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The Job Guarantee in practice

Victor Quirk, Emma Allen, Trond Andresen, Anthea Bill, Beth Cook, Ben Goldsmith, James Juniper, Robert La Jeunesse, William Mitchell, Jennifer Myers, Martin Watts, Riccardo Welters, and Graham Wrightson¹

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Centre of Full Employment and Equity
The University of Newcastle, Callaghan NSW 2308, Australia
Home Page: <http://e1.newcastle.edu.au/coffee>
Email: coffee@newcastle.edu.au

1. Introduction

Following the abandonment of full employment as a primary objective of government policy in the mid 1970s, the role of the public sector as a significant source of employment was sacrificed in pursuit of private sector efficiency in the use of public resources. A failure to acknowledge that an efficient public sector delivers social benefits that profit-seeking firms do not, led policy makers to fallaciously equate reductions in public sector employment with efficiency (Mitchell, 2001a: 4). The absence of the public sector as an employer of last resort entrenched unemployment, undermining the economic security and life aspirations of a generation of Australians, and severely damaged the present economic capacity of Australia through the concurrent abandonment of the public sector as a net producer of skilled workers (Mitchell and Quirk, 2005).

A policy proposal to restore the role of the public sector as a significant employer, and to do so in a way that also controls inflation, known alternatively as the 'Job Guarantee' or the 'Employer of Last Resort' (ELR), has been advocated for over a decade by economic policy research centres in Australia (Centre of Full Employment and Equity – CofFEE), North America (Centre of Full Employment and Price Stability – CfEPS, Kansas City, and The Levy Institute, New York) and Europe (CofFEE Europe, Maastricht). The economic principles underpinning this proposal constitute an alternative economic paradigm to that which has dominated economic policy-making in Australia for 30 years, and which has entrenched under-employment, fuelled private debt and destroyed the nation's skills formation capacity (Mitchell, 2001b).²

The debate between these rival economic paradigms is often very technical in nature, which has tended to discourage media coverage or engage a wider audience, despite the profound socio-political implications at stake. The consequence is that most Australians, including many academics and public policy makers that would find the alternate paradigm extremely interesting and useful, are unaware that it even exists. The comprehensibility of these ideas has been further undermined by the absence of a straightforward detailed description of how the Job Guarantee/ELR could operate in Australia, which is largely due to an unwillingness of its leading advocates to presume authority in the mechanics of public administration. This paper seeks to redress this difficulty by offering for public discussion a draft demonstration model, which links the theory to practice by clarifying necessary and optional features of the scheme.³ The authors welcome any suggestions for improving either the design of the scheme or the comprehensibility of its presentation in this paper.⁴

2. The basic idea of the Job Guarantee

Under the Job Guarantee scheme, people of working age who are not in full time education and have less than 35 hours per week of paid employment would be entitled to the balance of 35 hours paid employment, undertaking work of public benefit at the minimum wage. The aim is to replace unemployment and under-employment with paid employment, so that those who are at any point in time surplus to the requirements of the private sector (and mainstream public sector) can earn a reasonable living rather than suffer the indignity and insecurity of underemployment, poverty and social exclusion.

A range of income support arrangements, including a generic work-tested benefit payment, would also be available to unemployed people, depending on their circumstances, as an initial subsistence income while arrangements are made to employ them. This would rarely be necessary once the system was well established, because in most circumstances JG jobs would be immediately available and offered instead of income support. Under the work-test, any offer of a suitable job paying at or above the legal minimum wage, including a JG job, would terminate the income support payment.

JG workers will have considerable flexibility as to when they work within a range of core hours, to maximise their availability for part-time or casual mainstream employment, for job-

seeking, for caring responsibilities that have limited their employability in the private sector, self-employment, study, or other pursuits, being paid only for the hours in which they work.

The public employment service (PES) (such as the Commonwealth Employment Service or the Job Network) would treat Job Guarantee workers as employed but seeking an 'improved position', directly notifying them of suitable mainstream employment opportunities as they arise and arranging referral of interested JG workers to job interviews.⁵ Direct observation of Job Guarantee workers at work would enable their supervisors to provide PES staff with reliable appraisals of their current skills and abilities to inform their matching and referral processes, and with appropriate protocols and permissions, to inform the hiring decisions of prospective employers.

The Job Guarantee provides a platform for developing the national skills base, by comparing the *observed* skills and competencies of the Job Guarantee workforce with the emerging skills requirements of each regional labour market. This would inform the provision of accredited training (both in-house and via external providers such as TAFE), the indenturing of apprentices, and the design of job guarantee activities so that they include experiential development of skills expected to be in local demand. In this way the Job Guarantee would restore the role of the public sector as a net trainer of skilled workers, minimising the likelihood of inflationary bottle-necks in the labour supply.

The flexibility of the Job Guarantee would extend to designing jobs to accommodate individuals with special physical, intellectual and behavioural needs through collaborative processes involving the worker, their families, advocates, health professionals, etc. (Bill, *et al.*, 2004). It could also be adapted to address the needs of rural and remote communities, and to reflect cultural norms within indigenous and other non-Anglo Australian communities.

The Job Guarantee is intended as a platform for doing several things. It would provide economic security and social integration for those whose labour is currently being under-utilised, and contribute to the quality of life of all who benefit by its contributions to a better environment, public amenity, improved services to our most disadvantaged and neglected citizens, reduced social dislocation, and so forth. As a minimum wage employer that accommodates the poaching of its skilled workers by other employers, and even facilitates their being where they are needed in the economy, the Job Guarantee is a superior price stabiliser than the present method that entails keeping over a million people precariously unemployed and under-employed, and in a condition of skill-atrophying idleness, social exclusion and poverty.

3. Implementation issues

Before proceeding to a detailed description of how a Job Guarantee could be implemented in Australia, and leaving aside the potential benefits of this scheme in terms of alleviating poverty, social exclusion, skills shortages, regional disadvantage, improving the quality of life for millions of Australians, etc., we need to acknowledge the practical challenges entailed in operating a scheme of this type. For this discussion we will endeavour, as much as possible, to set aside matters of macroeconomic theory since these are extensively addressed elsewhere (Mitchell and Wray, 2005, 2004; Mitchell and Mosler, 2002a, 2002b, 2006; Mitchell and Watts, 2003). Here we confine ourselves to practical institutional and operational considerations that a successful JG system would need to address.

Some of these issues have been raised by critics of the scheme and others have exercised the minds of its advocates during the course of its theoretical development. The design and implementation choices of any public policy can significantly determine its impact, the devil being in the detail, so we will next endeavour to enunciate the concerns this proposed implementation model for Australia is intended to address, to make our reasons for adopting one design element over another as clear as possible.

3.1 Real jobs?

Some of the theoretically necessary design features of the Job Guarantee system are considered by some to undermine the likelihood that 'quality work' will be performed under the scheme. The justification for creating a JG job is to give someone work, but it is also intended that the work performed delivers a 'net social benefit' or enables 'greater utilisation of an individual's capacity'. If these criteria were used to determine the existence of supposedly 'real jobs' in the private and public sector, many would be abandoned. But the existence of socially harmful and degrading jobs in these sectors does not preclude the possibility of them also occurring under a Job Guarantee, so the question of how the value of these jobs will be determined is legitimate.

Whereas market-driven services are supplied according to how much people are prepared to pay for them, and public services generally respond to usage levels, Job Guarantee work is not intended to increase or decrease in response to changing demand for the JG work itself, but to accommodate falling and rising private sector demand for labour. This appears to disengage the work performed under the Job Guarantee from standard ways of estimating its value.

