

Funding A Job Guarantee

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FIGURE 1

Achieving Full Employment With A JG Program
Funded Entirely With Deficit Spending

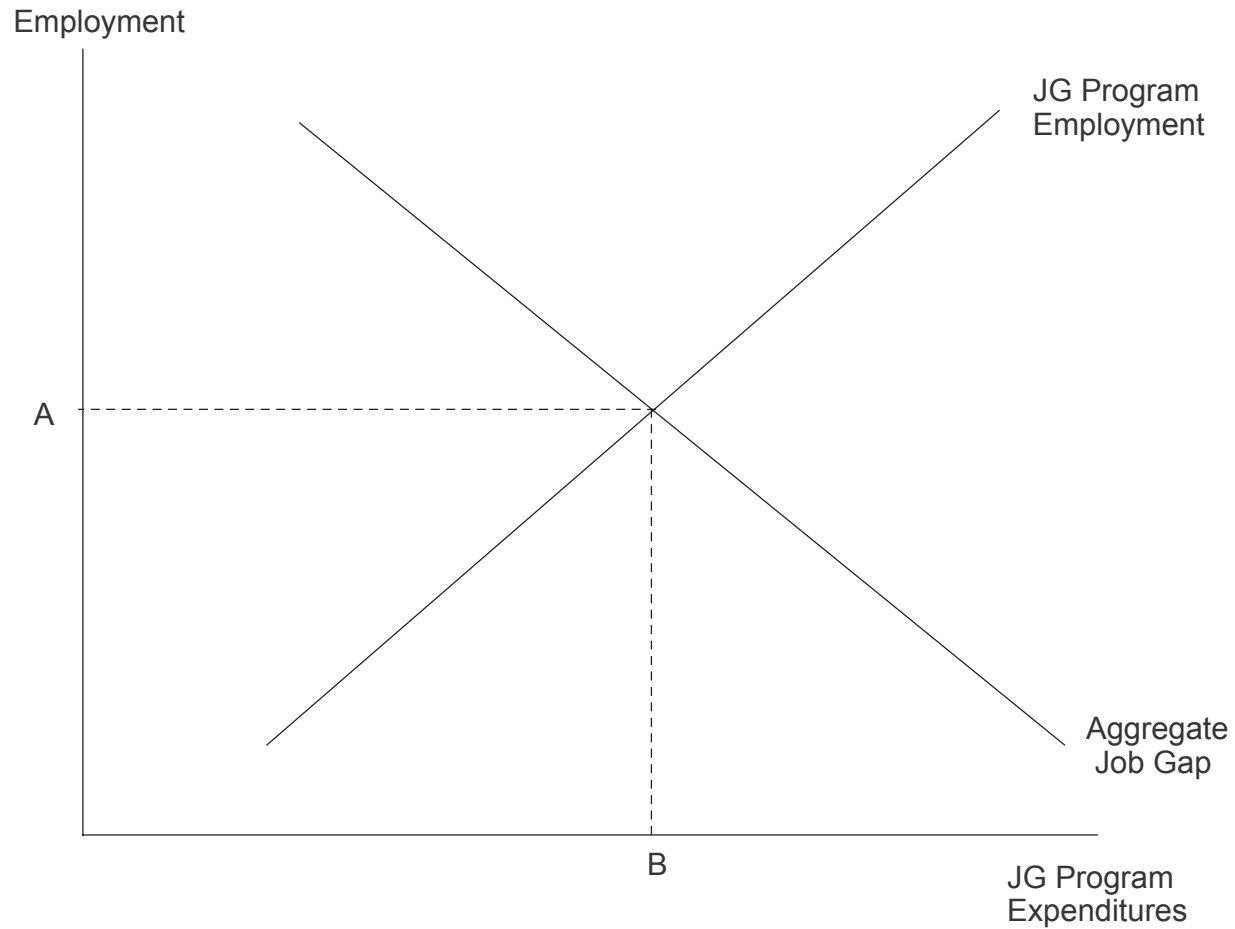


FIGURE 2

Achieving Full Employment With A JG Program
Partly Fiananced With Deficit Spending

