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Agenda item 3

**Promotion and protection of all human rights, civil,
political, economic, social and cultural rights,
including the right to development****The employment guarantee as a tool in the fight against
poverty****Report of the Special Rapporteur on extreme poverty and human
rights, Olivier De Schutter***Summary*

The Special Rapporteur on extreme poverty and human rights explains how the introduction of a job guarantee, with the State acting as an employer of last resort, can contribute to the full realization of the right to work, transforming it from a policy objective into an enforceable legal right. The job guarantee tackles the paradox of structural unemployment and underemployment coexisting with important unsatisfied societal needs, as neither the State nor the market currently supplies the public goods that are needed for the greening of the economy and for a thriving care economy. The Special Rapporteur highlights the benefits of the introduction of the job guarantee both to the individual and to the community, and addresses a number of objections to the idea. He sees the introduction of a job guarantee as an essential component of the “just transition” and of the new eco-social contract needed for the post-crisis recovery.



I. Introduction

1. The right to work is a human right. Article 6 of the International Covenant on Economic, Social and Cultural Rights provides that, “to achieve the full realization of this right”, States parties should take steps to achieve “full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual”. This replicates the language of the International Labour Organization (ILO) Employment Policy Convention, 1964 (No. 122), which imposes on States a duty to adopt an active policy designed to promote full, productive and freely chosen employment (art. 1). The Sustainable Development Goals also include a goal to ensure full and productive employment and decent work for all (Goal 8).

2. These formulations suggest that States have an obligation of means: essentially, to do what they can to create jobs. This report explores whether this could become more than a policy objective: an enforceable right, imposing on Governments an obligation of result – to provide decent work to all individuals able and willing to work. This is the idea of a job guarantee.

3. The idea is not new. In the United States, the Works Progress Administration was part of the New Deal response to the depression of the 1930s. Public employment schemes have been a common response to structural unemployment in member countries of the Organisation for Economic Co-operation and Development (OECD), though with less use in recent decades.¹ They have also been a widely used strategy in low- and middle-income countries,² often as a short-term reaction to mass unemployment. Among the most famous examples are the Productive Safety Net Programme in Ethiopia, which covered about 10 per cent of the population in 2018;³ the Mahatma Gandhi National Rural Employment Guarantee Act in India, with 76 million beneficiary households in the financial year 2020/21;⁴ or the Expanded Public Works Programme in South Africa, which created a million job opportunities in 2021/22.⁵ Although such schemes have often prioritized infrastructure creation, such as roads, dams or wells, public employment programmes in the sectors of care, education and culture have now become more common: these are labour intensive and therefore allow maximum employment creation within limited budgets and dedicate a larger portion of the budget to wages. The coronavirus disease (COVID-19) pandemic revived interest in these schemes, as a means to buffer the employment impacts of the crisis: examples range from infrastructure in Kazakhstan to education and care in South Africa and tree planting in Nigeria.⁶

II. The paradox of too few jobs and unfulfilled societal needs

4. The job guarantee is an answer to a paradox. On the one hand, many people are jobless or can only work part-time. Globally, 473 million people are seeking employment.⁷ Official unemployment rates do not include all those who have abandoned the search for employment as a result of a lack of opportunities or because, for instance, due to insufficient provision of childcare or support for dependent persons, they cannot reconcile paid work outside the home with often unpaid work within the household. In the European Union and in the United States

¹ Melvin Brodsky, “Public-service employment programs in selected OECD countries”, *Monthly Labor Review* (October 2000).

² Anna McCord, “Public works and social protection in sub-Saharan Africa: do public works work for the poor?” (Tokyo, United Nations University Press, 2013).

³ Esther Gehrke and Renate Hartwig, “Productive effects of public works programs: what do we know? What should we know?”, *World Development*, vol. 107 (2018), pp. 111–124, table A.1.

⁴ Swati Narayan, “Fifteen years of India’s NREGA: employer of the last resort?”, *Indian Journal of Labour Economics*, vol. 65 (2022), pp. 779–799, at p. 780.

⁵ Government of South Africa, “Public works and infrastructure on work opportunities created by expanded public works programme”, 15 June 2022.

⁶ ILO, *Public Employment Initiatives and the COVID-19 Crisis. A Compendium of Infrastructure Stimulus, Public Employment Programs (PEP), Public Works Programs Case Studies* (Geneva, 2021).

⁷ ILO, *World Employment and Social Outlook: Trends 2023* (Geneva, 2023), p. 138, appendix C.

of America, for instance, only around half of those seeking employment are officially unemployed.⁸ In low- and middle-income countries, moreover, assessments are especially difficult due to the importance of informal work and the prevalence of underemployment, in the form of involuntary part-time or seasonal work or low-paying jobs underutilizing skills.⁹

5. More jobs will have to be created in the future. An additional 470 million people will be looking for work in developing countries between 2019 and 2035,¹⁰ with a particularly fast growth in sub-Saharan Africa.¹¹ This is why the creation of 400 million decent jobs is such an important component of the Global Accelerator on Jobs and Social Protection for a Just Transition announced in September 2021 by the Secretary-General and the ILO Director General. Growth alone will not suffice. Not all growth is job rich:¹² automation may in fact result in strong growth (supported by productivity gains) going hand in hand with net job losses;¹³ and in situations in which growth is primarily explained by the exploitation of natural resources, as in Africa, there is only a weak association between gross domestic product (GDP) and employment¹⁴ – this is one reason behind calls for the introduction of a job guarantee in the African region.¹⁵

6. Unemployment or underemployment significantly increases the risk of poverty, since social protection against this life risk remains highly uneven. Globally, only one in five people who are unemployed receive cash benefits: the others are excluded because no scheme exists or because they are ineligible under existing schemes. Even in high-income countries, only 52.2 per cent of unemployed people receive cash benefits, with figures lower still in less developed regions – 17.5 per cent in upper middle-income countries; 5.5 per cent in lower-middle-income countries and just 0.8 per cent in low-income countries.¹⁶ And even where they exist, unemployment benefits are often inadequate.

7. As a tool of employment policy, public employment programmes can provide jobs to those who are jobless. They can bring back into the active labour force individuals who are considered to have become “inactive”: of those reached by the Argentinian Jefes y Jefas de Hogar Desocupados programme, set up to provide work for cash during the 2002 economic crisis, half were previously thought to be inactive.¹⁷ They can also provide employment to those who are involuntarily working part-time or who depend on seasonal work.

8. This is a powerful tool against poverty. Employment was the most important contributor to poverty reduction in a set of 16 low- and middle-income countries in which substantial poverty reduction occurred in the period 2000–2010: in 14 out of 16 countries, labour income explained more than 40 per cent of the change in “poverty” (and 50 per cent in 10 countries).¹⁸ And job retention schemes played a crucial role during the COVID-19-induced economic crisis.¹⁹

⁸ Pavlina R. Tcherneva and Aurore Lalucq, “A job guarantee for Europe” (Brussels, Foundation for European Progressive Studies, September 2022); and Pavlina R. Tcherneva, “The federal job guarantee: prevention, not just a cure”, *Challenge*, vol. 62, No. 4 (2019), p. 5.

⁹ Sabina Dewan and Peter Peek, “Beyond the employment/unemployment dichotomy: measuring the quality of employment in low income countries”, Working Paper No. 83 (Geneva, ILO, 2007).

¹⁰ World Bank, “The World Bank in social protection”, updated 3 April 2023. Available at: www.worldbank.org/en/topic/socialprotection/overview.

¹¹ ILO, *World Employment and Social Outlook: Trends 2022* (Geneva, 2022), p. 44.

¹² Sangheon Lee and others, “Does economic growth deliver jobs? Revisiting Okun’s Law” (Geneva, ILO, 2020).

¹³ World Bank, *World Development Report 2019: The Changing Nature of Work* (Washington, D.C., World Bank, 2019), pp. 20 and 24.

¹⁴ ILO, *World Employment and Social Outlook: Trends 2022*, p. 45.

¹⁵ Ndongo Samba Sylla, *For a Full and Decent Employment in Africa: The Role of a Job Guarantee*, Open Society University Network, Economic Democracy Initiative, Policy Report 2023/01 (2023).

