

Employment



Can 'Green Jobs' Stabilize an Unstable Economy?



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How we answer depends on:

- the definition of “green jobs”
- the assumptions behind the analysis
- the other parts of the total policy package

2 sets of problems: economic and environmental

- capitalism is both macroeconomically unstable and environmentally unsustainable
- Macro problems: unemployment, poverty, inequality, inflation/deflation, financial instability, etc.
- Environmental: system must satisfy sustainability rules regarding rates of resource depletion, relation between emissions and assimilative capacity, etc.

full employment and environmental sustainability?

- Conventional macro and environmental policy approaches are unlikely to work
- Even if they did, successful macro policies increase environmental problems and successful environmental policies exacerbate macro problems
- Appears as if full employment and environmental sustainability are incompatible goals

Unemployment policies must consider:

- Keynesian – insufficient effective demand
- Structural – ongoing structural and technological change
- *Functionality* of unemployment – and the implications of the loss of functionality that comes with full employment

flexible, sustainable full employment

- Green Jobs as part of a Public Service Employment program based on the principles of functional finance, accompanied by ecological tax reform

Public Service Employment

- federal government offers PSE job to anyone willing and able to work at a basic PSE wage-benefits package
- strong counter-cyclical stabilizer
- federal government pays for program; community organizations, NGOs and local governments administer program
- addresses not only Keynesian but also structural unemployment, and deals with functionality issue

PSE and the Environment

- At least two ways a PSE program can promote sustainability:
 - Since PSE activities are not for profit, they can be designed according to broader macro, social and environmental ‘efficiency’ criteria
 - PSE activities can perform environmental services

Private firms are compelled by competitive pressures to use cost-minimizing methods of production, regardless of environmental impact.

PSE activities can be designed so as to pollute less, use less exhaustible resources, etc. Even if they performed no explicit environmental service, an economy brought to full employment through PSE would be more sustainable than if the private sector were expanded to full employment.

Green Jobs Corps

- community and industrial recycling
- improved insulation for residential and commercial structures
- carpooling
- rooftop gardening and urban landscaping
- solar energy applied to the public infrastructure
- monitoring and enforcement, environmental education, and research support

functional finance and ecological tax reform

- tax ‘bads’ (pollution, resource depletion, unsustainable behaviors), not ‘goods’ (employment, income, innovation)
- money as accounting information versus ‘real’ resources subject to laws of physics
- deficits can be too big, but they can also be too small
- environmental taxes, subsidies, quotas, etc.—reward green behaviors, punish ‘dirty’ behaviors

What ecological tax could/should drive modern money?

- modern money is tax-driven
- Adam Smith/Henry George land/building taxes
- tax unearned part of land values
(discourages land from becoming speculative commodity, shifts focus of land acquisition to use-value)
- some building taxes (e.g., discourage sprawl, but not energy-saving improvements)

PSE as vehicle for social policy

- PSE jobs as 'benchmark' jobs for the economy
- PSE wage becomes the effective minimum wage
- What if PSE jobs had health care? Private firms would be pressured to offer same.
- Child care, worker health and safety, grievance procedures, etc.
- Redefine what constitutes valuable 'work'

“capitalism, nature, socialism”: initiating a dialogue

- ecological economists and steady-state supporters – must abandon ‘sound finance’ and embrace functional finance; must abandon neoclassical economics; satisfying sustainability rules makes ‘steady-state’ issue irrelevant.
- socialists – short term versus long term; transition to socialism; what is socialism?: role (if any) of: the state; money; markets. Smaller scale, decentralized, democratic.