anti-corruption, debt sustainability, labor rights, environmental protection, and concern for local communities. The Case for Private Sector Engagement When we talk about private sector engagement in international development, we are not just talking about investing. What we mean by “private sector engagement” is that governments and other public sector actors collaborate to improve the security, governance, and economic environment that enables investment, job creation, and widespread prosperity. Why should we encourage private sector engagement? I’ll give you our top five reasons. Number one: Businesses provide pathways to lift people out of poverty. The private sector creates nine out of ten jobs in the developing world, which makes it a powerful force for raising living standards.[1] Number two: Expanding economic opportunities improves security and stability by creating the conditions for communities to thrive. In Honduras, USAID partnered with social impact investor Raiz Capital to renovate historic sites in Tegucigalpa and turn them into centers for business incubation and cultural appreciation. These investments transform neighborhoods, give youth somewhere to gather, give businesses a place to grow, and provide the impetus for urban renewal and economic growth. Number three: The private sector provides the building blocks every country needs for economic growth. In Guatemala, USAID initiated the “Creating Economic Opportunities” project. Launched just last year, this initiative has already forged partnerships with more than 200 businesses that will create 50,000 jobs in areas of high outward migration. These partnerships have: opened up air travel to the city of Huehuetenango; connected women owned businesses to Walmart’s retail supply chain; and mobilized credit for the expansion of a factory started by two returnees. Number four: Governments, donor agencies, and private sector actors are increasingly finding their interests aligned. Donor agencies find they can’t achieve their development goals alone; governments seek to expand efforts to diversify their economies and attract capital for investment; and the private sector sees the need for and the benefits of investing in the developing world. In mid-2018, the U.S. government launched an initiative called “Deal Team 2.0”− a whole-of-government approach to getting U.S. companies more involved in overseas tenders. As part of that effort, our Global Markets Trade Americas Team at the U.S. Embassy in El Salvador recently convened a webinar during which 41 companies from a range of industries heard about the opportunities related to Millenium Challenge Corporation/Fomilenio II public-private partnerships. Number five: Private-sector engagement leverages a wide variety of relationships. Yesterday, our team organized a panel on impact investing − investments made into companies, organizations, and funds with the intention to generate a social impact alongside a financial return. For example, here in Honduras, USAID partnered with the Ministry of Education and the private sector to leverage up to $25 million in corporate social responsibility investments in areas of interest to all three partners. These investments are expanding the number of teachers trained, as well as student access to educational materials. Today’s private sector recognizes the benefits of strengthening community services for customers and employees. Here’s the bottom line: When the U.S. and Central American governments, local communities, and private sector actors collaborate together we can lift people out of poverty, strengthen communities, and accelerate countries toward self-reliance. It isn’t just about making money; it is about making a difference. Conclusion: The Change We Seek In conclusion, I want to issue a call to action – a call for our partners to embrace market-based approaches as a more sustainable way to support Central American communities to achieve development outcomes at scale. The domestic and international private sectors are engines of economic growth, and key enablers of development progress. Businesses and investors create jobs; develop and fund technologies and innovation; provide critical goods and services demanded by households, communities, other private-sector entities, and the government; and develop a reliable tax base. For the U.S. government and our partner countries, this means that domestic and international businesses and investors are indispensable partners. So, what is the change we seek? Development professionals always have a “Theory of Change.” Here is ours: If the United States and Central American governments engage with private-sector actors – along with local communities, civil society, and academia – then we will increase each country’s prosperity, as well as its capacity for self-reliance because public-private partnerships offer a sustainable path to achieve a prosperous, safe, and democratic Central America.

#### Federal Jobs Guarantees would drastically alter wages – even if high wages are good cutbacks would lead to massive private sector disruptions

Henwood 19 Doug Henwood is an American journalist, economic analyst, author, and financial trader who writes frequently about economic affairs. "Modern Monetary Theory Isn't Helping." Published by Jacobin on February 21, 2019. Available here: (https://jacobinmag.com/2019/02/modern-monetary-theory-isnt-helping) – AP

There’s material to admire in the [Jobs Guarantee] JG, but there are some problems. The shyness about big infrastructure projects — in another recent paper, Tcherneva and four [Modern Monetary Theory] MMT colleagues explicitly differentiate their JG scheme from the New Deal’s Works Progress Administration (WPA) — is inexplicable. Yes, lots of care work needs to be done, and that would be essential to any humane policy agenda. And yes, infrastructure has a manly prestige that is missing in caring labor, which is often marginalized as “women’s work.” Care work badly needs to be taken far more seriously (though it’s hard to see how having it done by a transient workforce contributes to that). But women can do vital infrastructure work too. Tcherneva et al. quote Nick Taylor’s book on the WPA as saying it brought the United States into the twentieth century. (A look at the Living New Deal’s catalogue of WPA projects shows the degree to which we’re still living on it — schools, highways, hospitals, post offices, airports, harbors, public art — and haven’t really built anything on a comparable scale since.) The JG is not designed to bring us into the twenty-first, unless you think casualized labor is a model for our time. JG work could fill some important social needs, but how seriously dedicated to serving those needs could the program be if it were staffed by a transient workforce? Sometimes the whole concept sounds like workfare. Invoking that word isn’t just polemic. In a review of a book by the great post-Keynesian economist Hyman Minsky, whose JG program is the direct ancestor of MMT’s, Flavia Dantas, who’s written on the JG for the Levy Institute, cites Minsky (his words are in the embedded quotes): “Although well intentioned,” welfare schemes intended for poverty reduction among those fit to work were “‘poorly thought-out programs’ that appealed to ‘sentimentality with regard to hunger and clichés about consumer sovereignty,’ created government-dependency, and disrupted ‘social cohesion or domestic tranquility.’” (Some of this — “sentimentality with regard to hunger”! — sounds like it was lifted from the Daily Caller.) To Minsky, denying the people the right to work — which he saw as a fundamental human propensity — was a “major social injustice,” in Dantas’s words. Writing in 1944, Beardsley Ruml of all people offered a persuasive critique of using a JG as a mechanism for regulating the business cycle. Ruminating in a largely orthodox fashion — no proto-MMT kinks here — on the prospects for a postwar fiscal policy, he cautioned against using public works projects as a countercyclical strategy, because of the human undesirability of bringing hundreds of thousands of men into the construction industry and forcing them out again as an offset to the free play of economic forces elsewhere in the business system. These men are not statistical units that can be properly moved from one column of an accounting sheet to another in order to preserve a general balanced level of employment. Nor can they be shifted long distances from their homes to places and at times convenient to the business cycle. Despite the advocates’ assurances that they don’t want to compete with private sector jobs, the $15 an hour pay could have a substantial impact on the national wage structure. Though it’s a bit more than half the average hourly wage, it’s at about the thirty-seventh percentile of the wage distribution, meaning 37 percent of workers are paid that much or less. It would be nothing but good to raise their wages, but we should be honest about how disruptive it might be. It would put a lot of low-wage employers out of business — often deservedly so — and force survivors to cut back on staffing, with machines taking the place of people if possible. It would have massively uneven geographic effects. Nearly one in six metropolitan areas — mostly small, and in the South — have a median wage below $15; more than two-thirds, accounting for well over a third of employment, have a median below $18.