¹⁶ ILO, *World Social Protection Report 2020–22*, p. 158, figure 4.29.

¹⁷ Emanuela Galasso and Martin Ravallion, “Social protection in a crisis: Argentina’s Plan Jefes y Jefas”, *World Bank Economic Review*, vol. 18, No. 3 (2004).

¹⁸ Joao Pedro Azevedo and others, “Is labor income responsible for poverty reduction? A decomposition approach”, Policy Research Working Paper, No. 6414 (Washington, D.C., World Bank, 2013), p. 13.

¹⁹ OECD, “Riding the waves: adjusting job retention schemes through the COVID-19 crisis” (Paris, 2022).

9. Yet, although there is too little employment, many societal needs remain unfulfilled and much work needs to be performed to meet them. The greening of the economy and the growing recognition of the importance of the care economy – care to older or dependent persons, early childhood education and care, and health care – are opportunities in this regard. The Special Rapporteur highlighted in an earlier report the employment creation potential of the ecological transformation;²⁰ and ILO simulations for a group of 45 countries representing 60 per cent of the global population show the health, education and care capacity needed to meet the Sustainable Development Goals requires 117 million additional jobs than anticipated under the status quo scenario.²¹

10. This is the paradox. There may be a shortage of decent jobs, but there is no shortage of work: the problem is that markets undersupply the public goods that are needed for the greening of the economy and for a thriving care economy, and that Governments have too little public revenue to invest in creating the jobs needed for these transitions. It is against this background that the introduction of a job guarantee is proposed.

III. Benefits of the job guarantee

A. Supporting social inclusion

11. Access to decent work provides income, reducing poverty.²² But it also allows individuals to gain self-confidence and to gain a sense of purpose.²³ Female participants in the Jefes y Jefas de Hogar Desocupados programme mentioned participation in social life and the learning of useful skills, rather than just income earned, as the main benefits of participation.²⁴ Long-term unemployed people taking part in the Marienthal pilot in Austria reported improvements in subjective well-being, reduced stress levels and a range of other benefits, including improved social recognition.²⁵ Similar results were achieved by the Kinofelis programme set up in Greece as part of the response to the debt crisis in 2011, which had offered eight months of employment to 45,000 participants by 2017, to create useful work and to improve skills to favour the reintegration of unemployed people in the labour market.²⁶ In very different circumstances, Rohingya refugees living in camps in Bangladesh showed very high demand for work, even in situations in which work did not actually offer greater income than other options. The comparison between the groups receiving pay for employment or cash only highlighted the improvement in mental health associated with being employed.²⁷

²⁰ A/75/181/Rev.1.

²¹ ILO, *Care Work and Care Jobs for the Future of Decent Work* (Geneva, 2018), p. 273, figure 5.11.

²² Verónica Escudero and others, “Active labour market programmes in Latin America and the Caribbean: evidence from a meta analysis”, IZA Discussion Paper, No. 11039 (Bonn, September 2017), p. 18; and Kathleen Beegle, Emanuela Galasso and Jessica Goldberg, “Direct and indirect effects of Malawi’s public works program on food security”, *Journal of Development Economics*, vol. 128 (2017), pp. 1–23, at p. 22.

²³ Kate Philip, “Public employment programmes and their interface with social protection”, in *Handbook of Social Protection and Social Development in the Global South*, Leila Patel, Sophie Plagerson and Isaac Chinyoka, eds. (Cheltenham, Edward Elgar Publishing, forthcoming).

²⁴ Pavlina R. Tcherneva and L. Randall Wray, “Public employment and women: the impact of Argentina’s *Jefes* program on female heads of poor households”, Working Paper No. 519 (Annandale-on-Hudson, New York, Levy Economics Institute of Bard College, 2007).

²⁵ Maximilian Kasy and Lukas Lehner, “Employing the unemployed of Marienthal: evaluation of a guaranteed job program, Institute for New Economic Thinking at the Oxford Martin School, Working Paper No. 2022-29 (21 December 2022), p. 20.

²⁶ ILO, “The right to work now lessons from Kinofelis: the Greek public employment programme” (19 March 2018), p. 2.

²⁷ Reshmaan Hussam and others, “The psychosocial value of employment: evidence from a refugee camp”, Policy Research Working Paper, No. 10138 (Washington, D.C., World Bank, August 2022), p. 3.

B. Raising the bar of labour standards

12. While employment creation has been a powerful tool to reduce poverty, it does not always provide a safeguard against poverty: while, globally, half of women (47 per cent) and three quarters of men (74 per cent) of working age do some form of income-generating work,²⁸ not all wages are living wages and not all jobs are decent jobs.²⁹ For many, precarious working conditions and a lack of decent pay characterize the work experience. The “gig economy”, casualized labour contracted through digital platforms, has rapidly emerged as an important employment category, yet also one with less social protection and less scope for collective bargaining than more traditional employment forms: rich countries are now confronted with forms of precariousness that have long existed in low- and middle-income countries³⁰ and regulatory regimes are trying hard to catch up. Precarity is also particularly widespread among the 2 billion informal workers, forming 60 per cent of the global workforce.³¹

13. Precariousness and informality characterize the emergence of a global precariat.³² For these workers, a job guarantee may constitute a fall-back option, strengthening their bargaining position and allowing them to claim a right to decent work – and, if they are in informal work because of the unwillingness of the employer to declare them in order to circumvent protective legislation or to avoid paying social contributions, to seek formalization. Where the employment provided under the job guarantee includes paid leave, pension contributions, health insurance and childcare subsidies, or where it pays a wage above the minimum wage, it raises the bar across the whole economy.³³ In Andhra Pradesh, for instance, while the mean earnings of households registered under the provisions of the Mahatma Gandhi National Rural Employment Guarantee Act rose by 13.9 per cent, the earnings from the programme itself only accounted for 14 per cent of the income gain – 80 per cent of the increase in income came from higher private labour-market earnings.³⁴

C. Building skills and training

14. While conventional active labour-market policies aim at integrating jobseekers into regular employment after programme participation, job guarantee schemes aim at employment through programme participation, thus improving the economic and social situation of participants. Job guarantee schemes provide an opportunity to equip participants with new skills, including informal skills derived from work experience, thus improving the prospects of the beneficiaries to find a job after leaving the programme³⁵ or to start successful businesses. Indeed, while a meta-analysis of 200 studies of different active labour-market policies (most of which were in OECD countries) found no impact on employment rates from public employment programmes, it did confirm the positive effects of training programmes, defined as classroom and on-the-job training: the probability of finding employment increases by 6.7 per cent after two years.³⁶ Similarly, a study of active labour-market policies

²⁸ ILO, *World Social Protection Report 2020–22*, p. 103.

²⁹ ILO, “Working out of poverty: views from Africa – Tenth African Regional Meeting, Addis Ababa, December 2003” (Geneva, 2003); Ramón Peña-Casas and others, *In-Work Poverty in Europe. A Study of National Policies* (Brussels, European Commission, 2019); and Sri Mulyani Indrawati, “Jobs: the fastest road out of poverty”, World Bank Blogs (13 June 2016).

³⁰ ILO, *World Employment and Social Outlook: Trends 2021* (Geneva, 2021).

³¹ *The Sustainable Development Goals Report 2022* (United Nations publication, 2022), p. 43.

³² Guy Standing, *The Precariat: The New Dangerous Class* (London, Bloomsbury, 2011).

³³ Pavlina R. Tcherneva, *The Case for a Job Guarantee* (Cambridge, United Kingdom, Polity, 2020), p. 83.

³⁴ Karthik Muralidharan, Paul Niehaus and Sandip Sukhtankar, “General equilibrium effects of (improving) public employment programs: experimental evidence from India”, National Bureau of Economic Research Working Paper, No. 23838 (2021), p. 2.

³⁵ Kate Philip and others, “Employment matters too much to leave to markets alone”, *Professionalità Studi*, 1 (2020), pp. 152–176, at p. 157.