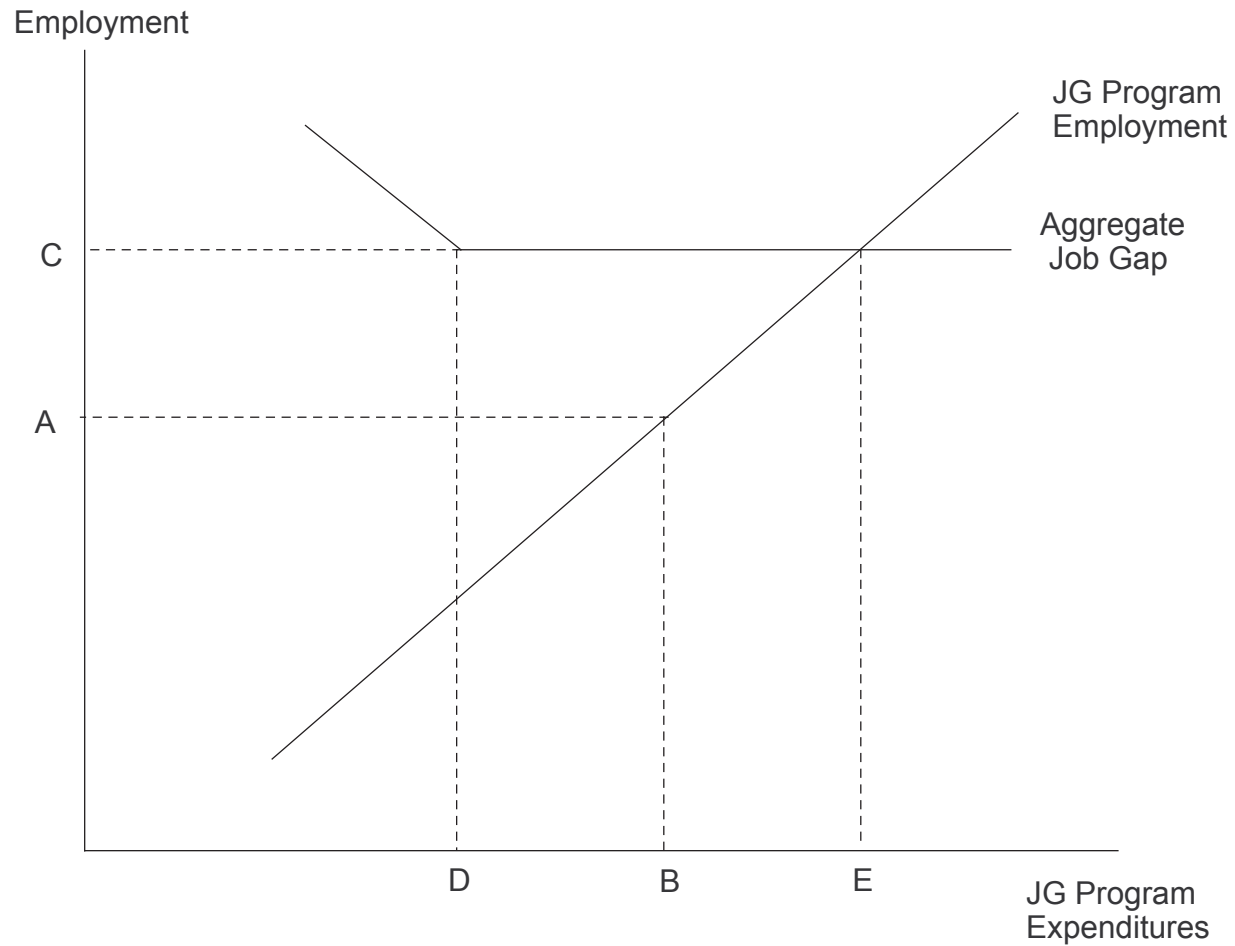


FIGURE 3

Achieving Full Employment With A JG Program
Funded Without Additional Deficit Spending