### UBI

#### UBI and Federal Jobs Guarantee (FJG) are mutually incompatible

Estlund 19 Cynthia Estlund is the Catherine A. Rein Professor of Law, New York University School of Law. "THREE BIG IDEAS FOR A FUTURE OF LESS WORK AND A THREEDIMENSIONAL ALTERNATIVE." Published by Duke Law in 2019. Available here: (https://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=4917&context=lcp) - AP

It is no wonder that the idea of a job guarantee has caught the American political imagination as the idea of basic guaranteed income has not. And if the menu of policy options miraculously came to include both (and only) the UBI and the FJG, I would vote for the latter. But I do want to emphasize this point: Even in a future political climate that favored big transformative policies like the UBI or the FJG, we would be forced to choose between them. The FJG is in direct competition with proposals for a full-scale UBI in at least three ways: They are mutually incompatible as a matter of sheer cost, political salability, and normative foundations.74 Among other things, backers of a UBI would be seeking to reduce the stigma that attaches to unemployment, while backers of a job guarantee would be actively burnishing the social valorization of paid work. Indeed, a job guarantee itself would likely contribute to the stigmatization of unemployment by rendering it more plainly a matter of individual volition. For all these reasons, it is fair to assume that a federal job guarantee is an alternative, not a complement, to a UBI that is enough to live on. For those who strongly favor a UBI, that might be reason enough to resist calls for a job guarantee. On the other hand, for those (like me) who are skeptical of the UBI precisely because of its displacement and decentering of paid work, the job guarantee has an obvious corresponding appeal. If super-capable machines do sharply reduce the demand for human labor while greatly increasing output, job creation is unlikely to be the whole answer to the problem of less work. Nor should it be. In that eventuality, entrenching a 20th century goal of full-time, full-employment would not only require climbing an ever-steeper slope of job creation; it would also bypass a historic opportunity to reduce (without zeroing out) the portion of people’s lives that must be devoted to work. Work itself has social value; but many people—especially those whose work is not as intrinsically rewarding as that of the writer and readers of this article—might wish for less work rather than guaranteed full-time work, putting aside the income trade-off.75 In short, the big idea of a FJG would address two crucial dimensions of a balanced life and an equitable society—adequate work and adequate income—but would fall short on the third dimension by failing to reap and distribute the benefits of leisure, or time for family, friends, avocational pursuits, volunteer work, and everything else that makes up a good life outside of work. I will return to that point below. As with the UBI, crucial design issues would affect the outcomes of a FJG as well as its political and economic viability. Let us dig into a few of the details by way of a proposal by the Levy Economics Institute (LEI).76 The structure of the LEI proposal is simpler than that of the CBPP; in particular, its uniform wage and benefit package makes it easier to analyze.77 The LEI program would be federally funded but locally administered; projects would be proposed and managed by state and local governments and non-profit organizations, which would serve as the direct employers. Jobs would be located in applicants’ own communities, and would require little education or prior training. Each would pay a uniform wage of $15 per hour plus benefits, including fully-funded health benefits, child care, and paid family leave, and would come with for-cause job security. For present purposes, we can adopt the LEI’s own estimate of the total wage-benefit cost at $18 per hour (though that estimate appears quite conservative).78 One problem with the LEI version of the job guarantee is that it would double down on the increasingly problematic U.S. strategy of attaching basic social benefits like health insurance to employment. As I have argued elsewhere, that linkage contributes counterproductively to employers’ incentive to replace employees with independent contractors, outside suppliers, or machines.79 And it contributes to the stratification of society into insiders employed by reputable employers and outsiders who are employed by marginal organizations or not employed at all. The linkage between basic benefits and employment is not necessarily inherent in the concept of a FJG, but it is not a purely contingent feature either. Both that linkage and the FJG concept are closely tied to what I call elsewhere the “fortress of employment.”