³⁶ David Card, Jochen Kluge and Andrea Weber, “What works? A meta analysis of recent active labor market program evaluations”, National Bureau of Economic Research Working Paper, No. 21431 (2015), table 3a.

in Latin America and the Caribbean concluded that training encouraged formalization and improved employment prospects, although short duration training programmes (lasting four months or less) were less likely to show positive results than other programme designs.³⁷ In Argentina, the Potenciar Trabajo scheme aimed to create jobs equivalent to 2 per cent of the labour force, with elements that included supporting people to complete educational qualifications alongside work.³⁸ To the extent that a job guarantee includes training opportunities for participants, it could therefore significantly enhance their future employment prospects – although this may be more difficult to achieve when participation is for short periods of time.³⁹

15. Job guarantee schemes should therefore favour a quality work experience, as well as training. Both the work experience and skills-building must be relevant: the engagement of employers in the design of the programme may help in this regard.⁴⁰

D. Ensuring integration of those most disadvantaged in the labour market

16. A job guarantee scheme, paying at least a living wage and open to all who wish to work, should be of the greatest benefit to those most at risk of underemployment or of having to accept poor quality jobs. It can therefore contribute to a “just transition” by providing options to the workers displaced by the decarbonization of the economy.⁴¹ In addition to these workers, three groups deserve particular attention.

17. The first are the youth. Globally, more than one in five of those aged 15–24 years are not engaged in education, employment or training, with women twice as likely to be so than men (31.5 per cent compared with 15.7 per cent). The pandemic increased the numbers of those not engaged in education, employment or training by close to 20 million, from 21.8 per cent (2015–2019) to 23.3 per cent in 2020. Youth unemployment rises faster in downturns. In OECD countries, for every 1 per cent increase in adult rates, youth unemployment rises by 1.79 per cent.⁴² The COVID-19 pandemic provided a powerful illustration of this vulnerability across the globe: before the pandemic struck, 13 per cent of all those employed were young persons, yet they made up a third (34.2 per cent) of the 2020 employment loss.⁴³

18. High rates of persons not engaged in education, employment or training led the European Union to introduce the Youth Employment Guarantee in 2013, guaranteeing those under 30 either training or employment options within four months of leaving education or becoming unemployed.⁴⁴ Evaluations of this initiative are mixed, however, and implementation is uneven.⁴⁵

19. The second group are women. Worldwide, in 2022, 43.8 per cent of women were in paid employment, compared with 67.9 per cent of men.⁴⁶ Women are also disproportionately represented in informal work and they earn on average 16 per cent less than men (and 35 per cent less in some countries).⁴⁷ Many public employment programmes therefore specifically

³⁷ Escudero and others, “Active labour market programmes in Latin America and the Caribbean”, p. 33.

³⁸ ILO, *Public Employment Initiatives and the COVID-19 Crisis*, p. 14.

³⁹ Gehrke and Hartwig, “Productive effects of public works programs”, pp. 118–119.

⁴⁰ Dani Rodrik and Stefanie Stantcheva, “Fixing capitalism’s good jobs problem”, *Oxford Review of Economic Policy*, vol. 37, No. 4 (2021), pp. 824–837, at p. 828.

⁴¹ Kate Philip, Anda David and Kwena Mabye, “Getting the just transition to work for everyone isn’t easy but it can be done”, Daily Maverick, 20 February 2023.

⁴² David N.F. Bell and David G. Blanchflower, “Young people and the Great Recession”, IZA Discussion Paper, No. 5674 (Bonn, April 2011), p. 6.

⁴³ *The Sustainable Development Goals Report 2022*, p. 43.

⁴⁴ European Commission, “The reinforced Youth Guarantee”. Available at: <https://ec.europa.eu/social/main.jsp?catId=1079&langId=en>.

⁴⁵ Verónica Escudero and Elva López Mourelo, “The European Youth Guarantee: a systematic review of its implementation across countries”, ILO Research Department Working Paper, No. 21 (2017); and Werner Eichhorst and Ulf Rinne, “The European Youth Guarantee: a preliminary assessment and broader conceptual implications”, IZA Policy Paper, No. 128 (2017).

⁴⁶ ILO, *World Employment and Social Outlook: Trends 2022*, p. 23, table 1.1.

⁴⁷ United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), “Gender equality: women’s rights in review 25 years after Beijing” (2020), p. 7.

seek to support women's participation and since they provide equal wages to women and men, they can help to address wage discrimination.⁴⁸ In India, because many women in rural areas have otherwise limited access to paid employment, 58 per cent of beneficiaries under the Mahatma Gandhi National Rural Employment Guarantee Act were women in 2022–2023.⁴⁹ Moreover, a third of places are set aside for women and the Act requires equal wages and childcare facilities to be provided.⁵⁰ In Nepal, where women's work options are often constrained to informal agricultural work,⁵¹ a programme to improve transport infrastructure to challenge job segregation – the Strengthening the National Rural Transport programme – provides jobs, with quotas for women's access and a guarantee of equal pay for equal work, linked with provision of free and safe transport. The programme also seeks to ensure women are not only allocated to unskilled roles within the programme and to challenge gender roles: 70 per cent of those employed as part of road maintenance groups are women.⁵² In general, public employment schemes open to women, providing equal pay, with worksites close to home and safe transport, and with part-time work available and designed to fit around care responsibilities, can expand women's options and challenge the patriarchal nature of many labour markets.⁵³

20. The third group are the long-term unemployed. The longer a person is without a job, the more difficult it becomes for that person to gain access to employment: the probability of finding work is 0.3 in the week after unemployment, 0.08 after eight weeks and down to just 0.02 in the year after unemployment.⁵⁴ Part of the problem is the discriminatory attitude of employers towards the long-term unemployed, an issue discussed elsewhere by the Special Rapporteur.⁵⁵ Such attitudes can be challenged, however, once the employer sees the potential employee in a period of work.⁵⁶ Participation in a public employment scheme may therefore help overcome the high barriers the long-term unemployed face. This is also a finding from the experiments of the Territoires zéro chômeurs longue durée scheme in France, launched in 2016 and now covering 53 municipalities, and of the Marienthal pilot in Austria

E. Providing an automatic stabilizer for the economy

21. By creating jobs in times of economic downturn, and supporting the transition to jobs in times of growth, a job guarantee scheme can act countercyclically, maintaining income levels and demand during downturns and reducing the wider consequences of unemployment.⁵⁷ In India, for instance, the workdays provided under the Mahatma Gandhi National Rural Employment Guarantee Scheme increased by 94 per cent in comparison to the previous year after the COVID-19 pandemic hit the economy, reaching a peak in June–

⁴⁸ ILO, *Illustrated Guidelines for Gender-responsive Employment Intensive Investment Programmes* (Geneva, 2015).

⁴⁹ Sobhana K. Nair, "Women break new ground in Mahatma Gandhi National Rural Employment Guarantee Scheme", *The Hindu*, 31 December 2022.

⁵⁰ Deepta Chopra, "Gendering the design and implementation of MGNREGA", Office of Research – Innocenti, United Nations Children's Fund, 6 November 2019.

⁵¹ ILO Country Office for Nepal, "Nepal labour market update" (January 2017).

⁵² ILO, "Nepal: road maintenance as a vehicle for social inclusion and decent work for women" (2019), p. 3.

⁵³ For examples of public works schemes designed to challenge gender roles and contribute to the economic empowerment of women, see Olivier De Schutter, *Gender Equality and Food Security: Women's Empowerment as a Tool against Hunger* (Manila, Food and Agriculture Organization of the United Nations and Asian Development Bank, 2013), pp. 55–59.

⁵⁴ Antoni Calvo-Armengol cited by Jon Wisman and Nicholas Reksten, "Rising job complexity and the need for government guaranteed work and training", in *The Job Guarantee: Toward True Full Employment*, Michael Murray and Mathew Forstater, eds. (New York, Palgrave Macmillan, 2013), p. 24.

⁵⁵ [A/77/157](#), para. 13.

⁵⁶ Giuliano Bolini, "Employers' attitudes towards long-term unemployed people and the role of activation in Switzerland", *International Journal of Social Welfare*, vol. 23 (2014), pp. 421–430, at p. 427.

⁵⁷ Tcherneva, *The Case for a Job Guarantee*, pp. 53–54.

