

CHAPTER 6

The Job Guarantee and Municipal Confederalism: Exploring the National and Local Levels of Program Operation

Mathew Forstater

In recent years, an approach to full employment known alternatively as Employer of Last Resort (ELR), Job Guarantee (JG), and Public Service Employment (PSE) has been put forward as an effective strategy for eliminating involuntary unemployment and promoting economic stability. It has also been argued that JG may be used to promote environmental sustainability and, more generally, as a vehicle for progressive social policies (Forstater, 2004). Most of the recent proposals for a JG have been put forward within what has come to be known as Modern Monetary Theory (MMT), a term that encompasses the Chartalist approach to money and the functional finance approach to managing government budgets (Wray, 1998).

The challenge for the JG policy approach is to find the right balance between the national and local levels of its political operation. On the one hand, modern money and functional finance require that the program be paid for at the federal level, but, on the other hand, most proposals have program management and organization conducted at the local level by NGOs (nongovernmental organizations) and local governments.

This chapter outlines the ways in which the communitarian anarchist and social ecology notion of “municipal confederalism” presents possibilities for an appropriate mix of regional and local aspects of JG, along with other advantages of the municipal confederalist framework (and anarchism generally), including opening up spaces for noncapitalist social relations of production.

The Job Guarantee: Basic Outline and Benefits

According to the JG paradigm, government offers a public service job to anyone ready and willing to work, no means tests or time limits. The federal government pays the basic JG wage-benefits package, but community groups, NGOs, nonprofit enterprises, and local governments administer and manage the program. There are always enough jobs to employ everyone who needs one, as government provides an infinitely elastic demand for labor. The program creates a strong countercyclical stabilizer, expanding when the economy goes into a downturn and contracting as the private-sector demand for labor rises.

In addition to providing full employment and macroeconomic stability, and reducing the social and economic costs of unemployment, JG has numerous other potential benefits. Staying employed maintains the skills of workers, whose productivity declines during periods of joblessness. JG can provide training and education that may open opportunities for employment in new occupations and industries. Businesses benefit from hiring workers who have been able to maintain and even enhance their capabilities. By guaranteeing high and stable incomes and demand, the uncertainty characterizing investment decisions is reduced, and firms have the resources and incentives to retool and make use of the latest technologies.

In addition to creating jobs, income, and demand, and developing skills and offering opportunities for training and education, JG also supports the provision of public services. Suddenly there is no labor constraint for providing services often in short supply and for addressing unmet social and community needs. Libraries and community centers can stay open every night, and additional helping hands are available for playgrounds, nursing homes, and recycling centers. Revitalized infrastructure reduces costs and stimulates productivity.

JG is also the only real means of achieving the right to employment found in numerous governmental and other documents, such as the United Nations’ “Universal Declaration of Human Rights.” The right to

employment is also the most important means to many other economic and social rights, such as the rights to food, housing, and healthcare.

While conventional fiscal stimulus is unlikely to provide true full employment or to reconcile full employment and price stability, JG addresses unemployment due to both insufficient effective demand and ongoing structural and technological change. In addition, the JG approach deals with the functionality of unemployment, which is completely unaddressed by traditional Keynesian policies.

JG as a Vehicle for Social Policy

The JG approach to full employment and price stability can also serve as the basis for humanistic social policies. Under such a program, a wide variety of social policies may be introduced that otherwise would not stand a chance. To understand how this might work, consider that workers will always have the option to take a JG job. Now imagine what might happen if the JG wage-benefits package included health insurance. Employers in the private sector would have to match the JG wage benefits, either line by line or in some other compensating way. Private businesses would be compelled by “market” pressures to either offer health insurance or compensate in some alternative way (higher salary, more chance for advancement, other benefits, or some other attractive part of the offer). Likewise, since the JG wage would be the *de facto* minimum wage, increases in the JG wage could also be used to pressure businesses to raise wages (or some other compensating feature of their offer). Consider what might happen if the JG job came with childcare. It is the same with worker health and safety issues, and general job environment. The list of ways in which JG employment might be used as a “benchmark” to increase the quality of private-sector jobs is limited only by imagination.

Next, consider the possibilities offered by millions of new workers available to do public service. Suddenly, there would no longer be any financial or labor constraint to the provision of public and community services (other than the “real” constraints of population size, skills and education, and so on). Habitat for Humanity and Meals on Wheels would always have enough labor, public libraries and community centers could stay open every night, and there would be additional helping hands on playgrounds, at subway stations, in nursing homes, and at recycling centers. The environment benefits would be numerous, from increased cleanup and enhanced parks and recreation to tree planting and the provision of new hiking trails. We know from the history of the New Deal

era Works Progress Administration (WPA) in the United States and other successful public service programs just how productive the contributions can be (we can also learn from the mistakes of such programs—e.g., race and gender discrimination must not be tolerated).

