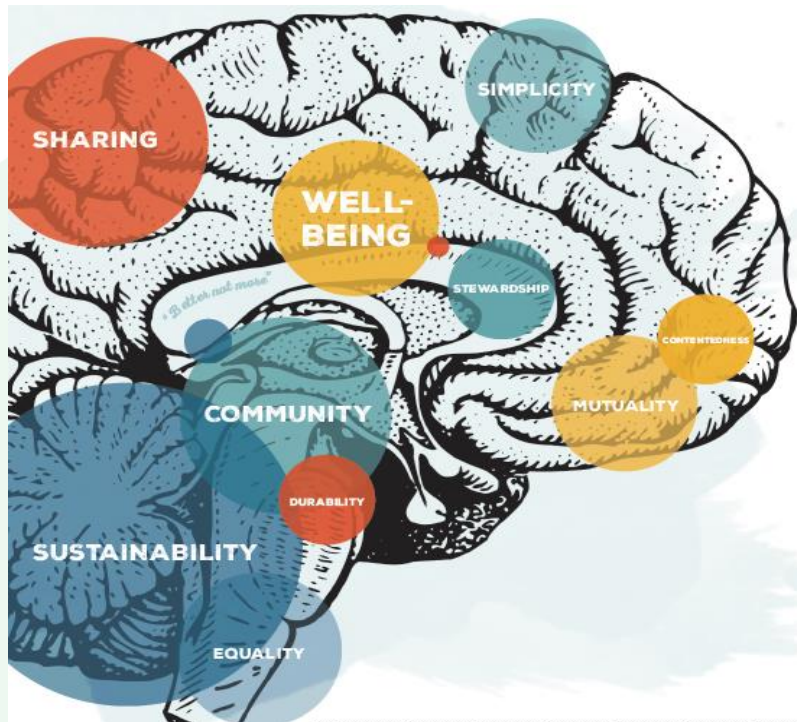




**Friends of  
the Earth  
Europe**

**for the people | for the planet | for the future**



## **A Job Guarantee scheme for a Post-growth Economy**

**Prepared by Riccardo Mastini | September 2018**

*Friends of the Earth Europe gratefully acknowledges financial assistance from the European Commission and Umweltbundesamt. The contents of this document are the sole responsibility of Friends of the Earth Europe and cannot be regarded as reflecting the position of the funders mentioned above. The funders cannot be held responsible for any use which may be made of the information this document contains. Detailed information about Friends of the Earth Europe's funding can be found at: [www.foeeurope.org/about/financial](http://www.foeeurope.org/about/financial)*



Increases in labour productivity entail that fewer people are needed to produce the same amount of goods and services each year. This will be particularly the case with increased automation and the use of Artificial Intelligence, for example, to replace human labour. As long as the economy expands fast enough to offset increases in labour productivity there is no problem. But if the economy does not grow, people usually lose their jobs. In the EU, the shortage of employment, especially among the youth in Southern member states, has become more pressing than the shortage of products. Basically, we produce goods and services mostly to keep people employed rather than to cater for their needs. Hence, **the transition to a post-growth economy will be faced with the challenge of how guaranteeing incomes in an economy that no longer grows.**

The first step in this direction requires decoupling employment from economic growth. This shift is essential as changes in the labour market can facilitate the political appeal of post-growth ideas to citizens who are, after all, always worried that sustainability policies that menace economic growth will leave them unemployed. In the long term, post-growth advocates may strive towards changing broader attitudes towards the concept of work so that self-esteem no longer depends on one's ability to earn money through paid work. A Universal Basic Income could be one way of doing this. With a Universal Basic Income, pursuing full employment becomes superfluous since people will have a guaranteed livelihood regardless of them working or not. But work remains an essential value in our society and should remain our starting point.

Given the urgency of the ecological crisis, there are only a limited number of years remaining to convince voters to opt for a managed, humane transition to a smaller economy. The time frame rules out waiting until deeper attitudes have changed. Furthermore, **a Universal Basic Income does not necessarily contribute to reducing the domination of 'economicism' in our societies, nor to ensuring less material consumption** or preserving more natural resources.

An alternative to the Universal Basic Income could be the adoption of a Job Guarantee scheme in EU member states. **The Job Guarantee calls for the national government to take up the role of 'employer of last resort'** by providing the funds necessary to offer a uniform wage and benefit package to anyone willing and able to work.

The most promising feature of the Job Guarantee is that it is not constrained by profit. Thus, **it creates the possibility for people to earn a living outside the sphere of capital accumulation.** And because work provided through the Job Guarantee could be steered towards production for use rather than exchange, it could be channelled

toward environmentally sustainable projects and methods of production that will not and cannot be undertaken by the private sector. Workers under a Job Guarantee could be employed doing anything democratically deemed to be of social value, potentially broadening our conception of work to include things like caring for the elderly, habitat restoration, and community services.