If it transpired that performing this work made little difference to the overall well-being of the community, not only would it seem a waste of public resources that could have been more beneficially expended elsewhere, but those engaged in performing the work could become demoralised because their skills and energy were not being better utilised.

Equally, while the value of the work to the community does not determine whether JG jobs are created or destroyed, this does not preclude the possibility that the work could be of great public benefit, although four additional theoretical parameters for the scheme could potentially reduce the scope of the JG to deliver valued services.

First, to serve its countercyclical function efficiently, the Job Guarantee system must not displace employment in the private or public sectors, which precludes it from delivering services which either the market or the state currently deem worthy of delivery. This means that JG services will address needs that are currently not profitable for the private sector to meet (because they are public goods or because potential recipients of the services can't afford them) and which the state currently considers of such low priority as to warrant addressing. This does not preclude JG services from meeting considerable unmet need in relation to the natural and social environment and among the least powerful sections of society, particularly if the system is well-engaged at the local grass-roots level, where the market and the state generally are not.⁶

Second, the JG's countercyclical function also requires that it does not retain workers when the private sector requires them. If it transpired that JG work was more attractive to perform than private sector work, employers may be forced to offer unprofitably higher wages to induce JG workers to work for them, undermining its price stabilisation role.

If the relative attraction of the JG work was its greater security, a sufficiently streamlined entry /exit design (that enabled immediate re-entry to the JG) will lower resistance to accepting offers of private sector employment by eliminating risk attaching to the job not working out. The maintenance of work-related physical and mental stamina, social skills, means of transportation, etc between private sector jobs, would also improve the chance of a successful transition from the JG to private sector employment, further reducing the perceived risk.

If the relative attraction of the JG work was that it required less effort, this would be mitigated by the degree to which JG work achieved the standards of effort and professionalism of the private and public sectors. These standards are not solely achieved within these sectors by either punishing sub-standard performance (eg demoting or sacking bad workers), or rewarding above-standard performance (eg. promoting good workers).

Although the JG's fixed-wage and objective of eliminating unemployment limits recourse to these strategies, it does not totally preclude them, nor does it preclude recourse to other sources of motivation used in other spheres of collective human endeavour such as sport, education, families, voluntary associations, etc.

If the relative attraction of JG work is that it is better managed, safer, more dignified or more satisfying than private sector employment, the solution may be that private sector employers raise their standards in these areas.

Third, the provision of new services that meet significant needs may raise an expectation of continuance. If the withdrawal of a highly valued JG service threatened a public backlash, governments would be under pressure to continue the service, perhaps as a mainstream public service, which would permanently reduce private sector access to those workers. From the post-Keynesian theoretical perspective, some JG jobs will always need to be undertaken to eliminate unemployment because the private sector cannot do it alone. Those JG services that have the greatest demand for continuity, such as new forms of support for the aged and disabled, would need to be prioritised for retention over services (such as public works) that can be discontinued without significant loss of amenity.

Fourth, since the scheme is intended to offer all persons of working age a job to eliminate their unemployment or underemployment, there is a presumption that JG jobs would need to be kept simple to accommodate the 'lowest common denominator' of skill level. Were this so, many JG workers would find the work unchallenging and many of their skills would remain underemployed. This issue has been successfully addressed in the past by many labour market program providers by assigning different roles and responsibilities to different people within a given work group, according to need and ability. This simply requires that jobs are designed with a range of optional variations and that supervisors possess the skills to allocate work according to worker needs and capabilities. JG jobs have an advantage in this regard in that they are not dependent on achieving a given level of productivity, allowing them to be tailored to accommodate special needs, such as those of people recovering from mental illness. This would best be undertaken through a collaborative job design process with the individual, their health professionals and family, etc. New forms of workplace support work are also potential job guarantee jobs. In many respects, the flexible potential for the Job Guarantee to offer diverse employment experiences has fewer limitations than existing sources of employment.

3.2 Protecting the public interest

Drawing a large population of hitherto socially excluded persons into active labour market participation creates a significant challenge in ensuring that they and the general public are not exposed to risks from incompetent, inappropriate, malicious or criminal behaviour. This is a basic duty of care expected of all private and public sector employers, but is likely to be a greater issue under the Job Guarantee given that its charter is to employ anyone applying to it for work. This requires protocols for checking criminal histories, independent monitoring of client well-being, genuine complaints processing, skilful assessment of worker capability and thorough orientation training and supervision systems. Most of these requirements are familiar to employers in the human services industry and to managers of past labour market programs such as SkillShare, JobSkills, New Work Opportunities and LEAP.

Given that a guarantee of work for all can be expected to draw many people into the workforce who have hitherto been excluded from participation, Job Guarantee staff will need considerable skill in assessing, training and supervising people with complex physical and behavioural issues. The design of the Job Guarantee needs to promote regular contact and information-sharing among staff involved in similar aspects of its program, to build a comprehensive body of knowledge of problems and solutions emerging from its implementation as fast as possible. It will be critical to extensively train JG staff in Occupational Health and Safety, assessment of worker capability, in thorough workplace

orientation methods, in how to manage a constantly changing population of workers, as well as ensuring they have the technical skills necessary to train and supervise others in the performance of a given task. In short, it will need to embrace a training and development culture.

There is also a significant potential for corruption under the Job Guarantee, given the power of JG administrators to define what JG workers need to do to earn their pay, and the possibility that workers could be directed to perform services to the personal advantage of those in positions of authority, such as improving the value of their properties, or acting as their personal servants. The system will need to be particularly secure from rorting (eg., people claiming pay for work not performed, people claiming under multiple names, people working a combined total of more than 35 hours per week, etc). Public accountability and transparency, coupled with extensive monitoring and auditing systems will need to be essential features of this system.⁷

3.3 Top heaviness and displacement effects

The employment and price stabilisation effectiveness of the Job Guarantee will depend on its ability to quickly accommodate rises and falls in private sector demand for labour. This will require the operational infrastructure of the Job Guarantee system itself to be sufficiently flexible to rapidly expand and contract as required. A core of administrative and expert staff will need to be retained during buoyant economic times to facilitate the rapid recruitment and training of JG staff during periods of economic downturn. The Job Guarantee will be more efficient when it meets its full employment and price stability objectives by utilising fewer real resources that are required by other sectors of the economy. The greater the size of the permanent core of Job Guarantee personnel and facilities, the greater will be the contribution of the JG to the emergence of bottlenecks in the economy during periods of economic expansion.

