

Employment matters too much to leave to markets alone

The role of public employment programmes and Employment
Guarantee Schemes in the future of full employment



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*Employment Intensive Investment Prograame
Employment Policy Research Symposium,
The Future of Full Employment
ILO, Geneva, 12 December 2019*



What are they?

- **Public Employment Programme:** a range of interventions, publically financed which share the primary objective of creating 'state-sponsored employment for working age poor who are unable to support themselves due to the inadequacy of market-based employment opportunities. PEPs usually produce assets or services that create public value and contribute to the public good, but is outside the normal public service.
- **Employment Guarantee Schemes (EGS)** – programmes which guarantee state sponsored employment to all those seeking it. (PEP that offer a guarantee. Right to work)



What is their role?

Plan A

Macro policy
Industrial policy
Development finance
Public investment
Labour market policy
ALMPs, incentives
And more

**All of the above enable
and/or shape
market-based
employment outcomes**

Plan B

For when the market
response still falls short in
delivering full employment:

**Deliver on Social
Contract through arms
of direct employment**

(PEPS) / employment
guarantees / the state as
employer of last resort



Are they affordable? MGNREGA in India:

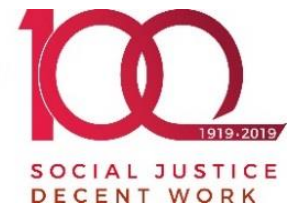
- *Under the Mahatma Gandhi National Rural Employment Guarantee Act, the state guarantees every rural household up to 100 days of work per annum, as needed.*
- *It's a right. Over 60 million people participate annually.*



Full Employment
Guarantee



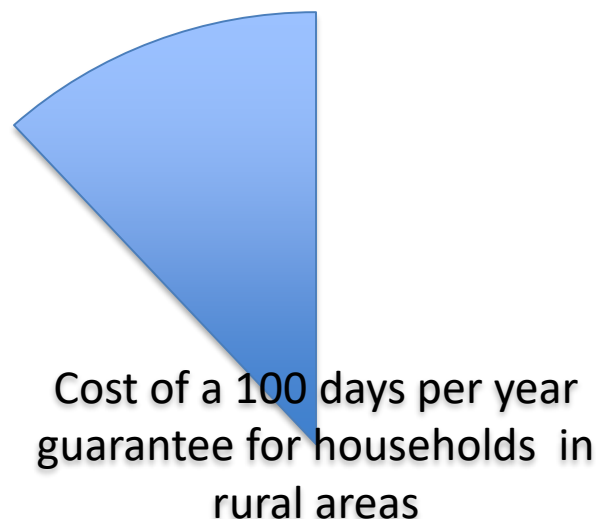
Are they affordable? MGNREGA in India:



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Are they affordable? MGNREGA in India:



- Costs are manageable- by design- EGS far from a blank check! (But any of these parameters can be relaxed if you want a fuller guarantee)
- Realities of implementation: actual taken up-50 million
- Result: actual cost: around 0.5% of GDP

Why not Universal Income instead of Full Employment?



Income security matters. Whether through UBI or other social protection measures.

But few people want to rely on minimum incomes all their working life.



UBI/Jobs Guarantee: Not a binary choice:
Scope for synergies and complementarities

Full Employment...because:

Social value of work

*Work is not just a means for distributing purchasing power. It is also among the most **important sources of identity and purpose** in individual's lives. If the **role of work in society is to shrink**, other **sources of purpose and identity will need to grow.** (Avent, 2016)*