#### UBI is key to stability during crisis, and it’s universality helps to reduce inequality

Hinh 20 Ken Hinh is a sophmore undergraduate student at UC Berkeley. "Poverty in a crisis: Why we need UBI during Covid-19." Published by the Daily Californian on May 12, 2020. Available here: (https://www.dailycal.org/2020/05/12/poverty-in-a-crisis-why-we-need-ubi-during-covid-19/) - AP

The economic repercussions of the COVID-19 pandemic are far-reaching, ravaging families, businesses and communities across the country. Almost every business, charity and nonprofit nationwide has been affected by the pandemic, and millions of individuals and families have been left in financial ruin. In my eyes, the present remedies provided by the government will do nothing for the millions of Americans who are living paycheck to paycheck. The most effective way to provide immediate relief to the people most impacted by COVID-19 is to put money directly into their hands. Before the COVID-19 pandemic ravaged our communities, there was support of a universal basic income, or UBI, by prominent figures and organizations — such as professor Robert Reich, Andrew Yang and 293 members of UC Berkeley’s Forward club — to combat job losses due to automation. But instead of automation, it is a global disaster that has inarguably destroyed our economy on a massive scale. However, we must not forget that smaller-scale “disasters” occur every moment of our lives; someone could lose their job, get evicted, come down with an illness or receive an unexpected bill that they can’t afford. We live in a society in which 59% of Americans cannot pay an unexpected $400 bill. In addition, every single citizen struggles with time, empathy or money in some form or another; these struggles are the most pervasive problems of our era. Notably, we live in a time in which many of our social safety nets should solve these problems. Instead, our mental health as a society is declining, suicides and drug overdoses are increasing and income inequality is at an all-time high. A UBI would provide the financial safety net that so many people desperately need to guard against these issues. Furthermore, as the coronavirus continues to wreak havoc on the very fabric of our society, our unemployment infrastructure is being overwhelmed. More than 30 million Americans have filed for unemployment since March, and the April unemployment rate skyrocketed to 14.7%. How much aid will all of these people really receive? Even before COVID-19, our welfare system was not effective — the pandemic has simply revealed the inadequacies of our political and economic infrastructure. There are more than 38.1 million Americans who live in poverty. Current social safety nets, such as Temporary Assistance for Needy Families, or TANF, do an extremely poor job of reducing poverty. Poverty is killing people every day. And after the coronavirus pandemic, we will no longer be able to ignore it. Moreover, in no single state does TANF provide the benefits of even half the poverty level. What’s more, the racial inequities with all states’ use of funds account for 15% of the Black-white child poverty gap. In no way do our current safety nets protect our most vulnerable populations. But why should our society choose UBI over our current welfare system? In my eyes, it comes down to speed, universality and security. First, a UBI would allow our government to put money directly into people’s hands with the utmost speed. There would be no time whatsoever being wasted on bureaucracy — individuals would already have the necessary funds in their pockets. Second, universality — or doing away with means testing — would ensure that everyone is included and no one is excluded. Currently, the Coronavirus Aid, Relief and Economic Security Act does not provide payments to undocumented immigrants, international students and families of mixed immigration status. We need to ensure that everyone who needs help will get help without having to jump over any additional hurdles. With universality, determining who is eligible is simpler and the cost of administering is reduced. Lastly, security. People need to feel secure in their financial positions before they can thrive, and a UBI would provide that economic foundation. In addition, a Finnish basic income experiment found that recipients experienced improved mental health, confidence and life satisfaction. Although it is not an end-all-be-all solution to all of our country’s problems, it’s a start — a start toward leveling the playing field among the haves and the have-nots. Policymakers in Spain, Canada and the United States are acknowledging the importance of emergency UBI in this crisis. On Friday, Sens. Kamala Harris, D-California, Bernie Sanders, I-Vt., and Ed Markey, D-Mass., proposed legislation that would send a $2,000 monthly check to everyone who makes less than $120,000. However, they’re ignoring the impact that a UBI would have during more normal times. In addition to protecting those left behind by our welfare system, a UBI would produce economic growth by putting money into people’s pockets to spend. Personally, I know an extra $2,000 a month would help my mom, who lost her job as a result of COVID-19. According to a study by the Roosevelt Institute, a UBI would expand the United States’ GDP by $2.5 trillion. When people are given direct cash, they will inject that money directly into their communities, spending it on food, groceries, utility bills and auto repairs. A temporary UBI will be essential during this pandemic to combat the looming recession, but a permanent one will be needed to ensure that every single American can have the chance to thrive. The fight for UBI will live on. The pandemic has opened a door, however, giving us a glimpse into the vast inequities of our current safety net system. We need a UBI to ensure that everyone has financial security no matter what and to provide an economic foundation for all. Hopefully, one day, we will be able to say with confidence that we’ve eradicated poverty.

#### UBI would foster economic competition and may be an inevitable requirement due to automation

Uzialko 20 Adam C. Uzialko, a New Jersey native, graduated from Rutgers University in 2014 with a degree in political science and journalism and media studies. "Payment Guaranteed: How Would Universal Basic Income Affect Business?" Published by Business News Daily on May 11, 2020. Available here: (https://www.businessnewsdaily.com/9649-universal-basic-income-business-impact.html) - AP