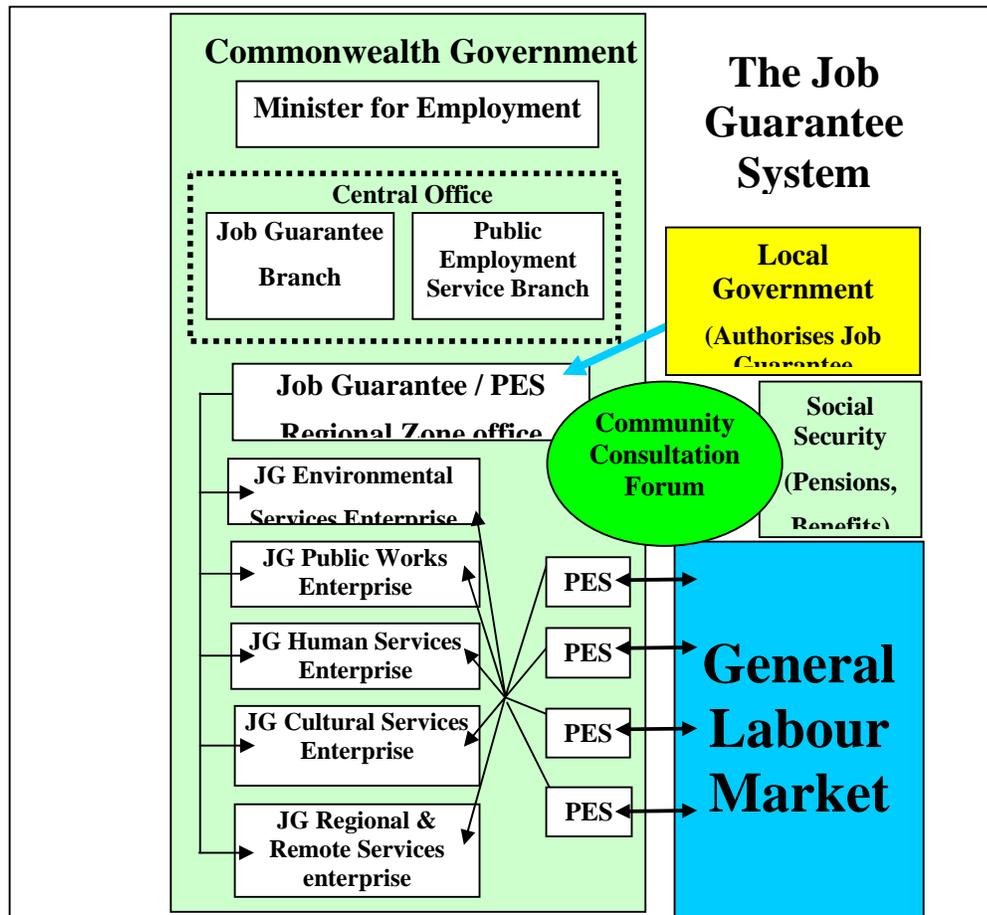
Accordingly, the bulk of the training and supervision of people employed under the Job Guarantee will be conducted by people who are themselves subject to retrenchment as private sector employment opportunities expand.

Though mentioned above as a potential limitation on the scope of Job Guarantee work, avoidance of displacement of existing private or public sector workers is critical to the viability of the program as a means of responsively generating net employment growth when required. The process of determining what services are to be conducted, and by what means, will need to be sensitive to local private sector concerns, which can be democratically mediated by placing approval authority with local government, and providing effective ongoing mechanisms for public consultation. At the same time, the risk of local government indulging in cost-shifting can be minimised by the Commonwealth retaining control over the proposal development and implementation process.

4. An illustration model of an Australian Job Guarantee

What now follows is an example of an operational plan that seeks to address the issues thus far raised. We will avoid prescription where several options are possible, using footnotes to identify what those options may be. This is not necessarily the best way to implement such a program, simply an example of what is supportable by this school of economic theory.

Figure 1. An illustration model of the Job Guarantee



In this model, functionally differentiated local Job Guarantee Enterprises (JGEs) create, train, and assign work to supervised teams of Job Guarantee workers. These teams deliver services that are designed through a consultation process managed by regionally-based Commonwealth government staff in partnership with and authorised by local government. The Public Employment Service works closely with the JG system to broker connections between employers and JG workers. JG Enterprises create, expand, amalgamate, and disband teams of workers as private sector demand for labour rises and falls, preserving full employment while maintaining a skilled available labour supply.

4.1 Commonwealth Government

Minister⁸

Overall responsibility for the Job Guarantee would rest with the Commonwealth minister responsible for employment. The Job Guarantee would occupy a branch of the employment ministry, either within or adjacent to that of the public employment service (PES).⁹ Only the Commonwealth Government has the spending and taxing powers to fund a scheme of this scale, and the benefit of close coordination between the Job Guarantee system and the PES justify their direction by the same minister.

Central Office

The JG Branch would include a central office (located in a capital city¹⁰) and small regional offices that provide a range of local coordination and specialised support services.¹¹ The Central Office would undertake

- Policy development
- Systems development and management

- Budget management, including determining labour / capital ratios
- Auditing of system compliance
- Performance monitoring
- Research and development, including the conduct of qualitative public surveys, combining questions contributed by the central office, zone offices and community consultative forums. Survey findings would be tabled at community consultation forums.
- Marketing
- Reporting
- Coordination and support of several functionally defined enterprise networks to which local JG enterprises would belong. Support services would include negotiation of bulk purchasing agreements with suppliers, research and dissemination of best practices, provision of legal and other technical assistance.

Labour/Capital Ratio

Central office would determine national targets and accounting methodology for the ratio of expenditure on capital and labour for Job Guarantee services according to Job Guarantee enterprise type, enabling the different capital requirements of, for example, public works services and human services to be acknowledged.¹² Table 1 provides an example.

Table 1 Labour/Capital requirements to service the Job Guarantee

Enterprise type	Labour	Capital
Public works	50	50
Environmental rehab	55	45
Human services	65	35
Cultural services	70	30

These expenditure ratios would apply to regions or zones as a whole, to allow deviation from the ratio between different services within them, so long as the region as a whole conforms to the ratio. These ratios would be expected to alter over time as stocks of capital equipment accrue. Ratios of core staff to JG workers and other parameters could also be subject to prescribed ratios.

The regional hubs / zone offices

A zone / regional manager heads a team of specialists who develop, oversee and support the performance of a cluster of JG enterprises. Each of these services a group of local government areas, liaising closely with local government and other individuals, groups and authorities with a stake in the design and delivery of proposed services. Local PES coordination and support would preferably be co-located at these offices to streamline coordination of JG and PES systems. Each zone would consist of a team of auditors, researchers, trainers, counsellors, job developers, IT and ancillary staff that would support the establishment and operation of Job Guarantee enterprises in each locality.

Zone offices would undertake:

- Regional data collection and labour market analysis
- Determination of projected skill formation requirements in their region
- JG enterprise establishment and staff recruitment
- JG and PES information systems and other technical support
- JG enterprise and PES staff training and development

- Community consultation in the development of JG service specifications for local government approval
- Allocation of approved service specifications to JG enterprises
- JG enterprise budget development and approval
- Auditing and monitoring of JG Services
- Specialist JG job design
- Provision of visiting specialist counselling and social work support
- Local marketing
- Reporting

The establishment of a zone office would be the first stage in implementing the Job Guarantee in a locality. This group would organise the initial establishment of the JG enterprises that employ Job Guarantee workers, and allocate services for them to perform. Budgets for services will be negotiated with enterprises based on estimates of the numbers of jobs to be created and in conformance with labour/ capital ratios established by the central office

Specialist Job development, training and counselling staff would develop expertise in the staff of the JG and PES in identifying and assisting jobseekers / JG workers with special needs. Counsellors would perform case-work at JG enterprises and PES offices and be available to deal with complex situations on JG worksites, including recommending transfers of workers and modifications to job design. By networking with specialist staff performing comparable roles in other zones, and disseminating their knowledge within the JG and PES systems, the various zone specialists will provide the critical mass of expertise that preserves corporate memory as the system expands and contracts.