A JG program could also be used to redefine just what constitutes valuable work in our society. Presently, the market is used as the measuring rod, so if you cannot make your way in the private sector, your life calling must not be valuable. Under the JG program, society is free to decide what qualifies as a JG job. Musicians and artists might be free to follow their calling. Oral histories can be documented and preserved through interviews with the elderly. Community gardens can thrive, with JG chefs preparing meals. Addressing the historical legacy of patriarchy and gender exploitation, care for one's own children and one's own home can be considered valid JG work. Even education and training may be considered public services.



Private versus Social “Efficiency”

JG activities should not be evaluated according to private-sector efficiency criteria, but by whether they achieve broader social, macroeconomic, and environmental goals. Capitalist firms are compelled by competitive pressures to use cost-minimizing methods of production, regardless of whether such methods are consistent with other societal goals, such as full employment or ecological sustainability. Because they are not for profit, there is a great flexibility in the design of JG activities that are freed from market constraints. For example, more labor-intensive methods may be used even where more capital-intensive methods are available. JG activities and methods may be selected to avoid bottlenecks and structural rigidities associated with high levels of employment and capacity utilization. In pursuing environmental sustainability, JG activities and production methods may be selected so that they do not use exhaustible resources in short supply and so they do not pollute or aggravate other environmental problems. This is independent of whether or not the JG activities perform any explicit environmental service (which of course they can).

It should be becoming clear from the discussion that the JG program has the potential for creating spaces for noncapitalist social relations. Just as JG activities can be designed to pollute less or to use more labor-intensive methods, they can also be designed to be less hierarchical and more egalitarian, with more consensus-based decision making.

Federally funded, Locally administered

If the jobs created through the JG program are to truly serve the community then the community and neighborhood organizations must take the reins and administer the programs to the fullest extent possible, rather than having the federal government involved in the majority of administration. The federal government's job is to provide the wages and benefits. The initial attempt to employ JG workers must be through registered community service organizations that already exist. In this way the program will be able to employ individuals with minimal additional bureaucracy, and will in addition supply labor to organizations that provide needed public and social services that enhance the quality of life in that region. Because the federal government pays the wage-benefits package, community service organizations obtain additional workers at no extra cost. Communities will experience an increase in a variety of public services in their region, and this in turn will contribute to an increased quality of life for all members of the community, especially the less well-off. JG workers themselves must also have the opportunity to initiate and develop public and community service projects:

We must develop socially useful forms of work, which enhance the creativity and involvement of workers . . . The most rewarding jobs are those which give opportunities for creativity, provide a living wage and have a beneficial effect. People like to do, and like to be seen to be doing, good works. Our cities provide numerous opportunities for congenial employment, from beautifying our cities with gardens to mending footpaths and building playgrounds . . . Real job-creation schemes involve the workers in the goals and strategies of the employment. Let us allow people the dignity of being involved in identifying, as well as doing, useful employment.

(Short, 1989, p. 127)

Those involved in the early stages of the drafting of the 1946 Employment Act and the 1978 Humphrey-Hawkins bill in the United States witnessed employment guarantees eliminated from the final legislation. More recently, advocates of the NREGA (National Rural Employment Guarantee Act) in India saw the program limited to 100 days a year, and the Argentine *jefes* program (*Plan Jefes de Hogar*) included only "heads of households" despite supporters at the highest levels of government. History teaches that successful efforts at utilizing governmental institutions are enhanced by pressures stemming from grassroots activism and popular organization (Rose, 1995). Organizing the unemployed, the

underemployed, and even the homeless, with employed and unemployed working together, may prove effective (Groff, 1997). Neighborhood and Community Unemployment Councils can play important roles, as they have in the past (Ervin, 1994).

Municipal Confederalism as a Framework for Job Guarantee

Given the important relation of the local and regional levels of the political organization of JG, it is necessary to explore frameworks within which the program can be implemented. One obvious possibility would be that the federal government funds the wages and benefits (and material costs) and state and local governments administer the program. While local governments may play some role, it has already been noted that community and neighborhood organizations, NGOs, and nonprofit enterprises will be the primary institutions employing JG workers, and that workers themselves will have a voice in initiating and organizing the projects. In addition, current political boundaries often make no economic or ecological sense. Thus there is a need to learn from alternative institutional structures. The communal anarchist and social ecology notion of municipal confederalism (also known as libertarian municipalism) provides one possible framework.

Anarchism views large, centralized political and economic activity as problematic in and of itself. Anarchists therefore promote political and economic decentralization. This should not be confused, however, with supporting the creation of isolated self-sustaining localities. Rather, some type of confederation among interdependent communities is required.