July 2020.⁵⁸ A 2021 survey assessing the performance of the scheme in a number of communities in Bihar, Karnataka, Maharashtra and Madhya Pradesh raised a number of concerns over unmet need and payment delays, but it also found important insurance effects from the scheme. For those households who lost income from sources other than the scheme during the pandemic, increased earnings under the scheme compensated for between 20 and 80 per cent of the income loss.⁵⁹ Other developing countries also sought to rely on public employment programmes to face the employment impacts of the crisis, although the more limited fiscal space of these countries made it more difficult for them to act on a large scale.⁶⁰

F. Building assets and providing goods and services

22. Job guarantee schemes can also serve to supply goods and services undersupplied by the markets either because they are public goods, such as infrastructure works, or because of the limited ability to pay of the potential beneficiaries, for instance those in need of care services.

23. In the past, public works schemes have focused on heavy (and relatively labour-intensive) infrastructure works, such as building roads or improving water management. Such schemes have become more diversified in recent years, a trend that the COVID-19 pandemic accelerated. The South African Presidential Employment Stimulus, an additional scheme to the Extended Public Works Programme, created 795,151 jobs between October 2020 and December 2022, two thirds of which (596,109) were in the basic education sector, providing teaching assistants and support for schools. Through its Social Employment Fund, the Presidential Employment Stimulus also supports community-driven initiatives to create “work for the common good”, supporting community-led initiatives (for instance, placemaking, work to combat gender-based violence, food security, upgrading informal settlements and early child development), as well as employment in the cultural sector. In Pakistan, the 10 Billion Tree Tsunami project employs 65,000 workers a day to plant 10 billion trees to adapt to climate change.⁶¹

24. The assets created through public employment schemes can have major and lasting impacts. Irrigation channels constructed through the Program Nasional Pemberdayaan Mandiri (National Programme for Community Empowerment) in Indonesia extended the growing year into the dry season, increasing unhulled rice output by 50 per cent. The Karnali Employment Programme in Nepal served to improve roads, with important savings in travel time.⁶² Wells have been built under the Mahatma Gandhi National Rural Employment Guarantee Scheme. Many such examples could be provided.⁶³

G. Strengthening local resilience

25. A job guarantee can improve resilience to shocks and contribute to social stability. Public employment improves local resilience both by protecting income security at household level and by maintaining economic demand, thus avoiding the cascading damage the spread of unemployment would otherwise produce. Moreover, where such schemes allow investment in better environmental management (such as of soil and water), these can also improve productivity and reduce the effect of climate disruptions and biodiversity loss on food security. In Ethiopia, for instance, the Productive Safety Net Programme generated

⁵⁸ Farzana Afridi, Kanika Mahajan and Nikita Sangwan, “Did MNREGA cushion job losses during the COVID-19 crisis? The Wire, 11 February 2021.

⁵⁹ Azim Premji University, *Employment Guarantee during COVID-19: Role of MGNREGA in the Year after the 2020 Lockdown* (Bengaluru, Centre for Sustainable Employment at Azim Premji University and the National Consortium on the National Rural Employment Guarantee Act, 2022), p. 60.

⁶⁰ ILO, *Public Employment Initiatives and the COVID-19 Crisis*, p. 3.

⁶¹ *Ibid.*, p. 63.

⁶² Gehrke and Hartwig, “Productive effects of public works programs”, p. 120 (reviewing 15 such schemes in low- and middle-income countries).

⁶³ Anjor Bhaskar, Sunil Gupta and Pankaj Yadav, “Well worth the effort: value of MGNREGA wells in Jharkhand”, *Economic and Political Weekly*, vol. 51, No. 19 (2016), pp. 40–48.

improvements in irrigation, leading to a 12 per cent increase in vegetable yields.⁶⁴ And while the proportion of households reporting food insecurity increased by 11.7 percentage points in 2020 as a result of the COVID-19 pandemic, the increase was only 2.4 percentage points for households participating in the Productive Safety Net Programme; the households were also less likely to reduce spending on health and education (7.7 percentage points) and agricultural inputs (13 percentage points) than other households.⁶⁵ Finally, by providing employment opportunities to young people, a job guarantee can help to avoid resentment and potential radicalization.

H. Promoting local democracy and civic participation

26. Provided that inclusive decision-making processes are put in place, ensuring that women⁶⁶ and socially marginalized groups participate effectively, the establishment of a job guarantee can provide an opportunity for local engagement, where the projects to be supported by public employment are identified by the communities of users.⁶⁷ Effective participation also ensures that the projects supported contribute effectively to local development: in general, active labour market policies are only effective when designed with the involvement of social partners.⁶⁸ The French Territoires zéro chômeurs longue durée scheme, for instance, is structured to facilitate the involvement of multiple partners in local communities to help decide and co-produce work with jobseekers. This is the most adequate response to the critique often addressed to public works programmes, which is that these can result in “make-work jobs”, rather than providing meaningful, valued work and useful outputs.

27. Participation is also important because the design of the job guarantee should take into account that certain of its objectives may be at variance with one another. For instance, the countercyclical function of the job guarantee implies that some workers would be employed for short periods, as the economy contracts and then grows. Yet, the need to invest for the long-term acquisition of the skills required, for example, to retrofit buildings may be in tension with the need to be able to release workers back into the private sector as employment grows.⁶⁹ There may also be a tension between creating new forms of work in sectors the market undersupplies and fostering skills and training that can lead the participants to graduate from the scheme. Such tensions, and the careful balance to be struck between conflicting objectives, are best dealt with by allowing priorities to be set at the local level, through participatory processes.

IV. Varieties of employment guarantee schemes

28. A large panoply of job guarantee schemes exist. There is no single best model: each scheme should take into account local conditions and be co-designed by social partners, civil society and public authorities. The Special Rapporteur identifies a number of questions that such co-construction processes should address.

⁶⁴ Mateusz Filipiński and others, *General Equilibrium Impact Assessment of the Productive Safety Net Programme in Ethiopia* (New Delhi, International Initiative for Impact Evaluation, 2017), p. 37.

⁶⁵ Kibrom A. Abay and others, “COVID-19 and food security in Ethiopia: do social protection programs protect?”, Policy Research Working Paper, No. 9475 (Washington, D.C., World Bank, 2020), p. 3.

⁶⁶ Rebecca Holmes and Nicola Jones, “Public works programmes in developing countries: reducing gendered disparities in economic opportunities?”, paper prepared for the International Conference on Social Cohesion and Development, 20 and 21 January 2011, Paris (2011), p. 5.

⁶⁷ Colin Andrews and Adea Kryeziu, “Public works and the jobs agenda: pathways for social cohesion?”, background paper for the *World Development Report 2013: Jobs* (2012).

⁶⁸ Rodrik and Stantcheva, “Fixing capitalism’s good jobs problem”, p. 828.

⁶⁹ Adam King, “Critical reflections on the job guarantee proposal”, *Studies in Political Economy*, vol. 101, No. 3 (2020), pp. 230–244, at p. 236.

A. Universal versus targeted approaches

29. The job guarantee scheme may be designed as open to all adults able and willing to work, which is equivalent to saying that its participants will be chosen based on self-targeting. This is the approach, for instance, of the Mahatma Gandhi National Rural Employment Guarantee Scheme in India, although the 100 days guarantee is addressed to households rather than individuals. While self-targeting may not reach all of the poorest people (particularly those in most need), it can minimize inclusion errors without a test of poverty.⁷⁰ A study from Bihar in India found that the “participation rate [in the Mahatma Gandhi National Rural Employment Guarantee Scheme] falls steadily from 35% of the population for the poorest few wealth percentiles to nearly zero for the richest”.⁷¹ The good fit between participants in the scheme and people in poverty, however, is largely attributable to the fact that the wages are set at a very low level, equivalent or close to the minimum wage: in schemes relying on self-targeting thus conceived, in contexts in which the funds allocated to the scheme are limited, there is therefore a trade-off between appropriate coverage (limiting overinclusion), on the one hand, and ensuring decent wages are paid, on the other hand.