What if once a month for the rest of your life you received a check to cover your basic needs, including food, clothing, healthcare and housing expenses, just by virtue of being human? That's precisely what proponents of a universal basic income (UBI) propose. What is a universal basic income? There are many different proposals on how to institute a UBI, many of which boil down to one simple idea: distribute a cash payment to every individual citizen on a regular, recurring basis to cover their basic needs, regardless of employment status or net worth. Oftentimes, a UBI is suggested as a sweeping replacement benefit for the existing social safety net. "[A] UBI is an investment in society through an amount of income that is unconditional, universal, individual and regularly provided," said Scott Santens, a UBI researcher and advocate. "In other words, it's an income floor below which no one is allowed to fall, and all other income adds to. Traditionally, it is considered to be an amount sufficient to raise everyone above the poverty line, but that is not required to meet the definition of UBI." The universal basic income has appeared under several different monikers since its conception, going by the titles "social dividend," "guaranteed income" and "basic income." Each name has its subtle differences, but the implications of any such policy would undoubtedly be immense, raising several questions: How would a basic income policy change the economy and affect small businesses? Would it lead to more entrepreneurship? How would it influence consumer spending? How would it impact the labor market? Would it influence inequality? COVID-19 and universal basic income A sweeping policy change toward UBI is not very likely in the U.S. anytime soon. However, the COVID-19 pandemic led the federal government to disburse payments of $1,200 to most low-income to moderate-income taxpayers as the novel coronavirus shuttered businesses and ground the economy to a halt. While not a true UBI, direct payments to citizens on a nationwide scale during the coronavirus crisis is about as close as the U.S. has ever come. House Democrats went a step further, introducing a bill called the Emergency Money for the People Act, which would provide cash payments of up to $2,000 per month for six months to every American adult making less than $130,000 annually. Other countries have responded similarly. For example, Spain is reportedly working on implementing a permanent basic income for low-income citizens. In France, self-employed workers (about 600,000 citizens) are eligible for $1,600 direct payments if coronavirus-related quarantines prevented them from working or resulted in a 70% reduction in business. In most of these cases, direct payments were coupled with additional stimulus measures, such as extending forgivable loans to businesses or governmental salary continuance programs to keep people employed. Are COVID-19 stimulus payments analogous to a universal basic income? A true universal basic income would be distributed on a regular, permanent basis to all citizens regardless of employment status or income. The coronavirus stimulus payments fall short of that definition. Their focus on low-income and moderate-income taxpayers put them more in line with traditional social welfare programs. "Being only a one-time check, the economic impact payment can really only help show that it helps to get some money and that it's nice to not have to jump through hoops to get it," said Santens. "It can't really tell us how affordable UBI is, because the stimulus payment added to the debt … and it also can't really inform inflation concerns, because the stimulus payment for most people is replacing lost income, not adding to it." However, there is useful information that can be gleaned from the coronavirus crisis cash payment stimulus, Santens added, especially if additional cash payment is authorized to mitigate the economic impacts of the COVID-19 pandemic. "If we succeed in getting recurring stimulus checks in place, we can observe how it accelerates us out of recession, prevents needless suffering and sets up more people for success in the endeavors they feel most important," Santens said. Where did the idea for a universal basic income originate? An early source of inspiration for UBI is found in Thomas Paine's 1797 essay "Agrarian Justice," in which Paine proposed a national fund that would pay each person "the sum of 15 pounds sterling" when the individual reached age 21, as well as another 10 pounds per year from the time the person reached age 50 through the rest of the recipient's life. Paine pictured this national fund as compensation for what he called "the loss of natural inheritance." His idea was that in the world's natural state, the land was common property to all. Private property arose when humans improved the land as part of civilization, Paine wrote, so the fund would act as compensation for each person's loss of that common property. He called this "ground rent," recompense paid to society for a private individual taking up land, sea or air in pursuit of building his or her own wealth. The idea has evolved over time across ideological lines. Some people regard UBI as a way to streamline social welfare, and eliminate bureaucratic waste and corruption. Others view UBI through the lens of poverty alleviation, or as a way to allow people to pursue fulfilling activities outside of work. Still others, like SpaceX and Tesla CEO Elon Musk, have called UBI an "inevitable" byproduct of an increasingly automated society. "There is a pretty good chance we end up with a universal basic income, or something like that, due to automation," Musk said previously in an interview with CNBC. [Read related article: AI Comes to Work: How Artificial Intelligence Will Transform Business] However, not everyone agrees. Opponents of UBI have dismissed the proposals as unrealistic. It's more prudent to stick with solutions that are more affordable or adaptable to the current social welfare environment, critics have argued. For example, Max B. Sawicky, a former economist at the Economic Policy Institute, said at a 2013 forum on UBI proposals that "like good fiction, the way to read the UBI is not as a real proposal, but as a message about … our existing system. But the implicit critique of the existing system underlying the UBI is not well founded." Sawicky argued that proponents tend to exaggerate overhead costs of existing federal programs and that costs would be higher than suggested for implementing a basic income program. However, James Wallace, a serial entrepreneur and founding member of Exponential University, said that a basic income is not only desirable but also "imminent and beyond probable." Like Musk, he predicted that in about five to 10 years from now, nonhuman AI workers will have taken over many jobs and drastically altered the labor market. He based his expectations on Moore's Law, which describes the exponential growth of computer processing power and subsequent decreases in costs. That principle, Wallace said, will dramatically reduce demand in the labor market in a very short window of time. "These experiments [into UBI are] … starting with people in need," Wallace said. "Well, the number of people in need will grow as the number of jobs shrinks." "This is not about 'funding lazy people.' It's earmarked for food, household items and so on," he added. What do researchers know about UBI? Early experiments with UBI have proved incomplete or inconclusive, and so there is very little real-world data to use in making predictions. Beginning in the late 1960s, the U.S. launched one of four "negative income tax" experiments, in which people earning below a certain income threshold received supplemental pay from the government rather than having to pay taxes. These programs were somewhat similar to UBI, except they focused on low-income people instead of applying to every citizen. In 1974, Manitoba, Canada, launched its own experiment in negative income tax. However, neither country ever implemented the idea as a policy. The concept of a true basic income, on the other hand, has gained some traction, with several experiments planned or underway throughout the world, despite objections. In 2008, an organization called Instituto ReCivitas launched a privately funded study of basic income in Quatinga Velho, a small rural community in Brazil. Under this experiment, each resident receives about $12 U.S. per month. Organizers of that study reported improvements in nutrition, clothing, living conditions, health and local construction. Current and upcoming UBI experiments It's one thing to offer a guaranteed sum to residents of a single village, but what about the populations of cities or entire nations? Around the globe, there are small-scale studies cropping up left and right, with limited success. The province of Ontario, Canada, ran a pilot program for one year that offered $13,000 per year to individuals and $19,000 to couples. Recipients paid a 50% tax on additional income beyond those amounts. However, Ontario canceled that pilot program two years ahead of schedule. In Finland, an experiment into basic income that began in 2017 ended in January 2019. Under that program, 2,000 unemployed Finnish citizens received $685 per month from the government without any work-related or job-seeking requirements. Results from that pilot program suggested that recipients experienced reduced levels of stress and improved health, but there was little impact on unemployment rates. In the United States, the Economic Security Project (ESP), a UBI research fund, is investing in a number of studies. One nonprofit called GiveDirectly, a recipient of an ESP grant, allows private individuals to create a basic income fund for one person, a family or an entire village living in extreme poverty in Kenya or Uganda. The results of these projects will add a layer of evidence to the debate over UBI that the world has not yet seen. And if people like Musk and Wallace are right that automation will inevitably result in a net reduction of jobs, then these pilot programs come at a crucial moment. UBI's potential business impact Hypothetically, what would UBI mean for business? Supporters have predicted elevated consumer spending, new business startups and increased investment in existing businesses. Chris Yoko, CEO of Yoko Co., has spent significant time studying UBI in trying to create a higher purpose for his company, he said. A basic income would democratize the small business landscape, Yoko said. "I think you'd see a lot of companies focusing on what they can do that's really innovative, and that can make a big impact," Yoko told Business News Daily. "We'd probably see more startups and see a lot more people investing in companies." Ultimately, Yoko said, he'd expect UBI to generate more competition in the market by giving more people the means to pursue disruptive ideas. However, that might also be a death sentence for companies that fail to offer particularly innovative products or progressive ideas, he said. Wallace concurred, harkening back to the days when most people worked for themselves as entrepreneurs of one kind or another, such as small farmers and urban merchants. "The biggest thing we need to look at here is the idea that we are workers and [that] jobs are required," Wallace said. "We need to really challenge this idea that we are born to this planet to work. At the turn of the 19th century, it was kind of work as needed, and it was normal for people to be entrepreneurs. It wasn't normal to work for someone else, and we're kind of getting back to that with the ‘gig economy.’"