The service specification process in detail

Ideas or requests for services to be delivered by one or several JG enterprises may be directed to the JG zone office by anyone in the community, including from within local government or the JG system itself. These would be investigated by job development officers at the zone office who would:

- Determine the strategic potential for the service as a vehicle for experiential development of skills likely to be required in the region.
- Discuss draft proposals at the Community Consultation Forum
- Liaise with members of the community who may be affected by the proposal to clarify their concerns and mitigate them in the design process.
- Consult with those JG enterprises expected to conduct the service to gauge their views as to implementation issues
- Consult with local government staff, other relevant authorities and community groups

This process would culminate in their preparation of a service specification document setting out what service was to be performed, how it would be performed, what resources, what authorisations were required from various authorities as it was performed, monitoring and reporting standards, implementation time frames, priority, etc.

The service specification document would be tabled at a local government council meeting for authorisation to proceed, the zone officer responsible for its development being present to provide additional information and undertakings as requested. Councillors would receive submissions from the community and an appraisal of the proposal by their own staff. Council would then either support or reject the proposal, with the possibility of recommending modifications and re-submission.

Once approved, the zone office would coordinate the allocation of elements of the approved service request to one or several JG enterprises, which would negotiate a budget and implementation plan with the zone office and commence implementation. Operations managers within local JG enterprises would liaise to coordinate joint projects, and would organise the formation and provisioning of appropriate teams of supervised workers to perform the service. Reports on the achievement of service objectives would be forwarded to the zone office as required by the service specification documentation.

Job Guarantee Enterprise

These would perform the role of employer within the JG system, delivering a range of functionally related services specified in authorizing documents prepared at the zone office level and approved by local government¹³. Their size and distribution would depend on determining an optimal degree of population and geographical coverage.

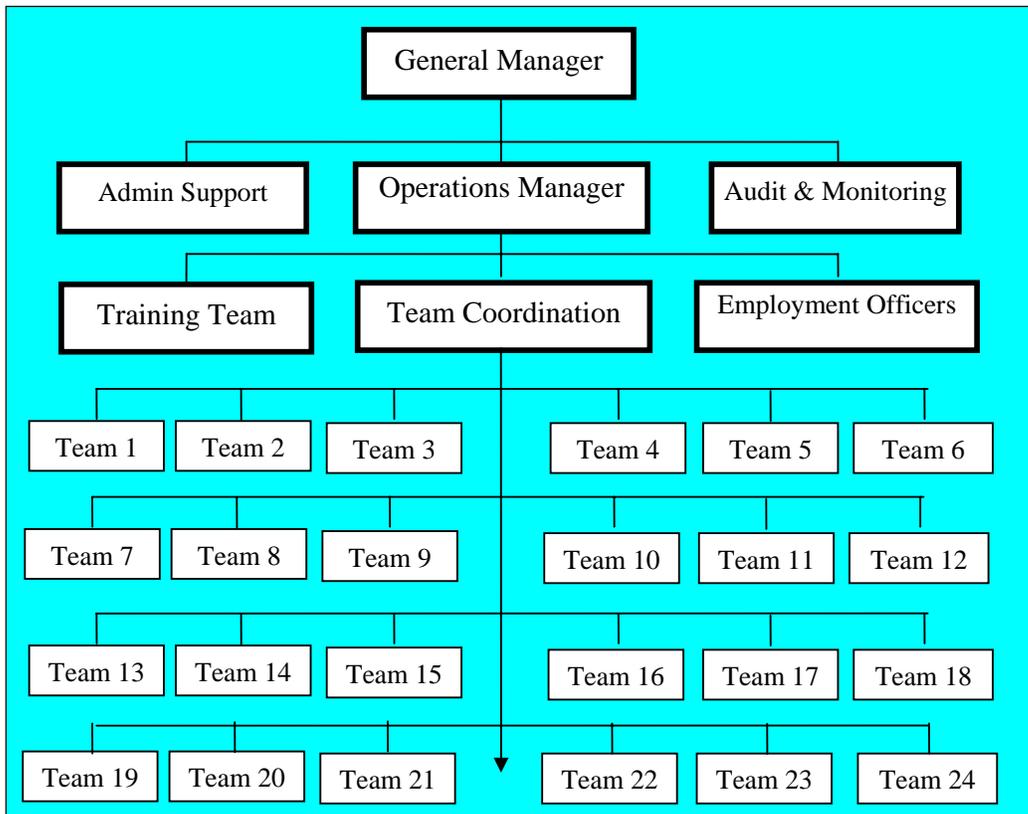
The functional specialisation of enterprises (eg, into human services, environmental, public works, etc.) would not limit the range or scope of services provided by the Job Guarantee as teams from different enterprises could be engaged simultaneously on the one project. At the same time functional specialisation will encourage:

- Formation of expertise throughout the enterprise, pertinent to the delivery of specific occupational / industrial undertakings. Eg: training expertise, supervision experience, technical skills, established community liaison links, etc.
- Development of appropriate capital equipment inventories and maintenance expertise.

Each Job Guarantee Enterprise would:

- Assist zone office staff to design and formulate budgets for new and ongoing services
- Recruit and train supervisors of JG workers.
- Organise premises, equipment and materials necessary to implement approved services.
- Assess suitability of prospective JG workers, provide orientation and allocate them to appropriate teams
- Conduct formal and experiential vocational training
- Supervise and inspect work undertaken
- Provide all standard HR functions including processing of timesheets, staff counselling and performance appraisal.
- Conduct an ongoing skills audit of JG workers to provide data for regional labour market analysis, and to inform supervision arrangements, job design and vocational training requirements.
- Liaise with the local PES to convey information of mainstream job vacancies to JG workers, advise PES staff and clients of JG work opportunities, facilitate brokerage (provision of interview facilities, performance reports, etc) between employers and JG workers.
- Contribute to the development of best practice among JG services within a national network, eg: JG human services enterprise network; JG environmental enterprise network; JG public works enterprise network; JG cultural services enterprise network; JG remote and regional services enterprise network.

Figure 2: A Job Guarantee Enterprise



The growth and contraction required of the Job Guarantee in response to changes in private sector demand for labour will be facilitated by a system of discrete modularisation. JG enterprises will organise workers into teams that can be flexibly expanded, contracted, amalgamated, disbanded and reconfigured in response to fluctuations in the numbers of people seeking JG work, their various skills, and the services the enterprise is engaged in delivering. As teams are discontinued, their supervisors may themselves become JG workers in other teams until they obtain other employment.

At its core, a model (large) JG Enterprise would consist of:

- A general manager, with overall responsibility for the enterprise
- Admin staff, primarily for record keeping and processing timesheets,
- Audit and monitoring staff to ensure the enterprise operates appropriately.
- An operations manager who oversees:
 - A Team Coordination and Support unit that liaises with team supervisors on a daily basis to negotiate commencement arrangements for new workers, schedule access to equipment, procure materials, respond to emergencies, provide backup supervisors, coordinate the allocation of teams to different services, restructure teams.
 - Employment officers responsible for assessing suitability of applicants for work within the enterprise, recommending their allocation to appropriate teams, recommending modifications in job design to accommodate different skill formation objectives or special needs, liaison with PES.
 - Training staff responsible for:
 - Coordinating the on-going skills audit process
 - design and delivery of orientation and vocational training for JG workers

- training of JG supervisors
- coordinating access to external training services for JG workers, ie TAFE.

At the next level are multiple *Job Guarantee Enterprise Teams* comprising

- Job Guarantee Supervisors (JGS),
- Job Guarantee Workers (JGW)

Each Job Guarantee worker would work in a team under the direction of a Job Guarantee Supervisor. Teams would vary in size according to the nature of the work and the supervision needs of the workers. Members of teams may work separately or collectively, in the same workplace or different workplaces to one another, the basis of their categorisation as a team being only that they share the same supervisor.