30. Alternatively, the job guarantee scheme may focus on specific categories or areas. Means testing looks attractive if the intention is to enlarge the opportunities for the poorest groups. Targeting is, however, very different from reaching people: exclusion and inclusion errors are widespread in means-tested schemes in all contexts. Means testing also requires accurate and up-to-date information on individual and household circumstances, which low-income countries rarely have the capacity to collect;⁷² and the proxy means tests used in the absence of more accurate data can only be weakly associated with poverty (especially in the short term).⁷³ In one of his previous reports, the Special Rapporteur noted the limits of such forms of targeting, not least since social registries may exclude the poorest people.⁷⁴ Excessively narrow targeting in circumstances of widespread poverty will inevitably lead to the exclusion precisely of the poorest households who are the most difficult to reach, and who may experience the greatest difficulties in proving that they are below a certain level of income or who may be most fearful of the stigma attached to having to provide such evidence.

31. Geographic targeting has been widely used in public employment programmes. The Mahatma Gandhi National Rural Employment Guarantee Scheme is specifically targeted to rural areas. In Ethiopia, the Productive Safety Net Programme targets drought-prone (and so food insecure) communities.⁷⁵ In Mexico the Programa de Empleo Temporal is specifically targeted towards small communities (with less than 5,000 inhabitants).⁷⁶ Such approaches are easier to administer than targeting low-income households through means-testing. However, they will miss out many who are in need since not all poor people live in the poorest places. Choices of areas may also exacerbate existing resentment between beneficiary and excluded communities.

32. Community-based targeting involves including community members in deciding who ought to be included in social programmes. It has been used in the Ethiopian Productive Safety Net Programme, alongside geographic targeting: community meetings are used to

⁷⁰ Esther Gehrke and Renate Hartwig, “How can public works programmes create sustainable employment?”, discussion paper (Bonn, German Development Institute, 2015), p. 9.

⁷¹ Rinku Murgai, Martin Ravallion and Dominique van de Walle, “Is workfare cost-effective against poverty in a poor labor-surplus economy?”, Policy Research Working Paper, No. 6673 (Washington, D.C., World Bank, 2013), p. 2.

⁷² David Coady, Margaret Grosh and John Hoddinott, “Targeting outcomes redux”, *World Bank Research Observer*, vol. 19, No. 1 (2004), pp. 61–85, at p. 81.

⁷³ Stephen Kidd, Bjorn Gelders and Diloá Bailey-Athias, “Exclusion by design: an assessment of the effectiveness of the proxy means test poverty targeting mechanism”, Extension of Social Security Working Paper, No. 56 (Geneva, ILO, 2017), p. 5.

⁷⁴ A/HRC/50/38, para. 30.

⁷⁵ Kibrom Abay and others, “Social protection and resilience: the case of the Productive Safety Net Program in Ethiopia”, *Food Policy*, vol. 112 (2022), p. 2.

⁷⁶ Maikel Lieuw-Kie-Song, Susana Puerto and Mito Tsukamoto, “Boosting youth employment through public works”, Employment Working Paper, No. 203 (Geneva, ILO, 2016), p. 52.

identify who is most at need.⁷⁷ Such an approach capitalizes on local knowledge and strengthens legitimacy.⁷⁸ Exclusion errors abound, however. The Ethiopian Productive Safety Net Programme is estimated to exclude 81 per cent of intended recipients. When the Vision 2020 Umurenge Programme of Rwanda used community targeting, it excluded 97 per cent of intended recipients (the targeting criteria have since been changed to a proxy means test).⁷⁹ The community-based targeting mechanism used in a World Food Programme project in Somalia was thus found to have paid too little attention to the role of clans, leading to the omission of many marginalized persons.⁸⁰ Allowing community members to decide on beneficiaries may build some acceptability. Yet, it cannot be blindly assumed that communities assess need effectively and indeed will not discriminate. The risks of elite capture, nepotism and fuelling social exclusion are real.⁸¹

33. Categorical targeting involves determining eligibility by clearly observable and understood demographic or social criteria. The key benefit of categorical targeting is that it may be used without significant information requirements and may be used to prioritize those who are generally vulnerable in the labour market, such as women or young persons or the long-term unemployed. The Territoires zéro chômeurs longue durée scheme in France or the Marienthal scheme in Austria, for instance, focus on the long-term unemployed; the European Youth Guarantee focuses on youth. Of course, whether such an approach will ensure that the job guarantee will contribute to poverty eradication will depend on how closely poverty relates to the category used in targeting: if the association is weak, then the contribution will be rather minimal.

34. Whatever method is used to determine eligibility, it is essential to ensure that the job guarantee scheme will reach people in poverty: while they may benefit the most from such a scheme, they may also face the most hurdles in accessing it.⁸² The Special Rapporteur reiterates in this regard the potential benefits of affirmative action and outreach measures to ensure low-income households are informed and can seize the opportunities of the scheme.⁸³

B. Setting the pay

35. In high-income countries, schemes typically provide cash benefits: where food stamps have been used, these have often been resented as a form of paternalism and as feeding stereotypes about the inability of people in poverty to make the right choices. Food and other in-kind support (such as agricultural inputs or other productive assets) has more often been used, alone or alongside cash, in low- and middle-income countries. Yet even in these countries, the consensus has shifted towards using cash (and sometimes vouchers) in preference to in-kind support.⁸⁴ Cash gives choice and power to individuals. It stimulates local markets with multiplier effects. It is cheaper to provide as there is no need to transport goods.⁸⁵ It leads to better nutritional outcomes.⁸⁶

⁷⁷ Abay and others, “Social protection and resilience”, p. 2.

⁷⁸ Anna McCord, “Community-based targeting in the social protection sector” (London, Overseas Development Institute, 2017).

⁷⁹ Stephen Kidd and Diloá Athias, “Hit and miss: an assessment of targeting effectiveness in social protection”, Development Pathways Working Paper (March 2019), p. 48.

⁸⁰ Nick Maunder and others, *Somalia: An Evaluation of WFP’s Portfolio (2012–2017) – Evaluation Report: Volume I* (Rome, World Food Programme, 2018), para. 109.

⁸¹ Kia Howson, “Three reasons community-based targeting is a threat to social stability”, Development Pathways, 5 January 2023.

⁸² Joseph Hanlon, Armando Barrientos and David Hulme, *Just Give Money to the Poor: the Development Revolution from the Global South* (Sterling, Virginia, Kumarian Press, 2010), p. 116.

⁸³ A/HRC/50/38 (on the risks of non-take-up); and A/77/157 (paras. 37–40) (on class-based affirmative action).

⁸⁴ Benjamin Schwab, “Comparing the productive effects of cash and food transfers in a crisis setting: evidence from a randomized experiment in Yemen”, Office of Research – Innocenti, United Nations Children’s Fund, Working Paper WP-2018-09 (June 2018), p. 3.

⁸⁵ Ugo Gentilini, “Revisiting the ‘cash versus food’ debate: new evidence for an old puzzle?”, *World Bank Research Observer*, vol. 31, No. 1 (2016), p. 148.

⁸⁶ Schwab, “Comparing the productive effects of cash and food transfers in a crisis setting”, pp. 3 and 4.

36. In-kind support may be advisable under certain circumstances, however. The Ethiopian Productive Safety Net Programme, for example, provides a mix of cash and grain. When high inflation hit in 2008, to receive food directly was a safer option than to receive cash to buy it on the market: the proportions opting for cash reduced from 74 per cent in 2005 to 48 per cent in 2008 (concurrent food price inflation in Ethiopia was 350 per cent).⁸⁷

37. Public employment schemes typically pay the statutory minimum wage, ensuring that this minimum wage is sustained across the whole economy. Only rarely do such schemes pay wages that are higher:⁸⁸ this ensures that the costs will remain limited and that participants will be encouraged to graduate from the programme. It also ensures a form of self-targeting, attracting mainly people in poverty, where the programme is designed as universal. For the same reason, some schemes rely on a flat rate.⁸⁹ A more graduated pay level, however, set in line with education and experience,⁹⁰ may reduce the risk of the scheme being used to undercut higher paid sectors of employment. It may also make the scheme more attractive to more qualified workers, making it more popular within the precarious middle class.