#### UBI is the best option – it provides livable conditions for people who are unable to work due to disability and other causes

Farrell 20 Julie Farrell is a disabled writer and accessibility consultant based in Edinburgh. "Dying from Inequality - Why Universal Basic Income is the Solution." Published by Disability Arts Online on June 22, 2020. Available here: (https://disabilityarts.online/magazine/opinion/dying-from-inequality-why-universal-basic-income-is-the-solution/) - AP

‘It is the peculiar lowness of poverty that you discover first.’ Wrote George Orwell in his memoir, Down and Out in Paris and London (1933). The peculiar lowness. These words powerfully convey the ever-present sinking feeling of poverty. It doesn’t level out. It doesn’t go away. You go fathoms deep but you keep on sinking. If anything can wake us up to our own inequality crisis, it’s a global pandemic which threatens the very foundations of a capitalist economy that we are built on. The systemic injustices faced by the poor, disabled and elderly are now being faced collectively by the nation in the face of Covid-19 – and we’re waking up to the possibility of something better. ‘People living in the poorest, most disadvantaged communities face the highest risk of dying by suicide’, the Samaritans cited in their 2017 report, Dying from Inequality. They found that ‘financial instability and poverty can increase suicide risk.’ And that ‘Suicide is a major inequality issue.’ It comes as no surprise that unmanageable debt, unemployment, poor housing conditions, and other socioeconomic factors all contribute to high suicide rates. ‘Tackling inequality should be central to suicide prevention’ reads the report summary. So how do we do that? In a world of systemic inequality, where poverty and homelessness have never been eradicated, the welfare state has become increasingly punitive – and workers are still punished for sickness – is equality even possible? In a world where the UK has seen suicide rates increase by 10.9% in the last year alone. Where thousands of low-skilled, but equally – if not more so – valuable workers are struggling to make ends meet, thanks to low wages and flimsy worker protections. The report addresses the factors which lead to poverty on a societal, community and individual level; with much emphasis placed on “weak social protection (especially inadequate employment benefits); poor (or non-existent) active labour market programmes; weak (or non-existent) employment protection; austerity measures; cuts in mental healthcare spending”. A mixed race woman and two white women stand among packed shelves of food at a foodbank Three women at a foodbank in Vauxhall. Photograph: Newfrontiers [licensed under CC BY-NC-ND 2.0] Disabled people who find themselves reliant on government support to live have seen a drastic decrease in access to this support, and if they do receive it, bureaucratic processes cause months of delays, reduced payments and expedient recoup of payments with little to no warning. Just this year, Errol Graham died from starvation after his benefits were cut – his body was found by bailiff’s coming to evict him. His needs were not understood nor adequately supported, Assistant Coroner Dr Elizabeth Didcock said: “The sudden loss of all income, and the threat of eviction that followed from it, will have caused huge distress and worry, and significant financial hardship… Likely, this loss of income, and housing, were the final and devastating stressors, that had a significant effect on his mental health… The safety net that should surround vulnerable people like Errol in our society has holes in it.” Tougher ‘fit to work’ assessments have now been linked to 590 additional suicides by the University of Liverpool. An average of 9,700 deaths are caused every year by living in a cold house, as Errol Graham did. Homeless deaths have been steadily rising over the last couple of decades as have deaths from malnourishment. The causes are intersectional. Living with chronic illness might make it harder for someone to work enough hours to pay the bills, but the government may deem them as ‘fit to work’ – with a huge impact on their mental health when they don’t receive support from the state. Older people may find their pensions aren’t sufficient to afford the cost of additional fuel to heat their homes through the winter. Disturbingly, 22% of the UK population are now living in poverty – 34% are children. The Trussell Trust is the largest food bank network in the UK – it handed out around 41,000 food packs in 2010 compared to 1.2 million in 2017. One in three premature deaths in the UK is attributable to socioeconomic inequality. There is one simple solution or at least a very good attempt at the beginnings of it – pay every individual a basic living wage. No matter what their situation. Lift the poor out of poverty. It’s not difficult to understand. It’s much cheaper to do this than to continue with the welfare state we currently have. No more bureaucracy, or administrative costs, or untrained and non-specialist staff assessing the medical needs of applicants.

