

# The Climate Case for a Jobs Guarantee

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Illustration: Viktor Hachmang for Bloomberg Green

Say it's the very near future, and you're a worker put out of work in the declining oil industry. You're highly educated, and you've been well-compensated, but as it becomes clear that burning more oil will wreck Earth and civilization, the stuff you make gets properly priced to reflect that reality, and quickly your industry ceases to exist. Good for the planet, but you're out of a job! What to do?

You go to the local job center, which tells you the U.S. Department of Energy is sponsoring a public-private company to build direct-air-capture factories. Now instead of pumping a source of carbon dioxide out of the ground, you get to suck CO<sub>2</sub> out of the atmosphere and inject it back underground. You already know how to work with pumps and pipes from your old job, and though CO<sub>2</sub> removal is a new industry, it's scaling up fast. And you have a real right to work, as stated in the United Nations Universal Declaration of Human Rights—and, ever since passage of the Great Pandemic Recovery Act, as stated in federal law, too. A good job is a good job.

You go to work and soon move to a company that's rendering captured CO<sub>2</sub> into building materials that can replace concrete and steel. You end up making a good living by doing work necessary for saving the planet from a catastrophic overheating. All good! Your experience is similar to millions of others, all performing different new jobs in different new situations—some moving from jobs lost to the Covid-19 depression and its rearrangements, others to technological improvements, others still to climate pressures—all together adding up to a huge jobs shakeup and reorganization. But on a warming, carbon-clogged planet there is always more work to be done than people to do it. And because there is, in this possible future, also a federally mandated job guarantee, you

and millions of others are finding your way to the new jobs popping up everywhere. The coordination and sometimes the pay are provided by government, while the specific job requests come from any local projects that need labor.

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**The scenario outlined above** is compiled from signs coming from all over, not least of which are the weekly U.S. unemployment numbers that have been reaching seven digits. There’s a major-party presidential candidate out there right now calling for a public jobs corps consisting of 100,000 health workers. And there’s also an economic case for a full-employment vision expressed by modern monetary theory. This economics discipline is usually understood to be a new kind of Keynesianism that might replace austerity policies of the neoliberal era. It advocates creating new money to pay for necessary work and argues that government debt can always be dealt with by later government actions, so creating this new money for good purposes need not be regarded as wrong or dangerous. Some conventional economists have attacked what they see as MMT’s cavalier treatment of money, and critics sometimes call the discipline “magic money tree.” Inflation might result from such money creation—or deflation. Opinions differ, but all agree destabilization would be disastrous.

It’s been pointed out that Americans haven’t much stopped deficit spending since World War II, and yet we haven’t experienced the predicted catastrophes. The quantitative easing of 2008-2015 didn’t cause any catastrophes either. “Not yet!” the austerity advocates warn. And because austerity tries to “starve the beast,” it always has virtue for those who dislike government on principle. A pretense of fiscal caution always looks virtuous.

But now, given the 2020 coronavirus pandemic’s instantaneous and worldwide quantitative easing, we’re truly in economic theory free fall. Screenwriter William Goldman was right: Nobody knows anything, including what will happen next to money.

The theorists behind MMT want to replace our current certainty of millions without work with a much different certainty. Governments can create full employment by legislating a job guarantee, becoming the “employer of last resort,” hiring every person who comes to them asking for a job. That’s the case made by Bard College economics professor Pavlina Tcherneva and the trio of authors who wrote *Macroeconomics*, the textbook of the discipline. In that 604-page tome, the phrase always appears with capitalization: “Job Guarantee.”

It would mean that governments would set a higher minimum wage than ever before, and if that minimum were a true living wage, private enterprise would have to match it to attract workers. And then, suddenly, everyone would be both employed and making a decent living. Private enterprises would therefore have more prosperous customers, and all would then rise in a virtuous cycle. Given the immense stresses that climate change is sure to bring, finding useful work for people would not be a problem. There will be a lot to do. Recall that 5% unemployment is often said to be the “natural” level, such that

markets get nervous when the jobless rate goes lower than that. Unemployment at 5% is said to create “wage pressure,” which it definitely does, because millions of people are thereby living in fear and will take any job they can get, even ones that don’t pay enough for a secure life. The phrase “wage pressure” is yet another indication of how markets exert power to keep power. In this context, a Job Guarantee would erase wage pressure (meaning fear and misery), and the less fearful and more productive populace that resulted might thrive in a feeling of security.

But is there enough work for everybody? Yes, there is. Automation is a false problem here. Most jobs require a flexibility and creativity that only humans can bring to the task. And even if some of the jobs offered by government were make-work, such as the Works Progress Administration when it was building hiking trails and post offices in the 1930s, so what? Those trails and post offices are still useful and beautiful, and people got paid for doing good things when they otherwise would have been destitute. Arguments in favor of the unguaranteed labor market of today sometimes revolves around the word “efficiency.” But efficiency isn’t a physical constant; it’s a rubric for measuring how well a desired goal is getting done. Never make the mistake of thinking “efficient” is synonymous with “good.” All kinds of bad things can be achieved efficiently. Efficiency just means the most results with the least waste, so whether it’s good or not depends entirely on the desired goal. If the goal is prosperous people living in balance with a healthy biosphere, then a Job Guarantee, targeted at rapid decarbonization, habitat restoration, regenerative agriculture, and similarly necessary work, might be the most efficient course. If anyone doubts this, one has to ask first, are they doubting the method’s efficiency or the primacy of the goal itself? And if they think the goal is other than prosperous people living in balance with a healthy biosphere, they need to make that case—or think again. If they think there are better methods to reach that goal, more efficient methods, then they need to propose them. At least MMT is trying.

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