For the most part, anarchists adopt the position that—to the extent possible—consumption should be primarily from local production and production should be primarily for local consumption. This reduces many environmental and other social costs and promotes participatory democracy. Environmental science, however, has come a long way since Schumacher's brilliant *Small is Beautiful*. Analysis of the "ecological footprint" of activity has demonstrated that there may be considerable exceptions to strict localism.

A similar perspective is necessary regarding the scale of productive activity. Anarchists see that there might be situations where economies of scale may be beneficial, but they also see many diseconomies involved in overcentralized industrialization. Anarchists view most present political units as too large, and even those that are not oversized often have boundaries that make no economic or ecological sense. In this they are guided

by bioregionalism, which sees the natural political and economic unit as an ecological one (Milani, 2000). There are many issues that require coordination and cooperation among communities. Municipal confederalism recognizes that interdependence remains crucial, even among otherwise self-sustaining bioregions (Bookchin, 1993).

Anarchists use municipal confederalism as the basis for alternative economic planning. Municipal confederalism makes an important distinction between policymaking and the execution of policies. Policymaking is based on the local community assemblies practicing participatory democracy, but administration and coordination are the responsibility of confederal councils (see Hawkins, 1993).

Anarchists have paid particular attention to issues regarding the division of labor. They oppose the division between manual and intellectual labor, claiming that all society's members need the opportunity to engage in both physical and mental work (Kropotkin, 1974). In addition, anarchists oppose the division between the "field" and the "workshop," again proposing that all individuals require the chance to operate in both settings. There is a great potential for this type of approach within the framework of JG. There is no reason JG workers should be confined to a single activity or employment, not even the most common objection that it decreases productivity, since the benefits of specialization can be had without the negative effects on workers by employing a division of tasks while permitting individuals to alternate between the various assignments.

Anarchists pay close attention to the role of work in human development. In this they take something of an anthropological view of work as an integral part of human existence. As Schumacher, whose work Roszak states "belongs to that subterranean tradition of organic and decentralist economics whose major spokesmen include Prince Kropotkin" (Roszak, 1973, p. 3), argues, work is not only not a "disutility" (as in neoclassical economics), and not only brings "forth the goods and services needed for a becoming existence," but also importantly it gives people the opportunity to develop their faculties and enables them to overcome their ego-centeredness "by joining with other people in a common task" (Schumacher, 1973, p. 51). Unemployment denies people these opportunities, which may be revived through JG.

Imagining the Possibilities

Proposing to combine anarchism with a government policy may seem contradictory. As Amartya Sen reminds us, however, we need to

distinguish between (1) repressive interventions of the state in stifling liberty, initiative and enterprise, and in crippling the working of individual agency and cooperative action, and (2) the supportive role of the state in enhancing the effective freedoms of individuals (for example, in providing public education, healthcare, social safety nets, good macroeconomic policies, and in safeguarding industrial competition and epidemiological and ecological sustainability).

(Sen, 2001)

The proposal here is therefore akin to what Gar Alperovitz has called “reconstruction,” which he distinguishes from either reform or revolution:

Reform is when you accept the system as it is and you try to paste up around the edges, like passing a welfare program but not touching the corporations. Revolution is when you throw the system over to change its organization. Reconstruction is changing the institutions to change the system in an evolutionary reconstructive way, not just pasting up around the edges.

(Alperovitz, 1999)

The idea here is to create contexts in which counterinstitutions can be developed that promote reciprocity and mutualism. Anarchism, both “classical” and contemporary, has a rich literature filled with distinctive and provocative economic insights. There is no good reason not to consider how these might contribute to building a better economy and society. As Walden Bello has put it:

We are talking, essentially, about an approach that consciously subordinates the logic of the market, the pursuit of cost efficiency to the values of security, equity, and social solidarity. Following Karl Polanyi, we are speaking, about re-embedding the economy in society, rather than having society driven by the economy.

(Bello, 2001)

Though in mid-2012 the world economy has yet to fully recover from the “Great [i.e., Terrible] Recession,” it is already on the brink of another financial crisis, the powers that be having done little or nothing to address the fundamental systemic faults, despite having applied expensive band-aids in the form of various bailouts and stimulus packages. Unemployment and underemployment, poverty, inequality, instability, and environmental degradation all are part and parcel of capitalism. Is it any wonder that economic growth does not lead to happiness (Easterlin et al., 2010)?

In this age of neoconservative globalization and economic crisis, it is necessary to envision counterhegemonic possibilities for the future. JG has been developed as a means of providing employment and income support for those who need it the most. The communitarian anarchist notion of municipal confederalism was conceived as an alternative political economic framework linking the local and regional levels of the provisioning process.

Are these policies compatible or incompatible with the preservation of capitalism? . . . Does it matter? Should we care, given the devastating costs of unemployment?

(Darity, 1999, p. 496)

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Chapter 6

Query No.	Page No.	Query
AQ1	148	Should “the measuring rod” be recast as “the yardstick”?