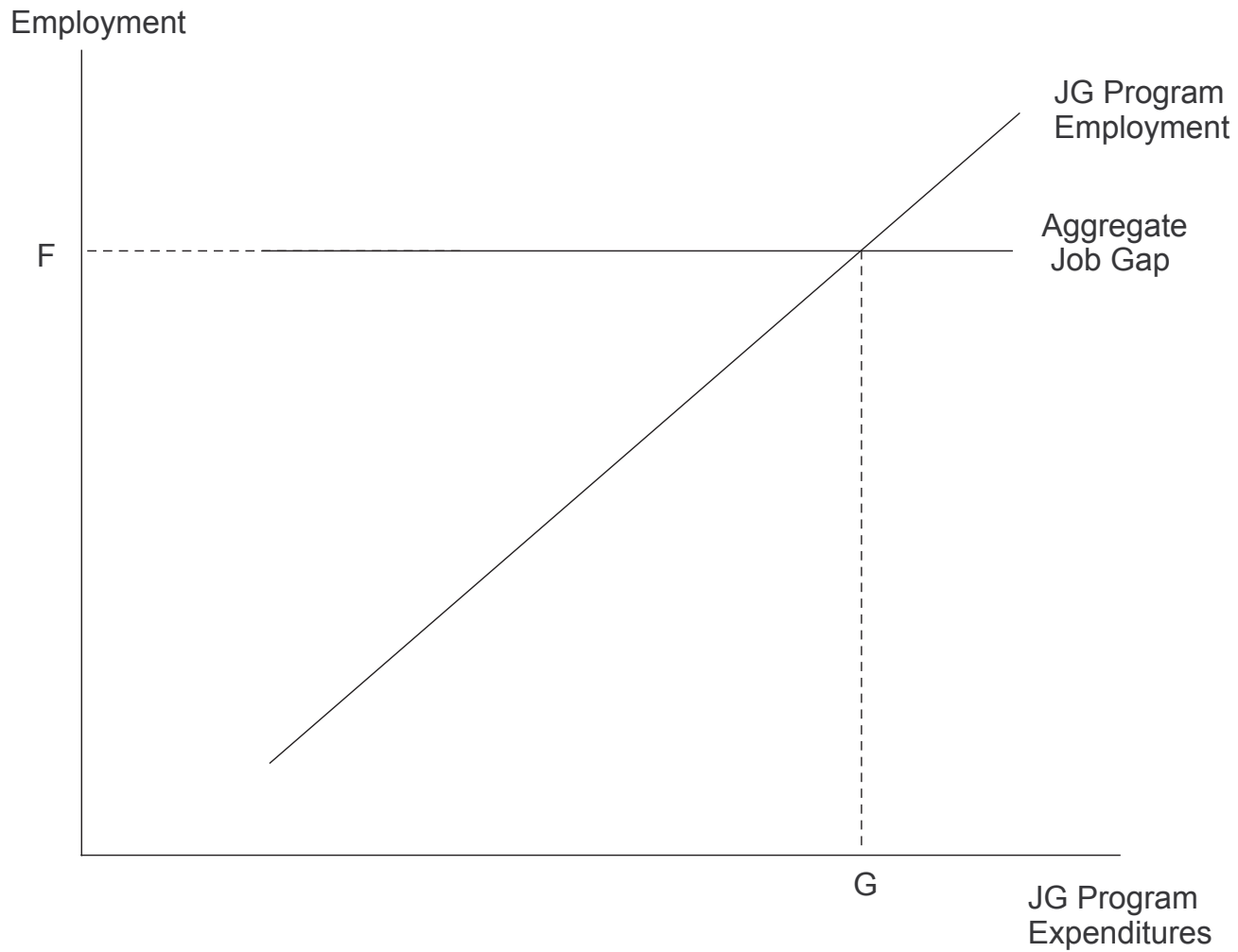


TABLE 1

**Estimated Budgetary Cost of a Job Guarantee Program
in the United States: 1977-1988**

(in billions of current dollars, except for unemployment rate)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	10-Yr Total
Budgeted Cost	70.4	53.0	55.9	78.4	92.5	127.7	139.0	114.1	112.2	112.1	941.3
Additional Tax Receipts from Program Wages	14.0	13.1	13.9	19.9	24.6	33.8	36.3	29.9	30.0	30.4	245.9
Savings from Cutbacks in Other Programs	52.0	55.4	57.7	69.0	76.0	78.0	90.4	81.9	80.6	83.5	724.5
Funding Surplus or Deficit	- 4.4	1.4	1.8	- 9.4	16.5	- 49.7	- 48.6	- 32.2	- 31.6	- 28.6	- 217.8
Official Unemployment Rate (percent)	6.9	6.0	5.8	7.0	7.5	9.5	9.5	7.4	7.1	6.9	

Source: Harvey (1989)