**A Job Guarantee could also improve working conditions in the private sector.**

With the option of taking up a government job always open to private sector workers, private employers would be forced to provide pay, benefits, and conditions at least on par with those offered by the state. The wage and benefit package of the Job Guarantee would act as a floor for wages throughout the economy. The state could use the Job Guarantee as a way of shortening the working week.

For instance, the state could initiate a four-day working week and, in so doing, pressure private employers to follow suit. This approach would further facilitate achieving full employment in a post-growth economy. Because for everybody to have a job in an economy that does not grow, people will have to work less and employment will have to be redistributed. Working time reduction is, therefore, necessary for work-sharing. A caveat to this last point is that working time reduction must take into consideration also the impacts on workers' wages.

As for the question of how to finance a Job Guarantee, the financial tool of 'Sovereign Money Creation' (SMC) can provide an answer. SMC entails that money is created by the central bank and credited to the government's account to be spent into the economy. Allowing central banks to create money to be spent into the economy in the public interest through SMC will disrupt the idea that 'there is no money' for the things society needs. To put it more simply, the 'magic money tree' does exist!<sup>1</sup>

**The main challenge for the Job Guarantee lies in the state's ability to respond, i.e. to create, provide and administer enough public jobs for all of the unemployed.** First, European states have more or less efficient but very different bureaucratic apparatus, which means that the success of a Job Guarantee scheme might vary from one country to another. Secondly, setting up a Job Guarantee scheme requires government expertise on which jobs are "useful". In other words, the government should be able to assess the advantages and risks of such jobs by checking for example:

---

<sup>1</sup> For a more exhaustive discussion of SMC please refer to Friends of the Earth Europe's discussion paper "Sovereign Money Creation For A Post-Growth Economy".

- whether they are providing services of public utility, even if there is no financial benefit which translates into a risk of being more expensive to run;
- whether they are offering some products and services on the market, even if they risk not being properly valued by the market;
- whether they are creating desirable environmental restoration, but at the risk of enhancing a system where the private costs of pollution and degradation are actually covered for by the public scheme.

A fixation with growth in economics has seen GDP increase in proportion to environmental damage. As planetary limits draw ever closer and are even being surpassed, such a model cannot be sustained. This is why Europe should embrace the transition towards a post-growth economy. With this in mind, **discussions on meaningful and ecologically sustainable full employment in a Europe beyond GDP growth need to be advanced by social and ecological movements.**

This Discussion Paper is based on the analysis presented in the booklet [\*Sufficiency: Moving beyond the gospel of eco-efficiency\*](#) published by Friends of the Earth Europe in March 2018.



**Friends of  
the Earth  
Europe**

for the people | for the planet | for the future

## Friends of the Earth Europe

### Member Groups

Austria	Global 2000
Belgium (Wallonia & Brussels)	Les Amis de la Terre
Belgium (Flanders & Brussels)	Climaxi
Bosnia & Herzegovina	Centar za životnu sredinu
Bulgaria	Za Zemiata
Croatia	Zelena Akcija
Cyprus	Friends of the Earth
Czech Republic	Hnutí Duha
Denmark	NOAH
England, Wales & Northern Ireland	Friends of the Earth
Estonia	Eesti Roheline Liikumine
Finland	Maan Ystävät Ry
France	Les Amis de la Terre
Georgia	Sakharvelos Mtsvaneta Modzraoba
Germany	Bund für Umwelt und Naturschutz Deutschland (BUND)
Hungary	Magyar Természetvédők Szövetsége
Ireland	Friends of the Earth
Latvia	Latvijas Zemes Draugi
Lithuania	Lietuvos Zaliuju Judėjimas
Luxembourg	Mouvement Ecologique
Macedonia	Dvizhenje na Ekologistite na Makedonija
Malta	Friends of the Earth Malta
The Netherlands	Milieudefensie
Norway	Norges Naturvernforbund
Poland	Polski Klub Ekologiczny
Russia	Russian Social Ecological Union
Scotland	Friends of the Earth Scotland
Slovakia	Priatel'ia Zeme
Slovenia	Focus Association for Sustainable Development
Spain	Amigos de la Tierra
Sweden	Jordens Vänner
Switzerland	Pro Natura
Ukraine	Zelenyi Svit

**Friends of the Earth Europe** campaigns for sustainable and just societies and for the protection of the environment, unites more than 30 national organisations with thousands of local groups and is part of the world's largest grassroots environmental network, Friends of the Earth International.