These teams would be flexibly increased and decreased in number, expanded and shrunk in size, and combined or disintegrated under the direction of the Operations Manager according to the number of people employed by the enterprise, their skills and supervision needs, and the nature of the services the enterprise is undertaking to deliver.

Some services may be provided by multiple teams, even from different Job Guarantee Enterprises. Scope would also exist for teams to be established as enclaves within public institutions such as schools, hospitals, local government other community agencies, while remaining employees of the JG enterprise. These arrangements would need to satisfy concerns over any potential displacement effects.

The Job Guarantee Enterprise Team Supervisor will:

- Operate under the direction of the JG Team Coordination Unit
- Direct workers under their authority to deliver a service according to its local government approved specifications.
- Coordinate with other team supervisors on joint projects
- Organise equipment and materials via the Team Coordination Unit
- Orientate new workers
- Record and report attendance of JG workers
- Allocate work appropriate to each JG worker's abilities
- Provide on-the-job training and personal development.
- Facilitate a safe, secure, equitable, positive working environment
- Facilitate PES vacancy circulation and facilitate brokerage activity by providing assessment of workers abilities to PES and prospective employers,
- Facilitate skills audits under the direction of the Training unit.

Employment conditions

All JG workers would receive the minimum federal award wage and all conditions of employment pertaining to permanent employees. This will include all accrued holiday entitlements, superannuation, workers compensation coverage, and other allowances pertaining to the maintenance or work clothing etc allowed under the award.

Commonwealth guidelines on occupational health and safety best practice would be mandatory in all JG enterprises. Industry standard site facilities would be provided in all work areas. Membership of a relevant union will be optional and access to union representatives and literature fully supported. The appeals process that pertains to all Commonwealth employees would address concerns of discriminatory or unfair treatment.

Conflict Resolution

Team supervisors would be trained and professionally supported on the job to resolve conflicts between workers and between themselves and workers. Should conflicts remain unresolved to the satisfaction of either worker or supervisor, a range of graduated options would be available to both. These will include:

- Conciliation / counselling by another enterprise supervisor
- Conciliation / counselling by a zone office counsellor
- Negotiated job redesign
- Tandem supervision (in situations where the supervisor may require mentoring)
- Unilateral or mutually agreed re-assignment to alternate teams

Where the conduct of a JG worker is deemed inappropriate on the basis of safety or other valid reasons, and job redesign or transfer to an alternate team does not resolve the situation, (despite JG Enterprises potentially having 100 teams to choose between), the operational manager may approve a more extensive assessment of the JG worker's optimal vocational setting, and for participation in this process to be considered employment within the Job Guarantee Enterprise. The assessment may result in a position being tailor-made to accommodate any special need that is identified, including those pertaining to cultural norms or ethical beliefs.

Should the JG worker refuse to cooperate in this assessment process, and in the judgement of the operational manager cannot be accommodated within the Job Guarantee Enterprise, they will be discharged and notification forwarded to the PES and Regional Office.

They will be entitled to apply to the PES office for a conditional discretionary interim relief payment (at a pension or benefit rate) subject to a worktest: ie., when this person is offered suitable employment the benefit is discontinued. The PES may also propose that the (now unemployed) person undertake a more extensive vocational assessment to determine their optimal vocational setting, or their suitability for alternative income support. This may result in referral to a different JG enterprise, and / or the creation of a tailored position.

Should the person refuse to participate in this assessment process, the PES will have the discretion to exercise any or all of these options:

- Declare the person unfit for referral to the JG or other employment pending further assessment (notifying the JG of the exclusion).
- Decide whether to continue or discontinue their interim income support
- Refer the person to employment either within the JG or elsewhere, refusal of which will terminate their income support.
- Refer the person to social security (eg Centrelink) for an alternate benefit
- Request that the Regional Office investigate the conduct of the JG enterprise in relation to the client.

Where, at any time, there are reasonable grounds to question the conduct of a team supervisor, the operational manager of the JG enterprise will order a review to be conducted by the Team Coordination Unit or Audit Unit, depending on the nature of the concern. They may choose to relieve the supervisor from their duties or assign a mentor to work with them while the review is underway. On the basis of this review the operational manager may choose to:

- Reinstate the supervisor
- Re-assign them to another team,

- Suspend them from supervision for a period.
- Dismiss them from supervision permanently
- Refer the case to the police.

Care would need to be taken in relation to the re-integration of the supervisor with the JG system, either as a supervisor or a JG worker. Any appeals processes that pertain to any Commonwealth employee would apply to JG workers and supervisory staff.

Managing Flexible Entry and Exit

The first time a person is employed with a given JG Enterprise they would undertake an orientation and assessment process, to ensure they know:

- How the system operates
- Occupational Health and Safety
- Personal conduct requirements and other rules of the JG enterprise
- Who they can go to for advice and support
- What work and training opportunities are available within the enterprise

And to determine the most appropriate enterprise team for them to join.

Having completed this process once, should they leave and return to the enterprise within a prescribed period (eg., 6 months) their re-registration and re-commencement of duties could take a matter of minutes.

The possibility of frequent, contingent absences is a significant design issue for the job guarantee. Being a buffer stock of available workers to the mainstream labour market, even the steadiest and most reliable workers will frequently be absent to attend job interviews, or leave at short notice to take up mainstream employment. Additionally, some people may choose to work a 35 hour week, some may wish to work on a permanent part time basis (eg., on specific days of the week), and some may wish to come and go depending on the availability of other work or other contingent responsibilities.

The team structure of the JG Enterprise is intended to accommodate this need for flexibility, by:

- Establishing different attendance obligations for teams relevant to the nature of the services being delivered. Casual teams would provide a basic job to anyone at anytime (between core hours, eg. 6am to 6pm) and involve work that can be started and stopped without notice. Permanent teams would require greater specificity as to when people intend to attend, and sufficient notice of non-attendance to facilitate rostering, which if transgressed excessively may require transfer to a more casual team. The more permanent teams would be able to offer workers greater responsibility, autonomy and control over the work they do.
- Designing useful jobs within each team that can be put aside and picked up later without difficulty, so that relief staff are available to meet contingencies, or using more than one person to deliver a service that would benefit from continuity (eg., two people take an infirm person shopping).

Public Employment Service (PES)

A public sector labour market broker that was closely integrated with the Job Guarantee could constitute the best employment service Australian industry has ever known.

The Job Guarantee provides a unique opportunity to develop a detailed appreciation of worker's skills and abilities through observable performance,¹⁴ that (given appropriate

privacy protocols) would be expected to form an important part of PES – JG liaison activity.¹⁵

With a fully operational Job Guarantee system the role of the PES changes markedly from that of managing a demoralised long term unemployed and under-employed population with a punitive activity testing regime, to providing a securely employed population with information and access to improved private and public sector employment opportunities. This change of role dispenses with the need to link the incomes of PES agencies and staff to their propensity to punish their clientele, which was a significant reason for the marketisation of Australian employment services in 1998 (Jose and Quirk, 2002). The removal of the welfare policing role also eliminates the need to desensitize staff to the circumstances and needs of their clients, currently engendered through the judgmentalism of the ‘mutual obligation’ ideological framework and the scarcity of adequate training in counselling and assessment method. PES staff could be highly trained in job seeker and vacancy analysis and remedial intervention.