Figure 4

**Estimated Cost of Achieving Full Employment
Through Direct Job Creation, 1977-1986
(billions of 1998 dollars)**

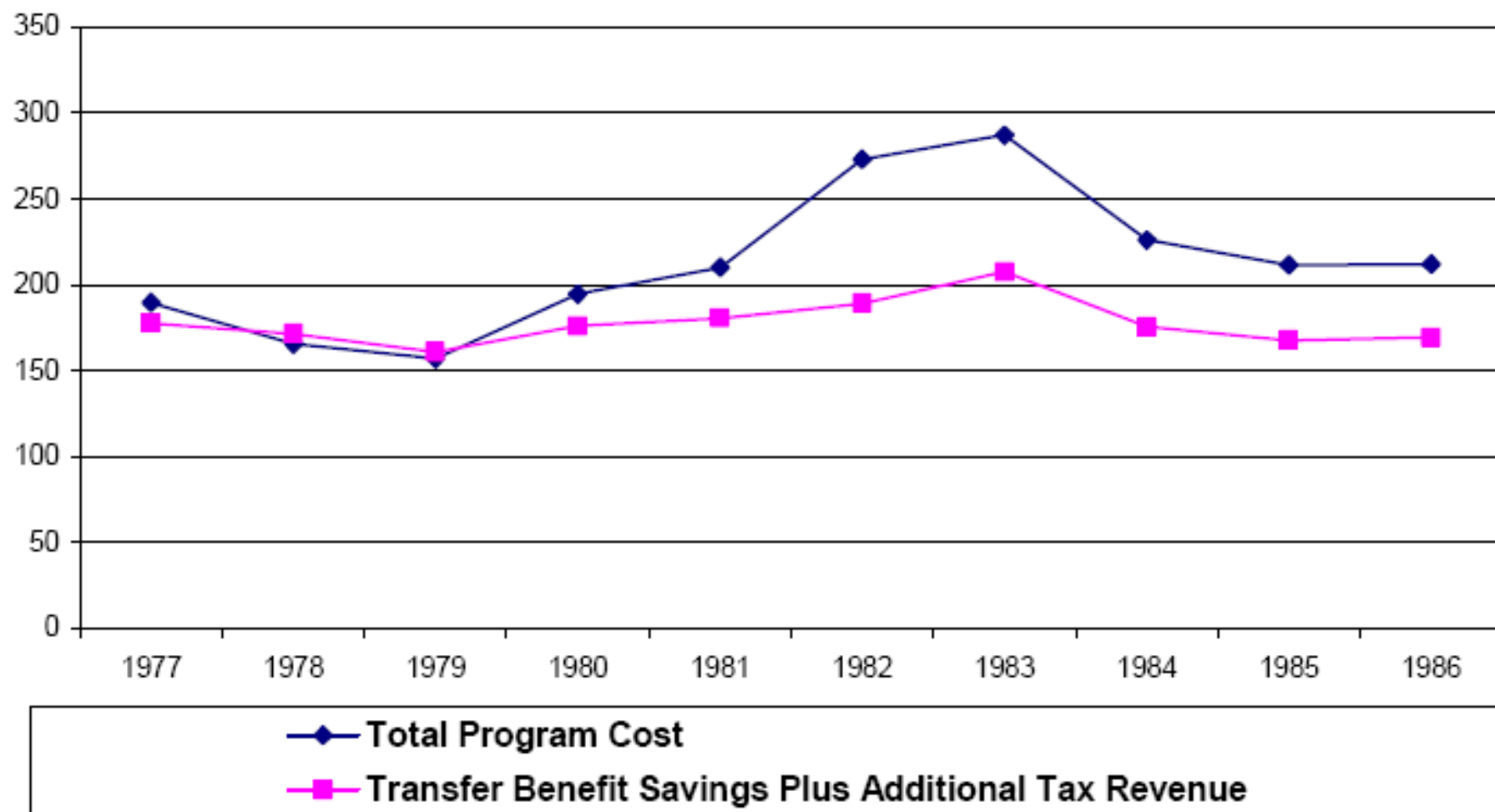


Figure 2
U.S. Job Gap: Dec. 2000 - Dec. 2005
 (in millions, except unemployment rate in parentheses)



Source: Author's Calculations From BLS Data

Universal Declaration of Human Rights***Article 22***

Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Article 23

(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

(2) Everyone, without any discrimination, has the right to equal pay for equal work.

(3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

(4) Everyone has the right to form and to join trade unions for the protection of his interests.

Article 24

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

Article 25

(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

(2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

Committee on Economic Security of 1935

“Since most people must live by work, the first objective in a program of economic security must be maximum employment. As the major contribution of the Federal Government to providing a safe guard against unemployment we suggest employment assurance – the stimulation of private employment and the provision of public employment for those able-bodied workers whom industry cannot employ at a given time. Public-work programs are most necessary in periods of severe depression, but may be needed in normal times, as well, to help meet the problems of stranded communities and over-manned or declining industries.”

FDR's Four Freedom Speech (1941)

National Resources Planning Board (1942)

FDR's Second Bill of Rights (1944)

American Law Institute Statement of Essential
Human Rights (1945)

Universal Declaration of Human Rights (1948)

Universal Declaration of Human Rights (1948)

THE GENERAL ASSEMBLY proclaims THIS UNIVERSAL DECLARATION OF HUMAN RIGHTS as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.