## Extensions

### Private Sector

#### A job guarantee would fail economically – inefficient spending and slow growth

Haskins 20 Justin Haskins is the executive editor and a research fellow at The Heartland Institute. "Justin Haskins: Rep. Ilhan Omar’s government jobs program would be economic disaster." Published by Fox News on August 1, 2020. Available here: (https://www.foxnews.com/opinion/ilhan-omar-jobs-election-justin-haskins) - AP

If Democrats keep control of the House and capture the Senate and White House in the November election and enact a jobs guarantee program like this, our economy might never fully recover from the damage. Omar and Watson’s proposal is called the Workforce Promotion and Access Act. It would permit the U.S. Department of Labor to develop a jobs guarantee program that would provide grants to states and localities where unemployment is twice the national rate or higher than 10 percent. “The resulting jobs, targeted to local needs like child- or eldercare and infrastructure, would be paid at least $15 per hour and ensure every adult aged 18 or older is eligible,” according to a statement issued by Omar’s congressional office. “This program is the type of bold solution our country needs to lift up workers, broaden prosperity, and improve communities,” Omar said. Providing people with access to jobs in areas that are struggling economically might sound like a good idea at first glance, but on closer examination it is deeply flawed and extraordinarily harmful. Creating a jobs guarantee program that would bankrupt our country, create unsustainable deficits, slow economic growth, and increase the government’s control over the labor market is one of the worst ideas radical Democrats have proposed Jobs guarantees effectively put government in charge of the labor market, by establishing baseline wages and benefits. Wherever there is a jobs guarantee program, private employers must pay at least what the government is willing to offer its employees and prospective employees through the jobs program. Because government does not need to worry about profits or operating efficiently, and because it often runs huge deficits, it has a large advantage over every business in the private sector, making it incredibly difficult for private companies to compete. That means job guarantees distort markets and drive employees out of productive businesses and into government jobs that might not even be needed. The proposal backed by Omar would be especially harmful, because it would incentivize local and state governments to enact policies that would increase unemployment rates. Doing so would provide them with access to job guarantee grants from the federal government. State and local governments with unemployment rates lower than 10 percent and less than double the national unemployment rate wouldn’t be eligible for the program. Over the long run, a jobs guarantee would also encourage governments to take over more parts of the economy. As more Americans sign up for the jobs program, additional new services would need to be offered by government to ensure its growing number of employees have work to do. This would slow the growth of the entire economy, because government is notoriously wasteful and inefficient. Take Amtrak, for example. In its nearly 50 years of operation, it has never broken even. In fiscal year 2019 it had one of its best years in history, but still lost more than $29 million.

### UBI

#### Universal Basic Income is necessary at providing stability and flexibility to its recipients

Hughes 20 Chris Hughes is a co-founder of the Economic Security Project and a senior adviser at the Roosevelt Institute. "Why Americans Need a Guaranteed Income." Published by the New York Times on May 1, 2020. Available here: (https://www.nytimes.com/2020/05/01/opinion/universal-basic-income-coronavirus.html) - AP

Nancy Pelosi, the speaker of the House, on Monday said what many in her caucus have been saying for weeks: A guaranteed income to help Americans struggling because of the coronavirus pandemic is “worthy of attention.” As recently as just a few months ago, an income guarantee was widely written off as unrealistic. But two-thirds of the members of the House Democratic caucus now support the idea of some kind of cash payment that would continue until the end of the crisis. The pandemic may have precipitated this change of heart, but the pandemic alone isn’t why we need a guaranteed income. The American economy is plagued by instability and fragility, much of it caused by staggering levels of inequality. If we want to create a more resilient economy and country, a guaranteed income should be permanent American policy, not just an emergency measure to help with this crisis. Over the past several decades, legislators and policymakers of both political parties, obsessed with economic “efficiency,” lowered taxes and reduced regulation on the assumption that those policies would create a healthier economy and a better society. They spoke of a “free market,” with rules that were supposedly impartial and fair, even though political power has always shaped markets to reward some and harm others. We have ended up with an economy that is not only unjust but also stunted in its growth and more fragile than before. The coronavirus crisis has heightened and made more vivid what was already clear to many: The unfairness of our economy is a matter of life and death for millions of Americans. The United States needs a new economic framework designed for resiliency in the face of disruption and change. A guaranteed income — one that would provide $1,000 for every adult and $500 per child per month — should be its centerpiece. Some advocates of a guaranteed income, often calling it a universal basic income, or U.B.I., argue that the policy is required to address the problem of large-scale unemployment caused by job-killing artificial intelligence. But the reason we need a guaranteed income isn’t technological progress; it’s the fundamental precariousness and injustice of today’s economy. The coronavirus has reminded us how inequality can kill. Poorer Americans, who are more likely to work in jobs that expose them to the virus and less likely to have access to health care, have disproportionately fallen ill and died. And it’s not just the poor who are suffering. Middle-class workers have also been poorly set up to weather a storm of this magnitude. Policymakers’ failure to adequately regulate and provide affordable housing, health care and education has caused the cost of living to skyrocket while incomes have stagnated. The pandemic has also exposed how many Americans teeter close to the brink financially. This is why government can’t be relegated to providing just a “safety net” for people who find themselves on the losing end of otherwise fair markets. The markets themselves are structured to provide short-term profits for some, rather than long-term resiliency for many. Organizing markets around resiliency instead of profit means ensuring that workers are better protected from unpredictability. Workers should be able to share in the economic fortune created in the good times and to rely on a guaranteed income that gives them access to basic affordable goods in the bad times. Direct cash payments are a highly effective way to provide financial stability to families. Cash moves quickly and reliably, which is particularly important in times of emergency. (Even with the problems the Treasury Department has experienced in distributing stimulus payments, 130 million American households have already received payments from the government, most over $1,000.) The data on how people are spending their coronavirus stimulus checks demonstrate the flexibility that direct cash offers families. Some households use the money for basics — groceries, medicine, rent, child care — while others might use it to buy a laptop for a child now doing distance learning. Restricted benefits like food or rent vouchers, while critically important, can end up merely shifting cash from one budget line to another. Direct cash payments, by contrast, give each family the discretion to spend the money as its needs.