The relative simplicity of a work-test in which unemployment benefits cease on the commencement date of a JG job or the rejection of other valid offers of employment, compared to that of the present activity test, would also free employment service resources presently engaged in welfare administration. The PES would thus become more focused on managing labour supply, collating local labour market intelligence, receiving and circulating vacancies, facilitating communication between employers, JG workers and other job seekers, while developing greater capability in recognising barriers to employment affecting workers and workplaces and formulating remedial interventions. The Norgard formula of a highly skilled staff with sufficient autonomy to deal with employers and jobseekers creatively and flexibly offers the greatest potential for quality service delivery¹⁶. A national network of local labour market authorities, such as the CES, would seem the most practical structure.

4.2 Local Government and Community Consultation Forums

The viability of the Job Guarantee will rest with its ability to retain strong public support, which will rapidly evaporate if it is perceived to be corrupt or mismanaged, or fails to achieve its macroeconomic aims. Its survival will depend on its capacity to locate unmet need and recognise opportunities to improve the quality of local community life, which will require acute sensitivity to the views of the most disengaged and powerless groups in society. A highly transparent and responsive administration will be less inclined to countenance any unethical or corrupt practices.

Local government has a significant role to play in the administration of the Job Guarantee due to its local democratic authority and its proximity to the community and environmental issues that the JG would seek to address. While the burden of preparing the specifications of a new service would rest with Commonwealth staff located at a nearby zone office, local government staff would need to be intimately involved in the process because the legal authorisation for the conduct of a specific job guarantee service, (eg., a weed eradication program in a particular location, a shopping support service for the infirm; a carer respite service, etc) will rest with local government. Council meetings would be entitled to withhold approval pending supply of further information or modifications being made to the plan. By this arrangement, local government will have the strategic power to impose standards of service performance and responsiveness to local need, while the scale of a service, including its withdrawal, will depend on the Commonwealth’s assessment of how best to achieve its full employment and price stability objectives. Both levels of government will have an interest in preserving a harmonious relationship.

Once a specified service has been approved, the responsible zone officer would allocate the various components of the service to the appropriate JG enterprises, acknowledging that some services will involve more than one enterprise¹⁷. JG enterprises would be subject to

audit by both Commonwealth and Local government to ensure their compliance with approved service specifications and other regulations.

4.3 Community Consultation Forum

Public empowerment in relation to the Job Guarantee's decision makers will maximise their accountability and sensitivity to community need. As a further public accountability measure, a representative of local government (a councillor or council nominee) would be the ex-officio chair of a regular Community Consultation Forum in which staff from the JG zone office and responsible officers of each JG enterprise, and the PES, would be mandated to attend and respond to questions, criticisms and suggestions from the public. There would be mandatory and non-mandatory agenda items. The minutes to these forums, and reports on action in response to undertakings previously given would be tabled at local government council meetings and made available on line. These forums could be one of many avenues whereby the general public would submit ideas for Job Guarantee services, and receive explanations as to how and why their ideas were or were not being implemented.

5. Transformation from the Job Network / Newstart system to a Job Guarantee system

A large amount of the present employment services / welfare policing structure of the Job Network and Centrelink would become redundant under this proposed model of the Job Guarantee. The Job Guarantee eliminates the need for an army of employment services staff to enforce activity test compliance, since the question of welfare entitlement would be determined by a simple work test. This also eliminates the need to tie the economic security of employment service staff to their propensity to impose punitive compliance measures on unemployed people, which we contend was a significant motivation for adopting a purchaser/provider model. There is little evidence that purchaser / provider arrangements have delivered a quality employment service.¹⁸

The existing DEWR regional office network would easily accommodate the proposed JG zone staff, particularly with the re-assignment of contract managers and other staff engaged directly and indirectly in activity test administration. Contract management becomes largely unnecessary with the abandonment of purchaser / provider arrangements between the department and its public outlets. Compliance programs such as 'Work for the Dole' and Job Search training (in various forms) would clearly be redundant under the Job Guarantee.

In terms of how the implementation process could proceed, a logical process would entail:

- Passage of enabling legislation
- Memoranda of agreement between Commonwealth and Local Governments
- Central Office branches established.
- JG and PES Zone staff established
- Community Consultation Forums established
- Progressive establishment of JG enterprises
- PES agencies established and operate concurrently with the Job Network for a transition period.
- Progressive replacement of Newstart activity test requirements with a worktest
- Through a process of JG enterprises steadily creating new teams, full employment would be achieved gradually, perhaps over several years.

6. Conceptual Variations

The model thus far outlined is not the only way, nor necessarily the best way, that a Job Guarantee could be implemented. We offer it to illustrate one possible application implied by JG macroeconomic principles, and to provide examples of institutional arrangements that could diminish the risk of foreseeable potential problems under such a scheme. Considering the variation in past job creation approaches (both nationally and internationally), modern developments in technology, and public administration, and considering the scale envisaged for the Job Guarantee, the optimal design for such a scheme will emerge from a greater research and development effort than we have undertaken for this paper¹⁹. To illustrate this point, this section canvasses some other possible arrangements and modes of delivery that may be considered appropriate depending on the political and economic environment in which the scheme is established.

6.1 Social Equity Commission

A Job Guarantee scheme has been developed by the Indian Government, which was largely driven by a body empowered to conduct research and submit legislation to parliament with the objective of securing greater social equity. For example, the commission paved the way for Right to Information legislation, minimum health care provision and the National Rural Employment Guarantee Act 2005 (NCMP, 2004). Given that Australia has a Productivity Commission with powers to audit the economic efficiency of public policy, perhaps a commission of similar standing could exist to audit the social equity of public policy. It may then be appropriate for this body to maintain a permanent independent ombudsman / auditor/ advisory role, to the Job Guarantee system.

6.2 Integration within a regional economic development system

The version of a Job Guarantee we have illustrated has potential as an instrument for facilitating regional and sectoral restructuring, by providing an employment vehicle to preserve communities and undertake necessary preliminary work during transition between a declining or unsustainable industry and a more (economically and environmentally) sustainable replacement. These transition processes require research, consultation, planning, and coordination through various levels of government and democratic engagement with the broader community, justifying the creation of a specific agency to manage the process. Consequently, the Job Guarantee could be an arm of such an agency and thus might sensibly be operated under its auspices.

6.3 Direct provision of the JG through local government

The illustration model of the Job Guarantee retains the financial and day-to-day operational responsibility for the scheme entirely with the Commonwealth, and utilises the democratic authority of local government as an adjudicator of local interests and concerns over how JG services are planned and delivered through several mechanisms²⁰. An alternative is to locate the scheme more fully within local government, through the allocation of Commonwealth funds tied to a set of specified performance criteria. The provision of the Job Guarantee would thus be made a permanent service of local government, alongside the provision of libraries, garbage collection and so forth. Job Guarantee Enterprises could be local government agencies. Effective mechanisms for preventing substitution and displacement effects would need to be devised in order to preserve the effectiveness of the Job Guarantee as an instrument of price stability and full employment. These effects were reported by Balkenhol (1981:433) as becoming more pronounced in direct job creation programs of longer duration, which is significant here as the Job Guarantee is not time-limited.

6.4 Purchaser/provider models

Australia has significant experience in the outsourcing of government business, including the contracting of private and community based enterprises to deliver employment services to

employers and jobseekers. A Job Guarantee System may be possible under such arrangements, although the track record of purchaser/provider arrangements, including Public Private Partnerships, do not recommend them for the implementation phase.