C. Duration of scheme participation

38. Participation in public employment schemes is typically limited in time or, such as the Mahatma Gandhi National Rural Employment Guarantee Scheme, constrain the days of work.⁹¹ In Côte d'Ivoire, for instance, the Travaux à haute intensité de main d'œuvre scheme allows for participation of six months at most; many schemes cap participation at one year. Only with relatively long periods of participation can assets be accumulated, however; for instance, five years will generally be needed in the case of the Ethiopian Productive Safety Net Programme to observe livestock improvements.⁹² In high-income countries, the fear of lock-in effects has generally prevailed, perhaps motivating OECD advice for high-income countries to scale back public employment schemes implemented to buffer the COVID-19 pandemic.⁹³

V. Objections to the job guarantee

A. Affordability

39. It is sometimes argued that job guarantee schemes are costly. The nationwide Mahatma Gandhi National Rural Employment Guarantee Scheme represented approximately 0.3 per cent of GDP in the financial year 2019/20, down from a high point of 0.6 per cent in 2009/10.⁹⁴ Spending on the Argentinian Jefes y Jefas scheme during the 2001/02 financial crisis was 1 per cent of GDP.⁹⁵ The introduction of a job guarantee in the United States would represent 1.33 per cent of GDP.⁹⁶

40. Such investments should be assessed against the huge costs of unemployment, which go far beyond the loss of tax revenues and the social protection provided to jobseekers by the

⁸⁷ Narayan, "Fifteen years of India's NREGA", p. 787.

⁸⁸ Gehrke and Hartwig, "Productive effects of public works programs", table 1.

⁸⁹ L. Randall Wray and others, *Public Service Employment a Path to Full Employment* (Annandale-on-Hudson, New York, Levy Economics Institute of Bard College, 2018), p. 3.

⁹⁰ Mark Paul, William Darity, Jr. and Darrick Hamilton "The federal job guarantee – a policy to achieve permanent full employment" (Washington, D.C., Center on Budget and Policy Priorities, 2018), p. 11.

⁹¹ Gehrke and Hartwig, "Productive effects of public works programs", p. 116.

⁹² Ibid.

⁹³ OECD, "Designing active labour market policies for the recovery", 15 July 2021, p. 3.

⁹⁴ Narayan, "Fifteen years of India's NREGA", p. 787, table 2.

⁹⁵ Daniel Kostzer, "Argentina: a case study on the *Plan Jefes y Jefas de Hogar Desocupados*, or the employment road to economic recovery", Working Paper No. 534 (Annandale-on-Hudson, New York, Levy Economics Institute of Bard College, 2008), p. 18.

⁹⁶ Tcherneva, *The Case for a Job Guarantee*, pp. 76–79.

State in countries in which unemployment benefits exist.⁹⁷ In 2021, OECD countries spent an average of 0.58 per cent of GDP on unemployment assistance.⁹⁸ With joblessness comes poorer health, shorter lives, psychological distress and reduced future employability and earnings. Long-term unemployed persons lose social networks; they express lower levels of life satisfaction and social integration;⁹⁹ and they are stigmatized as not contributing to society.¹⁰⁰ The health impacts of unemployment, particularly the mental health impacts (which are especially severe for men), occur after even short periods of unemployment.¹⁰¹ Unemployed persons are around twice as likely to report psychological problems as those who are in work.¹⁰² In the United States, male workers who were laid off in the early to mid-1980s were more likely to die in the years immediately after unemployment.¹⁰³ In New Zealand, unemployment was found to increase by a factor of two to three the chances of dying by suicide.¹⁰⁴ Unemployment is also correlated with higher delinquency¹⁰⁵ and youth unemployment, in particular, may increase the risk of conflict.¹⁰⁶

41. Unemployment is also corrosive within families. It increases domestic violence.¹⁰⁷ It reduces children's chances of entering tertiary education:¹⁰⁸ in Germany, long-term unemployment of fathers reduces the chance of children staying on in tertiary education by 17 percentage points.¹⁰⁹ Youth unemployment also reduces later employment chances and pay: in the United Kingdom of Great Britain and Northern Ireland, early experience of youth unemployment results in a 12–15 per cent penalty on wages at age 42;¹¹⁰ in the United States, a six-month spell of unemployment when young equates, on average, to a loss of \$22,000 of later earnings over the following 10-year period.¹¹¹

42. Conversely, ensuring full employment results in reduced health costs for the working-age population, higher tax returns from full employment and from increased formalization of the workforce, and multiplier effects from spending in local economies and the value of public works. Any assessment of the benefits of a job guarantee should also capture the

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- ⁹⁷ L. Randall Wray, "The employer of last resort programme: could it work for developing countries?", Economic and Labour Market Papers, No. 2007/5 (Geneva, ILO, 2007).
- ⁹⁸ OECD, "Public unemployment spending" (indicator). Available at: <https://doi.org/10.1787/55557fd4-en>.
- ⁹⁹ Laura Pohlen, "Unemployment and social exclusion", *Journal of Economic Behavior & Organization*, vol. 164 (2019), pp. 273–299, at p. 283.
- ¹⁰⁰ Robert Walker, *The Shame of Poverty* (Oxford, Oxford University Press, 2014), p. 45.
- ¹⁰¹ Matteo Picchio and Michele Ubaldi, "Unemployment and health: a meta-analysis", IZA Discussion Paper, No. 15433 (Bonn, 2022).
- ¹⁰² Karsten I. Paul and Klaus Moser, "Unemployment impairs mental health: meta-analyses", *Journal of Vocational Behavior*, vol. 74, No. 3 (2009), pp. 264–282.
- ¹⁰³ Daniel Sullivan and Till von Wachter, "Job displacement and mortality: an analysis using administrative data", *Quarterly Journal of Economics*, vol. 124, No. 3 (2009), pp. 1265–1306, at p. 1266.
- ¹⁰⁴ T.A. Blakely, S.C.D. Collings and J. Atkinson, "Unemployment and suicide. Evidence for a causal association?", *Journal of Epidemiology and Community Health*, vol. 57, No. 8 (2003), pp. 594–600, at p. 596.
- ¹⁰⁵ Steven P. Raphael and Rudolf Winter-Ebmer, "Identifying the effect of unemployment on crime", University of California, San Diego, Economics Discussion Paper, No. 98-19 (1999), p. 23.
- ¹⁰⁶ World Bank, *World Development Report 2011: Conflict, Security, and Development* (Washington, D.C., 2011), p. 80. Of course, many other factors play a role in causing political violence: Kari Paasonen, "Does unemployment drive political violence and protest? Focusing on the case of the Middle Eastern and North African youth", *Conflict Trends*, 1 (2022).
- ¹⁰⁷ Sonia Bhalotra and others, "Job displacement, unemployment benefits and domestic violence", CAGE (Centre for Competitive Advantage in the Global Economy) Working Paper, No. 573 (2021), p. 3.
- ¹⁰⁸ Michael Coelli, "Parental job loss and the education enrolment of youth", *Labour Economics*, vol. 18, No. 1 (2011), pp. 25–35, at p. 29.
- ¹⁰⁹ Kristina Lindemann and Markus Gangl, "The intergenerational effects of unemployment: how parental unemployment affects educational transitions in Germany", *Research in Social Stratification and Mobility*, vol. 62 (2019), p. 8.
- ¹¹⁰ Paul Gregg and Emma Tominey, "The wage scar from youth unemployment", CMPO Working Paper Series, No. 04/097 (2004).
- ¹¹¹ Sarah Ayres Steinberg, "The high cost of youth unemployment" (Center for American Progress, 2013).

productivity returns of a more skilled and healthy workforce, which would be expected to grow over time. A “marginal value of public funds” approach,¹¹² or comparable methodologies, could be used to assess the full range of benefits of the job guarantee scheme, not only for the participants, but also for public welfare more broadly.