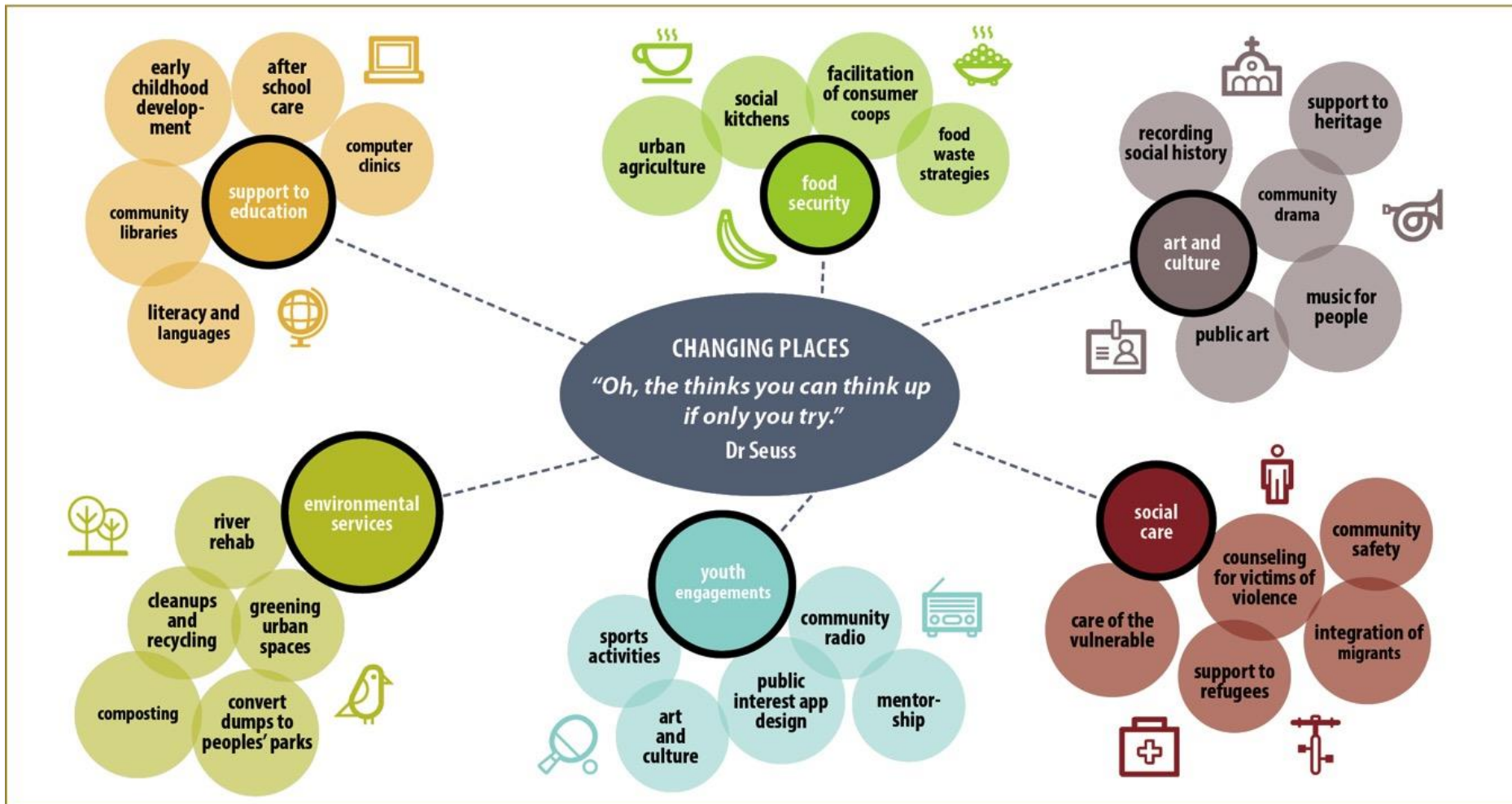
What is our recent experiences?

- Set a labour standards floor (India)
- Provide pathways out of informality (South Africa)
- Contribute to paid work in the care economy (South Africa, Egypt)
- Respond to migration and displacement (Jordan)
- Provide activation and transition as an ALMP (Greece, South Korea)
- Reach higher skilled workers, not just the unskilled/ poorest (Greece, South Korea)



While versatile and common: Experience on some issues limited, unintended consequences to be managed and evidence sometimes still thin- **much more to learn**

But what will people do?



There's work to be done to (re) build the commons: Experiment with **new forms of work** AND reassess how we place a value on **work**

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What we need now is **experimentation and innovation** in the strengthened use of this EGS/PEPs as a policy instrument:

- To end involuntary unemployment and underemployment– not as a crisis response but as an institutionalised, counter-cyclical part of the labour market
- To use PEPs to set a labour standards floor – giving people alternatives.
- To design integrated approaches that synergise with minimum incomes and other social protection policies
- To identify new forms of public value creation – through new forms of work
- To use for PEPs to strengthen the commons and create new forms of social engagement in strengthening communities.