### FJG Fails

#### Federal Jobs Guarantees fail at providing necessary jobs

Rachidi 19 Angela Rachidi is the Rowe Scholar in poverty studies at the American Enterprise Institute (AEI), where she studies poverty and the effects of federal safety-net programs on low-income people in America. "Guaranteed jobs programs don’t really “guarantee” a job." Published by AEI on October 30, 2019. Available here: (https://www.aei.org/poverty-studies/guaranteed-jobs-programs-dont-really-guarantee-a-job/) - AP

Sen. Cory Booker (D-NJ) recently revived his proposal for a federal guaranteed jobs program as part of his plan to cut poverty. He joins at least three other presidential hopefuls who support the federal government guaranteeing a job for every American. Sen. Booker’s plan, called the National Transitional Jobs Program, would “create a national transitional jobs program targeted to individuals living in poverty, including the long-term unemployed, noncustodial parents under a child support order, and individuals participating in SNAP or TANF, with wages partially or fully subsidized using public funding.” Transitional jobs programs are a version of a job guarantee. Government agencies identify people who need a job but cannot find one on their own and give money to public or private employers to hire them and pay their wages. This seems like a winning approach because employers get labor at little cost to them and workers get a job. But this approach has been tried and studied extensively in the US. The evidence is clear: transitional jobs programs do not meaningfully “transition” people to employer-paid jobs. In fact, they don’t even offer a job guarantee. Many of the people who are hardest to employ never actually get hired into a transitional job. MDRC, a leading social science research firm, has studied numerous transitional jobs programs over the years (also called subsidized jobs). Here is how they described these programs in 2013: “Subsidized employment programs provide jobs to people who cannot find employment in the regular labor market and use public funds to pay all or some of their wages. Some programs are designed primarily to provide short-term income support in poor economic times, while others also seek to improve long-term employment outcomes among “hard-to-employ” groups. Evaluations of subsidized employment programs suggest that they are effective at providing jobs in the short term but are less successful at helping participants transition to unsubsidized employment.” In other words, transitional jobs programs increase employment while the government is paying the bill, but they fail to help people find employer-funded jobs. One of the leading authors in MDRC’s work, Dan Bloom, summed up the status of the evidence in a 2018 interview for the Atlantic: “When there’s 10 percent unemployment, folks who are out there looking for jobs, some of them have very steady work histories and they’re pretty easy to place. There was absolutely an employer that would love to have them if they could get their wage subsidies. That’s a different context than we have now, where the folks that are out of the labor market are probably going to be facing some serious issues.” These issues are why many employers won’t hire eligible participants, and those with the most challenges to employment, such as TANF recipients or those with criminal histories, are the hardest to place. MDRC found that the percentage of eligible participants who were actually hired into a subsidized job ranged from 25 percent to just under 100 percent depending on the program being studied, with programs that involved private sector employers on the low end of that range. Some went directly into an unsubsidized job (bypassing the need for a subsidy altogether), but many were never hired. Authors explained that “private sector employers generally proceed with caution in making hiring decisions, even if a job candidate comes with a subsidy.” The bottom line: During periods of high unemployment, transitional jobs programs can replace lost wages for people who would be working if the economy was stronger. These programs might even be preferred over unemployment insurance because they keep people connected to work and avoid skill atrophy. But the idea that transitional jobs will cut poverty over the long term by preparing people with employment challenges to find privately-funded jobs is inconsistent with the evidence. It is time for policymakers on both sides of the aisle to abandon this idea as an effective long-term poverty-reduction strategy.