43. Considering the important benefits to society of tackling unemployment and of providing goods and services undersupplied by the market, financing from general taxation would be fully justified. Some schemes may, moreover, pay for themselves, where they are financed from ringfenced unemployment insurance funds.¹¹³ Official development assistance has occasionally funded public employment schemes, as was the case with the Productive Safety Net Programme in Ethiopia.¹¹⁴ Other, more innovative, financing options exist. Trinidad and Tobago finance their public employment programme with oil revenues; and Colombia is considering using assets seized from drug traffickers to finance public employment schemes.¹¹⁵

B. Impacts on the labour market

44. The impacts of the introduction of a job guarantee scheme on the labour market need to be carefully considered. Two separate yet symmetrical concerns have been raised. On the one hand, a job guarantee may result in a form of unfair competition with existing economic actors if it pays wages below the market rate. It could also lead public administrations to downsize certain services and outsource them to the job guarantee scheme. This could threaten incumbents and lead to job losses, running counter to the very objectives underlying the job guarantee.¹¹⁶ Job guarantee schemes can be designed to prevent such impacts: in the Territoires zéro chômeurs longue durée scheme, the enterprises created to employ the long-term unemployed are set up to exclude any competition with the private sector.

45. On the other hand, however, competition with existing economic actors may be a virtue, where the job guarantee scheme provides better wages and working conditions, thus raising the bar across the employment market and strengthening the bargaining power of workers across the economy.¹¹⁷ This effect has been seen, in India, with the Mahatma Gandhi National Rural Employment Guarantee Scheme¹¹⁸ and, in Ethiopia, with the Productive Safety Net Programme.¹¹⁹

C. From welfare to workfare

46. The fear has been expressed that current social protection policies may be endangered by the introduction of a job guarantee scheme. Might a job guarantee scheme not be used as a convenient pretext for making social protection conditional upon accepting a job, provided

¹¹² Nathaniel Hendren and Ben Sprung-Keyser, “A unified welfare analysis of government policies”, *Quarterly Journal of Economics*, vol. 135, No. 3 (2020), pp. 1209–1318.

¹¹³ ILO, *Public Employment Initiatives and the COVID-19 Crisis*, pp. 27–32.

¹¹⁴ United Nations Children’s Fund Ethiopia, “Budget brief: social protection – updated with national data for 2017/18” (2018).

¹¹⁵ “Professor Pavlina Tcherneva helps chart a path for job guarantee program in Colombia”, Bard College, 13 December 2022.

¹¹⁶ Sustainable Prosperity Action Group, “The case for a job guarantee” (August 2022), p. 24; and Guy Standing, “Why a job guarantee is a bad joke for the precariat – and for freedom”, Open Democracy, 7 September 2018. See also Max Gulker, “The job guarantee: a critical analysis” (American Institute for Economic Research, 2018), p. 4.

¹¹⁷ Anthony B. Atkinson, *Inequality: What Can Be Done?* (Cambridge, Massachusetts, Harvard University Press, 2015), p. 144.

¹¹⁸ Clément Imbert and John Papp, “Labor market effects of social programs: evidence from India’s employment guarantee”, Centre for the Study of African Economies Working Paper, No. 2013-03 (2013); and Karthik Muralidharan, Paul Niehaus and Sandip Sukhtankar, “General equilibrium effects of (improving) public employment programs: experimental evidence from India”, National Bureau of Economic Research Working Paper, No. 23838 (2021).

¹¹⁹ Simon Franklin and others, “Urban public works in spatial equilibrium: experimental evidence from Ethiopia”, Centre for Economic Policy Research Discussion Paper, No. DP16691 (2021).

such a job is considered “suitable”? This is a legitimate concern. There exists a strong political pressure to increase work requirements within existing social protection support, a trend sometimes described as the “activation” of social protection.¹²⁰ In countries in which social protection is weak and fiscal space limited, it may also be politically easier to provide income security by establishing or expanding public employment programmes, rather than by expanding other forms of (unconditional) social protection.

47. Such an instrumentalization of job guarantee schemes would be particularly troublesome since the success rate of workfare programmes is limited at best. Such programmes are based on paternalist assumptions of human motivation and moral failings:¹²¹ they create a welfare “ordeal” to ensure that only the most desperate will apply for social protection, since only people facing destitution will accept strong work requirements as the price to be paid for support.¹²² While workfare programmes may reduce numbers claiming welfare support,¹²³ there is little evidence that they actually increase employment rates (indeed, lock-in effects may harm the chances of getting work elsewhere), and they work the least well for those facing the highest barriers to work.¹²⁴

48. The shift from welfare to workfare is not inevitable, however. Participation in the scheme should be on a strictly voluntary basis, not as a condition for receiving other kinds of support. The introduction of a job guarantee scheme could be paired with a requirement of non-retrogression in the provision of unconditional social protection, to avoid a slide towards workfare. It could also be combined with initiatives to better value care work, performed within households or communities, often without remuneration or even formal recognition.

D. Inflation

49. It is sometimes argued that unemployment (at some rate) holds down wage demands and so inflation. It follows that, instead of full employment as the policy objective, Governments should aim for an unemployment rate that, while low, is high enough to manage inflation. The Phillips curve specifying a correlation between (low) unemployment and (high) inflation is invoked in support of this position.¹²⁵ More recently, scholars have put forward the non-accelerating inflation rate of unemployment, to refer to the lowest point that unemployment could be without triggering inflation.

50. The argument fails on a number of grounds. First, it places considerable blame for price inflation on worker pay demands, whereas other causes, such as the supply side shock of rising commodity prices (the first cause of the inflation leading to the current global cost-of-living crisis) can be an equally or more significant explanatory factor.¹²⁶ Second, the Phillips curve is outdated, based on a very different labour market to that of today. It accounts neither for periods of stagflation when high inflation and unemployment coexist, nor for periods when high employment did not trigger substantial wage growth.¹²⁷ Between 2000 and

¹²⁰ OECD, “Activating jobseekers: lessons from seven OECD countries”, in *OECD Employment Outlook 2013* (Paris, 2013); and Olivier De Schutter, “Welfare state reform and social rights”, *Netherlands Quarterly of Human Rights*, vol. 33, No. 2 (2015), pp. 123–162.

¹²¹ Del Roy Fletcher, “Workfare – a blast from the past? Contemporary work conditionality for the unemployed in historical perspective”, *Social Policy and Society*, vol. 14, No. 3 (2015), pp. 329–339.

¹²² Tomer Blumkin, Yoram Margalioth and Efraim Sadka, “The desirability of workfare as a welfare ordeal: revisited”, IZA Discussion Paper, No. 5130 (Bonn, 2010).

¹²³ Julia Griggs and Martin Evans, *Sanctions Within Conditional Benefit Systems: A Review of Evidence* (York, Joseph Rowntree Foundation, 2010).

¹²⁴ Richard Crisp and Del Roy Fletcher, “A comparative review of workfare programmes in the United States, Canada and Australia”, Department for Work and Pensions Research Report, No. 533 (2008).

¹²⁵ A.W. Phillips, “The relation between unemployment and the rate of change of money wage rates in the United Kingdom, 1861–1957”, *Economica New Series*, vol. 25, No. 100 (November 1958), pp. 283–299.

¹²⁶ Ben Broadbent, “The inflationary consequences of real shocks”, speech by a Deputy Governor of the Bank of England, given at Imperial College, London, 20 October 2022.

¹²⁷ Lukas Lehner, Paul Ramskogler and Aleksandra Riedl, “Begging thy coworker – labor market dualization and the slow-down of wage growth in Europe”, Institute for New Economic Thinking Oxford Working Paper, No. 2022-04 (Oxford, 2022).

2019, for example, inflation and unemployment were “largely disconnected” in higher income countries.¹²⁸ Similarly, the assumptions underlying the calculation of the non-accelerating inflation rate of unemployment do not take account of the role of underemployment (involuntary part-time employment) in explaining low wage growth.¹²⁹ Where public employment schemes have been introduced in low- and middle-income countries, this has not led to increased inflation.¹³⁰ Third, whatever additional inflation might result from the introduction of a job guarantee scheme, this would be modest and a one-off adjustment as unemployment is replaced by minimum wage employment and the price of labour increases.¹³¹ The purchasing power of low-income groups within society can and indeed should be protected by indexing the levels of benefits and wages to the cost of living.¹³² And where the economy takes off, driven by increased demand, the job guarantee operates as a stabilizer, as workers will move away from the scheme to better-paying jobs. Finally, to the extent that job guarantee schemes can help address labour-market bottlenecks, by training workers for employment in occupations for which there are shortages of skilled workers, they can actually reduce the risks of inflation rather than increasing them.