Implementation of a program with the scope and scale of the Job Guarantee would need to proceed along lines where day-to-day, micro-managed adjustments were possible, informed by a systematic and open pooling of information on problems and solutions encountered all across the country. Any impediments to communication, any reluctance to share concerns or ideas for commercial or legal reasons (for example) could do monumental harm to people and to public support for the program²¹. The superior performance of the public sector in terms of investing in staff skill formation is also extremely significant to the establishment of so substantial a labour market initiative as that which is proposed. Contractual and competitive boundaries to information-sharing need to be minimised if the uncharted territory of a Job Guarantee full employment society are to be effectively navigated.

In the case of employment services, even with a public sector example with 52 years experience on which to base a contract-driven alternative, there is little consensus that a better service has been produced. Proponents of market-based methods of service delivery claim services are delivered at lower cost, while opponents claim that cost savings arise through either jettisoning services or compromising quality.

However, the option would remain that over time, once the institution was sufficiently established, and its operational parameters were clearly understood, with democratic accountability mechanisms proven sufficiently effective, outsourcing of all or some elements of the program could be viable.

6.5 Minimalist implementation

Another way of approaching the issue of implementing the Job Guarantee is to allocate aspects of its delivery to existing institutional structures. Table 2 illustrates one way in which this may be done.²²

Table 2 A minimalist implementation approach

DEWR	JG Broker	JG Employer	Training Provider	Job Network Members
Evaluate proposals and determine the number and occupational composition of JG jobs for each area taking into account the level of unemployment, local labour market and community needs.	Accept referrals from JN and place jobseekers in JG positions	Provide employment in jobs that benefit the community and JG workers	Establish and conduct accredited training courses for JG employees to JG Broker's specifications	Refer jobseekers to JG Brokers for placement in JG jobs
Assess potential JG brokers:	Select suitable JG employers ensuring that JG jobs are additional to the normal workforce and employers are capable of supervising and providing training and complying with OHS regulations	providing appropriate supervision, training and OHandS standards	Provide additional tutorial assistance or counselling to trainees on a needs basis.	Continue to match to available jobs
-Ability to organise and oversee placements in employment and formal training	Organise appropriate off-the-job training	Release employees for formal training	Maintain attendance records and report to JG Brokers	
-Ability to liaise with JG employers, Job Network members, training organisations	Enter employment relationship with JG employees:	Sign timesheets and forward to JG Brokers to initiate payment of employee wages	Evaluate training outcomes	
-Ability to manage funds, report to DEWR and monitor performance of JG employees in both the on the job and formal training	1. develop plan describing the training to be provided, both on and off the job, and the duties to be performed in the position.	Liaise with JG Brokers		
Oversight contracts with Brokers:	2. supervise placement ensuring appropriate OHS standards, supervision and OTJ training by employer			
1. Provide funding to cover Broker's fees, wages, superannuation, leave entitlements, administration, supervision, workers compensation, materials and equipment, formal training fees and essential books and equipment	3. maintain employee records and pay wages.			
2. Evaluate performance	Provide funding for supervision, equipment and materials to JG employers			
	Provide commencement, termination and financial reports to DEWR			
	Provide information on JG opportunities to Job Network			

7. Conclusion

To illustrate what advocates of the Job Guarantee believe is macro-economically feasible, we have provided a description of how such a system could operate in the Australian context.

The scheme reflects a different set of macroeconomic assumptions as to how price stability and full employment can be established and maintained, which do not require hundreds of thousands of Australians to suffer the economic hardship, social exclusion, skill-atrophy and despair that are unavoidable under current practices based on the prevailing macroeconomic

orthodoxy. We all have an interest in preserving price stability, but only a privileged minority benefit from the unnecessary and barbaric practice of using chronic underutilisation of labour to do so.

Questions of how to fund the scheme, how it controls inflation, how it would not undermine economic activity by drawing on resources required elsewhere in the economy, and so forth, are the subject of much preceding scholarship, and therefore were deliberately avoided in this document²³. The answers to these questions derive from an alternate reading of how monetary systems operate, which differs from orthodox descriptions at several crucially significant points. This alternate view leads to the conclusion that under specific monetary system arrangements (which currently exist in many countries, including Australia), the degree of labour under-utilisation (unemployment, under-employment, labour force marginalisation) is entirely a question of political choice. For the past thirty years, the choice of successive governments has been to maintain a pool of Australians in a condition of poverty and social exclusion, even to publicly denigrate them, to punish unsuccessful competition for jobs and thereby engender a greater willingness in the workforce to accept conditions of employment on offer. This is a poor strategy for controlling wage inflation because it necessarily makes large numbers of people less employable, and therefore less competitive. The 500,000 Australians on activity tested unemployment benefits are not alone in needing and wanting more employment, and yet immigration is being increased to address a reported skill shortage that is fuelling inflation (Mitchell and Quirk, 2005).²⁴ Despite this failure of governance, the current custodians of this strategy bathe themselves in triumphal glory over their achievements.²⁵ What additional facts are required to justify a serious re-consideration of the employment and price stabilization policies that have produced this result, and to at least consider piloting the Job Guarantee alternative?

We hope this paper provokes debate and suggestions for improving the design of the Job Guarantee and its presentation to the widest possible audience.

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¹ All authors are members of the Centre of Full Employment and Equity, University of Newcastle, excepting Trond Andresen, who is at NTNU, Trondheim, Norway.

² The assertion that Australia currently has full employment relies on the insensitivity of official labour under-utilisation measures to detect under-employment (because anyone employed for more than one hour per week is counted as employed, and therefore not unemployed) and the spurious attribution of skill shortages to tightness in the labour market, as opposed to insufficient investment in skill formation. Hours based estimates of labour underutilisation are in excess of 8% of the willing labour force (CLMI, 2006). Byner, (2004) illustrates the evasiveness of The Prime Minister, Mr John Howard, on the topic: 'BYNER: Prime Minister, you talked about the buoyancy of the economy in regards to employment. The fact is underemployment is a huge issue. We have the second most casualised workforce in the world in Australia. You would surely be concerned about that. PRIME MINISTER: I don't share that concern, I actually think it's the way many people find more convenient. The alternative to casual employment is no employment in many cases.' 'BYNER: I think one of the problems is that unemployment statistics mean that if you work for an hour a week you're technically employed, but very few could live on that. PRIME MINISTER: No, they don't. I mean, if you look at the dole and everything, which is a cross check... that's.. it's not as simplistic as that, it really isn't. You know one of the big problems I find with employment now is the shortage of skilled people...'

³ This illustration of an operational Job Guarantee is offered for an Australian context, and presumes no change to its federal structure. Different possible modes of delivery are also discussed. Other societies, with different federal structures, different levels of development, and different political and socio- economic circumstances would need to implement the concept very differently.

⁴ This design takes into account questions and concerns raised privately and publicly by numerous individuals, including critiques offered by Sawyer (2003, 2005), Andrews (2004) and others. We thank all these contributors and welcome all suggestions for further refining this draft design.

⁵ The Commonwealth Employment Service (CES) had three types of registration status: Unemployed (UE), seeking other than full time employment (OE), and employed but seeking an improved position (IP).

⁶ The Local Employment Initiative (LEI) job creation concept received considerable developmental support from the Commonwealth in the mid 1980's until its only pilot proposals were summarily rejected by Messrs Keating and Walsh at the Expenditure Review Committee in 1988 (Gass, 1988:12-14). These differed to the Job Guarantee model in that they expected public sector seed funding of small scale market based activity could

generate significant levels of employment. Both concepts recognize sensitivity to local need and local control is crucial to identifying worthwhile and under-performed work (NAGLEI, 1987).