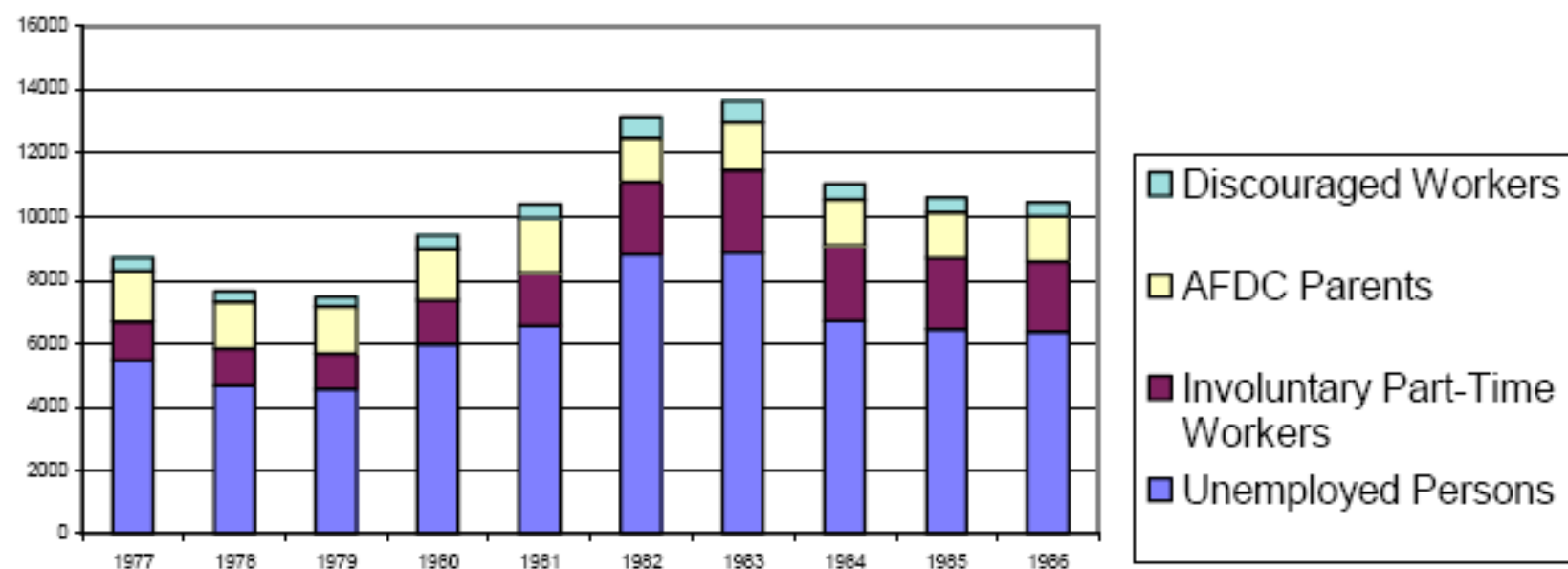
Efficiency Defined
Output/Input

Neo Classical Efficiency
Preference Satisfaction/Resources (Cost)

The Human Rights Paradigm
Human Rights Protection/Sacrificed Preferences (Cost)

Figure 3

**Estimated Number of Jobs Needed to Secure the
Right to Work, 1977-1986 (thousands)**



Source: Philip Harvey, *Direct Job Creation*, in COMMITMENT TO FULL EMPLOYMENT: THE ECONOMICS AND SOCIAL POLICY OF WILLIAM S. VICKREY 37 (Aaron W. Warner et. al, eds., 2000).

Box 2

Assumptions Underlying Cost Estimate for Direct Job Creation Program Capable of Securing the Right to Work

Wages:	Program participants paid “market wages” averaging \$11.21 per hour in 2002 dollars for officially unemployed persons and \$7.52 per hour in 2002 dollars for other program participants.
Hours:	40 hours per week for persons seeking full-time jobs and 20 hours per week for persons seeking part-time jobs.
Taxes:	Program wages fully taxable. Program employment also covered by social security, with program participants (and the government as employer) liable for FICA taxes at same rates as other covered employees (and employers).
Insurance:	Federal employee health insurance benefits provided on same terms as for regular federal employees.
Paid Leave:	Medical leave, holidays, and vacation time provided to program participants at whatever level is deemed appropriate, with cost of benefit covered by assumption that wages would be paid for a full work year (2080 hours/year for full-time workers and 1040 hours/year for part-time workers).
Child Care:	Free to all program participants (provided in child care centers operated as employment projects by the program).
Services:	Free job training and other support services (e.g. substance abuse counseling or sheltered workshop assignments) provided to all program participants (with services provided through programs operated as employment projects by the program).
Materials:	Spending on non-labor costs (facilities, tools, materials, and supplies) assumed to equal 1/3 of program’s direct wage bill.