E. Household impacts

51. Some studies suggest that, as adults join a job guarantee scheme, children may take their place in performing work within the household or the family business.¹³³ To prevent any such risk, Governments should combine the roll-out of job guarantee schemes with investments in education and care services (especially in rural areas), and ensure that participation in such schemes can be balanced with the care responsibilities of participants.¹³⁴

52. Indeed, the response may be provided by the job guarantee schemes themselves. Across societies, the provision of care – for the old, the young and the ill – is systematically undervalued. It is undersupplied by the market and, when provided voluntarily (predominantly by women), it often goes unrecognized. Against this background, the fear has been expressed that a job guarantee might undermine self-provisioning by communities of these care needs, prioritizing paid work above the recognition and support for unpaid work done in support of communities.¹³⁵

53. However, the job guarantee may serve precisely to support the decommodification of labour and the recognition that even the work that is most vital to the health of communities may not be rewarded by the market, due either to its nature as a public good or to the limited purchasing power of those who benefit from it the most.¹³⁶ Job guarantee schemes, alongside other forms of social protection, can actually support the care economy, often with particular

¹²⁸ Weicheng Lian and Andreas Freitag, “Inflation dynamics in advanced economies: a decomposition into cyclical and non-cyclical factors”, International Monetary Fund Working Paper, No. WP/22/91 (Washington, D.C., May 2022).

¹²⁹ David N.F. Bell and David G. Blanchflower, *The Lack of Wage Growth and the Falling NAIRU*, National Bureau of Economic Research Working Paper, No. 24502 (Cambridge, Massachusetts, April 2018).

¹³⁰ Kate Orkin and others, “Designing social protection to improve employment, earnings and productivity in lower- and middle-income countries” (Oxford, University of Oxford, 2021), p. 38.

¹³¹ Pavlina R. Tcherneva, “The job guarantee and the economics of fear” (Levy Economics Institute of Bard College, 2018).

¹³² Committee on Economic, Social and Cultural Rights, general comment No. 19 (2007), para. 22; and general comment No. 23 (2016), para. 20.

¹³³ Tianshu Li and Sheetal Sekhri, “The spillovers of employment guarantee programs on child labor and education”, *World Bank Economic Review*, vol. 34, No. 1 (2020), pp. 164–178.

¹³⁴ Women’s participation in the Mahatma Gandhi National Rural Employment Guarantee Scheme led to improved school attendance by children: Farzana Afridi, Abhiroop Mukhopadhyay and Soham Sahoo, “Female labour-force participation and child education in India: the effect of the National Rural Employment Guarantee Scheme”, *Young Lives Working Paper*, No. 95 (Oxford, 2013).

¹³⁵ Adam D.K. King, “Critical reflections on the job guarantee proposal”, *Studies in Political Economy*, vol. 101, No. 3 (2020), pp. 230–244, at p. 239.

¹³⁶ Pavlina Tcherneva, “Decommodifying work: the power of a job guarantee”, in *Democratize Work: The Case for Reorganizing the Economy*, Isabelle Ferreras, Julie Battilana and Dominique Méda, eds. (Chicago, University of Chicago Press, 2022), pp. 85–90.

benefits for women. They can provide a way to remunerate care: the South African Expanded Public Works Programme and the Presidential Employment Stimulus have care as a core element (for example, in the early child development and basic education sectors). They can also reduce the burden of household responsibilities – a burden that is shouldered mostly by women, worsening their time poverty – for instance, by allowing investments in water management or in the provision of clean energy (reducing the time required to fetch water or fuelwood).¹³⁷

54. A job guarantee scheme can contribute to addressing the crisis in care and its lack of recognition, by rewarding some forms of care and reducing other unpaid work. This does not supplant the need for societies to support the reproductive economy, including through basic income schemes or other cash transfers.

F. Corruption and maladministration

55. The implementation of job guarantee schemes faces a number of challenges. There may be a mismatch between the supply of jobs and demand, especially when the need is greatest: while the Mahatma Gandhi National Rural Employment Guarantee Scheme creates an enforceable entitlement to work, at times 44 per cent of those who wanted work under the scheme were not able to do so.¹³⁸ Payment delays are also frequent under public employment schemes:¹³⁹ a survey of a number of communities in several Indian states showed only 36 per cent had been paid within the stipulated 15 days, with wide variations by location.¹⁴⁰ The Special Rapporteur also heard testimonies about patronage corruption, especially in situations in which demand exceeded supply: certain applicants were excluded (or others favoured) for the benefit of allies, friends and relations. One study concerning the Productive Safety Net Programme highlighted concerns about corruption, clan politics and scheme quotas, resulting in some better-off people being included and some of those worst affected by food insecurity being excluded.¹⁴¹ Ghost workers (listed on the payroll but not participating in practice, with pay stolen by a third party) have been a concern in the South African Expanded Public Works Programme, with municipality officials prosecuted for filling posts with ghost workers for personal gain.¹⁴²

56. Adopting a rights-based approach is a first step towards reducing the risks of corruption and discrimination. This means defining access to the scheme as a legal entitlement, allowing for access to recourse mechanisms in cases of exclusion. Community-level social audits can also help to identify fraud: under the Mahatma Gandhi National Rural Employment Guarantee Scheme, such audits allow local communities to review information about who is recorded as working on the scheme, wage slips and the works carried out.¹⁴³ Technology can also help. Biometric systems using facial recognition or fingerprints to authenticate identity at worksites reduce the risk of ghost workers: this is increasingly used in South Africa to avoid the identity documents of dead people being used. Electronic payment systems giving money directly to workers minimize the risks of intermediaries corrupting the system or stealing pay. Yet, there are also significant challenges linked to the introduction of immature technologies in certain contexts.

¹³⁷ Gehrke and Hartwig, “Productive effects of public works programs”, p. 120.

¹³⁸ Martin Ravallion, “Is a decentralized right-to-work policy feasible?”, National Bureau of Economic Research Working Paper, No. 25687 (Cambridge, Massachusetts, 2019), pp. 6 and 15.

¹³⁹ Hanlon, Barrientos and Hulme, *Just Give Money to the Poor*, p. 116.

¹⁴⁰ Azim Premji University, *Employment Guarantee during COVID-19*, p. 14.

¹⁴¹ Diriba Welteji, Kerime Mohammed and Kedir Hussein, “The contribution of Productive Safety Net Program for food security of the rural households in the case of Bale Zone, Southeast Ethiopia”, *Agriculture & Food Security*, vol. 6 (2017), p. 9.

¹⁴² Samkelo Mtshali, “Crackdown on ‘ghost workers’, EPWP fraud”, *Cape Argus*, 8 February 2019.

¹⁴³ Ellen Ehmke, “India’s Mahatma Gandhi National Rural Employment Act: assessing the quality of access and adequacy of benefits in MGNREGs public works”, *International Social Security Review*, vol. 69, No. 2 (2016), pp. 3–27, at p. 13.

VI. Conclusion and recommendations

57. Conceived of as a permanent feature of employment policy that contributes to social protection, a job guarantee scheme can contribute to income security, work experience and skills development for the participants, at the same time strengthening the bargaining position of workers across the economy.

58. It can also support a just transition to a green economy and provide services to the population that are currently undersupplied. It can make the right to work an enforceable human right and a pathway to escape poverty. And it is affordable, taking into account not only the direct and indirect costs of unemployment, but also the positive contributions the works performed can deliver.

59. A job guarantee scheme will only fulfil its promises, however, if it provides decent work, as a legal entitlement for those willing to join the scheme, and is not subverted into becoming a conditionality attached to other, existing social protection schemes. The works to be performed should ideally be identified at the local level, in accordance with local priorities, giving priority to ecological transformation and unmet social needs. The scheme should be designed to minimize the risks of corruption and discrimination. Under these conditions, the introduction of a job guarantee scheme can be an important tool for a new eco-social contract, for societies to be more resilient and more sustainable, with improved social cohesion.