#### Support for Jobs Guarantees are founded on flawed perceptions of government spending and are unverified

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Modern Monetary Theory (MMT) is in the news a lot lately. And that has resulted in a number of “critiques”. Most of these critiques are, to be blunt, trash. You see, the thing is, MMT is really, really confusing and most people don’t get it right at first. So we tend to see lots of “critiques” of MMT that aren’t based on a sound understanding of it. I know this because I went through a phase almost 10 years ago where I first encountered MMT, thought it was largely right and then realized it had some potential problems. I critiqued it and learned along the way that some of my early critiques were wrong. I’ve learned a lot over this time and I still think there’s a lot more good than bad in MMT. But for those interested, here’s how I see the good, the bad and the ugly in MMT. First, it’s useful to provide an overview of what MMT actually is because this is what trips most people up. MMT is a macroeconomic theory of full employment and price stability that argues that the government is the monopoly supplier of money. Because it issues THE money (currency) it can always afford to spend in nominal terms. In other words, the government cannot run out of money. This also means that the traditional idea that the government needs money before it spends is misleading. The government doesn’t need our tax dollars to spend money because it can literally print money if it has to. Further, the government causes all sorts of problems by creating a currency. This includes the need to obtain money from the government to pay taxes in the money that it creates as well as the need to obtain jobs so we can obtain an income denominated in the currency that the government requires those taxes to be paid in. So, MMT argues that unemployment and a shortage of desired financial assets can result if the government does not spend enough into the economy. They propose to resolve this mainly through a Job Guarantee program that would provide full employment to everyone willing to work. The Job Guarantee is an essential part of the theory because it is the element that supposedly solves the problem of full employment and price stability. Importantly, MMT does not say deficits don’t matter or that the government has NO constraint. While the government has no nominal budget constraint it does have a real budget constraint (ie, inflation). Okay, I don’t agree with all of that, but it’s a decent general description of how the monetary system works. Anyhow, moving on…. The Good. MMT gets banking right. This is a biggie because mainstream economists have had this confused for a long time and it’s distorted the way we emphasize certain policies and ideas. The traditional money multiplier is wrong and MMT advocates have long emphasized endogenous money. Fiscal Policy over Monetary policy. Mainstream economics relies heavily on interest rates and the powers of Central Banks to set policy. MMT turns a lot of this on its head and argues for more fiscal policy focus and less monetary policy focus. This is particularly relevant in an age where it appears as though Central Banks have become somewhat impotent. Governments have an inflation constraint and not a nominal constraint. This is important because most people think of the government like a household. When a household runs out of income it probably cannot spend. It has a true nominal budget constraint. When a government wants to spend and doesn’t have enough income it just runs a deficit. The only thing that stops the government from spending too much is when its spending causes out of control inflation. Again, this is useful because it gets people out of the mentality that deficits are necessarily bad or that the government can’t “afford” things just because it doesn’t cover them entirely with current tax receipts. As mentioned before, it also gets us out of the mentality that all government spending and debt is going to cause hyperinflation. The Bad. MMT plays A LOT of word games. For instance, they redefine private sector net saving as saving net of investment which makes it look like the private sector can only save if the government spends (when in fact we mostly save intra-sector within the private sector). They also redefine full employment to mean zero involuntary unemployment (while most economists define it as optimal employment). They also use the term “sovereign currency issuer” in a manner that is nearly useless since they can’t define when a country is sovereign or not or how various economic environments might reduce or even eliminate sovereignty. All of this makes for a slippery sort of understanding of things and can lead to some very bad conclusions such as this prediction about the sustainability of Turkey’s budget. MMT has an excessively state-centric view of the world. The entire theory can be summarized as “the government has a printing press and it should use this power to offer everyone a job”. I don’t necessarily think this is wrong. There are good reasons why the government might WANT to spend money or provide jobs. But MMT tortures and twists reality to try to make a coherent economic argument for why the government NEEDS do these things. MMT tries to claim they are describing reality when they’re really describing an alternative reality. MMTers sometimes claim that they’re just describing how things actually work. But MMT is based on several controversial claims such as the idea that the government causes unemployment by creating the monetary system. This is not merely an operational description. This is a controversial description that is central to how their world view is constructed. In reality, no government or economy runs a full MMT style regime with a consolidated Central Bank and Treasury managing a large scale Job Guarantee. So, they don’t merely describe reality. They describe what they believe is reality and provide proposals for how to conform to that reality with certain policy ideas that are directly intertwined to that controversial operational description. MMTers muddy the concept of “funding”. When they describe government spending they describe it as being independent of income often repeating the idea that “taxes don’t fund spending”. In other words, the government has a printing press and simply marks up accounts when it spends. It does not need to obtain taxes and then spend those tax dollars. Of course, anyone who understands endogenous money knows that this is true of anyone with credit. We can all spend on credit without having income so any entity/person can spend first and get income later. That’s basic endogenous money. The key point regarding government spending is, new private bank loans create new deposits that are secured by existing or future resources. So, when the government moves taxes to the public domain and spends them they are just redistributing EXISTING private bank money supported by existing resources. The larger the tax base and greater the resources the domestic economy has the more the government can spend without having to spend in deficit (by creating new potentially inflationary financial assets). This one’s easy to debunk with a simple example. Say we have two economies with $10T in domestic income and both want to spend $2T every year for healthcare. Economy A spends $2T by printing cash and Economy B spends $2T by printing $1T of cash and redistributing $1T of existing deposits. Which economy has a more sustainable financial position? Obviously, Economy B does because they aren’t going to create as much inflation via their new money creation. This is because Economy B used some of the existing deposits to fund their spending. So, taxes fund spending in the sense that a large base of existing deposits, supported by existing resources, gives the government the ability to redistribute more existing money rather than having to print new money. In other words, taxes fund spending.¹ The Job Guarantee is a virtually unproven program. The central idea within MMT is the idea of a Job Guarantee. MMT claims that a large scale JG is needed to solve the problem of unemployment that the government causes. They also claim this program can provide price stability. This is a claim I have always been skeptical of. It’s not that I think it’s necessarily wrong. It’s more so that the evidence supporting these claims is non-existent. I have a hard time supporting a large policy idea that isn’t well supported by actual real-life data. MMT doesn’t have a proven theory of inflation. MMT people often say that a sovereign currency issuer has a real resource constraint. But they never model what this means and the terms are intentionally vague to the point of being useless. When is a government “sovereign” exactly? And how do we model “real resources”? When does all of this actually create inflation? It seems as though MMT is moving the debate from governments having solvency constraints to inflation constraints without actually explaining and being able to predict when the inflation constraint becomes a problem. I agree it’s useful to understand that governments don’t go bankrupt, but none of this is very useful if you can’t explain the precise parameters within which the inflation constraint is a problem.