⁷ (Moynihan and Pandey, 2006): “organizational culture shapes the decision-making authority of managers”; i.e., It would be crucial that from the outset attention was paid to creating a culture that supported the economics and goals of the JG, embraced accountability, and reflected its socially constructive orientation.

⁸ Mitchell and Mosler (2006) have argued that the dual objectives of the Reserve Bank of Australia (RBA) - price stability and full employment - would be more efficiently managed through the use of a buffer of Job Guarantee employees rather than a buffer of unemployed people. Being a price stabilisation mechanism, these authors suggest that the operation of the Job Guarantee would be more appropriate under the authority of the RBA, rather than as a component of a separate employment ministry. A variation of this proposal may ascribe to the RBA the right to specify key operational parameters for the scheme. Issues of public accountability would need to be addressed by this proposal, given that the RBA is not subject to the same level of public scrutiny as a minister under a healthy parliamentary system, and in recognition of the potential public concern that such a large, socially-transforming program could have if it were not firmly under democratic control. The value of close liaison between the JG and the PES may warrant the Reserve Bank undertaking the management of both these functions if it were to take responsibility for one.

⁹ The public employment service may be a public sector organization or a marketised system such as the Job Network. We contend, however, that the principle motivation for creating an employment services market was to overcome CES staff resistance to withdrawal of income support (‘breeching’) as a disciplinary device (Jose & Quirk, 2002), a practice that will be largely redundant under the Job Guarantee. We contend that a well-administered public sector based employment services system would enable superior monitoring of shifts in labour supply and demand, identifying looming skills shortages, etc, thus enabling the Job Guarantee to be deployed with greater strategic effect.

¹⁰ The Central office would not have to be located in Canberra. The Central office of the Department of Employment and Industrial Relations (DEIR) was located in Melbourne between 1979 and 1988, to place senior staff close to the Australian Industrial Relations and Arbitration Commission courts. This had the unintended consequence of exposing senior management to the issues confronting CES staff on the ground, since there were greater opportunities for two-way interaction with a large metropolitan CES network. CES staff visited the Central Office for training, and Central Office staff frequently visited CES offices, many having previously worked in the CES. Following the formation of DEET in 1987, the central office was moved to Canberra, which placed new people in the ranks of the senior management who were without experience in employment services delivery. Their cloistering in the relatively homogenous and affluent Canberra reduced their exposure to the operational realities of the service they were conducting, and possibly contributed to the managerialist culture that subsequently proved so detrimental to the quality of employment service delivery (Jose & Quirk, 2002).

¹¹ The model for these offices are the DEIR zone offices of the post-Norgard CES (1979 – 1989).

¹² Capital expenditure was not permitted to exceed 50% under the Community Employment Program (CEP) (1983 – 87). The proposed JG model enables the central office to specify different ratios for different activities over time. The establishment of a set ratio under CEP was appropriate to show an even handedness with community agencies who were required to submit costed proposals. Because the budget and design process of the proposed JG model remains with the Commonwealth, varying labour / capital ratios should not carry the same political risks as under CEP.

¹³ We presume here that these enterprises are public sector institutions, they may also be non-profit agencies contracted under a system of grants, as were the SkillShare providers. Recent experiments in contracted employment service provision have consistently failed to ensure reliable standards of quality service provision, since the purchaser / provider model limits information flow, and observation and control on a day to day basis. See also: Marsdon and McDonald (2006).

¹⁴ SkillShares were favoured by many employers as suppliers of staff because they were able to report on observed skills and behaviors of their participants, as opposed to relying on claims in references and resumes that may or may not be accurate.

¹⁵ This would be less problematic if the PES and JG are fully located within branches of the same Commonwealth department, as opposed to contracted or otherwise outsourced service providers.

¹⁶ J.D. Norgard was commissioned by the Fraser Government in October 1976 to report on the Commonwealth Employment Service (CES) in June 1977. His call for the abandonment of welfare policing, increased staff training and infrastructure upgrading served as a successful blueprint for the CES over the following decade (Norgard, 1977).

¹⁷ For example: A park restoration project may entail history research for the provision of tourist information, public works to be undertaken in the form of installation of picnic tables or safety rails and environmental work in terms of recognizing and removing non native fauna and flora.

¹⁸ This was a conclusion of the Productivity Commission Independent Inquiry of the Job Network in 2002. In November 2006 Catholic Social Services Australia, operator of the Job Network provider ‘Centacare Australia’ has reported that: ‘It would seem that contractual requirements related to service quality have become of lower

priority for many providers' (Murray, 2006: 47). 'There is evidence of a deterioration of Job Network's *service quality* in recent years. As competition has increased and financial viability has decreased, providers are sacrificing service quality for outcome volume irrespective of outcome quality, in order to survive'(Murray, 2006: 49). 'Job seekers are frequently met by a "one size fits all" service from providers, focusing on "quick fix" and process orientated solutions (such as "outcome buying") which often result in a mismatch between a job seeker and a job. Job seekers are increasingly obliged to accept second rate positions because of the participation reporting powers of Job Network members. Individual service appropriate to needs is becoming less frequent and second rate placement more frequent' (Murray, 2006: 54).

¹⁹ Parts of which are already underway: A large-scale survey of local government on the scale and scope of unmet need and possible Job Guarantee services is currently underway as part of an Australian Research Council linkage study into regional labour market development strategies in partnership with Jobs Australia.(Allen, 2005).

²⁰ These are: 1. The requirement that local government has a veto over the specifications of any service proposed to be conducted under the Job Guarantee in its LGA. This would oblige those responsible for developing these proposals to thoroughly consult with local government staff during their development; 2. Local government representatives are the ex-officio chairs of the Community Consultation Forum in which the Commonwealth-employed local managers of the scheme are accountable to the public; 3. The tabling of the CCF minutes and reports in council for the information of councilors.

²¹ Comparing different ownership forms within the Job Network, Considine (1999) reports: 'Networking across organisations is minimal and agencies are deeply suspicious of one another's motives. Government officials attend most meetings overall, but community agencies put greatest effort into external, non-government contacts. Firms mostly network internally, relying upon in-house collaborations inside a multidimensional employment service. Government case managers have the best overall performance,

are the most reliable, and are the most likely to try to implement more difficult policy objectives such as sanctioning and care for special populations'.

²² Implementing the JG by converting old parts of the bureaucracy into new organizations with new missions (as opposed to creating everything from scratch) would need to address difficulties of changing existing organizational cultures (Arellano-Gault 2000); not only the structure of the organization needs to be appropriate, but transferring extant organizational culture and practices might corrupt and overwhelm the new JG mission if a new culture is not planted.

²³ Extensive and freely accessible archives of working papers and other publications are available from the Centre of Full employment and Equity (CofFEE), University of Newcastle, Australia via the internet at <http://e1.newcastle.edu.au/coffee/>; Also at the Centre of Full Employment and Price Stability (CFEPS), University of Missouri, Kansas City, USA at <http://www.cfeps.org/>. Also Wray, R (1998) offers an accessible introduction to the chartalist monetary concepts underpinning much of the alternate economic paradigm.

²⁴ On July 1, 2005 (the latest figures available), 532,742 people received a payment of 'Newstart Allowance' or 'Youth Allowance-Other'. Source: Newstart Allowance by electorate, Youth Allowance (Other) Customers by Federal Electorate. Performance and Information Branch, Centrelink.

²⁵ Wade (2003): 'The Treasurer, Peter Costello, says nearly every Australian who wants a job can get one, suggesting "full employment" is in sight'. See also: (Colebatch, T., 2003).