

The Regional Job Guarantee: Fostering Economic Democracy and Promoting Public Participation

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Abstract: This article discusses some of the issues revolved around implementing the Job Guarantee approach at the local level. Specifically the article addresses the question: Who decides the design of the Job Guarantee program at the local level? And in concert with this first question comes: What are the types of jobs that are implemented at the local level? Here it is argued that these decisions should be made in a way that fosters economic democracy and promotes widespread public participation. Often this means elevating the interests of workers, and the potential JG workforce, alongside businesses and governments into the process of planning and designing JG programs.

Keywords: Job Guarantee; Regional economic development; Economic Democracy, Participatory Planning

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Introduction

Economic Democracy is a socioeconomic philosophy that encourages economic participation by *all* members of society. Economic Democracy seeks to decentralize, de-concentrate, and scale down production. “It centers on 1) fostering regional development through the expansion of local markets and local economies, 2) encouraging local governance and local control, 3) expanding economic participation and local democracies, 4) increasing direct involvement of workers and customers into the production process, 5) re-invigorating localized production through the expansion of family firms and family farms, 6) supporting unique regional identities and cultures, 7) and guaranteeing a basic standard of living so all citizens have the means to be effective participants in their local economies” (Murray, 2017, see also, Witt and Lindstrom, 2004; Solomon 1996).

The Job Guarantee (JG) program is a federally funded, locally administered program designed to alleviate unemployment by providing decent jobs at decent pay. The program seeks to employ all workers in publicly funded projects within their region. This is a targeted program; it seeks to bring jobs to the unemployed within their own communities. By doing so, a targeted, regionally focused, JG program reinvests in their local communities by bringing back jobs, physical capital, money, and other resources. These jobs must also be sustainable, meaning they must sustain not only local economies but also sustain the physical environment, sustain and strengthen community ties, and promote diversity, equity, and inclusion. This necessitates that JG projects are structured to also promote these initiatives.

Pavlina Tcherneva (2018) proposes a model where local administrators set up “one stop job centers”. These centers would have opportunities for workers to enroll in job programs of varying length and requiring varying skillsets – from day-laborer jobs requiring basic skills to longer-term jobs solicited from existing community institutions and organizations. “Shovel ready” jobs will be available that can attract day-laborers, while other job programs may require additional screening and training. Shovel ready jobs can include neighborhood clean-ups, some forms of construction, community gardens, cataloging, temp office work, and data-entry, among many other possibilities. Other job programs would be developed through partnerships with local municipalities, non-governmental organizations, and social-entrepreneurial ventures. The regional employment offices would

work with the government at the federal, state, county, and local level, and with existing institutions such as non-profits, environmental groups, libraries, colleges, and universities to set up community projects to employ enrolled workers. These regional employment offices, with local, state, and federal oversight, house a database of Community Job Banks. The Community Job Bank model is a flexible employment model serving both the employment needs of entrants while meeting the needs of the community.

To accomplish all the above requires a series of complementary services. Local administrations must be sure that these jobs invest in people. Education, training, and retraining may be required to meet the needs of program entrants and the community, including the needs of existing employers in the non-JG sector. Education and training programs would be designed so that the skills of the workers entered in these programs align with both employments within the JG sector, but also align with the employments in their local communities that are outside of the JG sector (see Murray, 2017). If there is a skill mismatch, the JG sector works toward retraining individuals so that the skills acquired through these programs also meet the needs of regional employers. This requires setting up permanent training programs within local JG administrations and creating partnerships with regional, technical and community colleges, tribal colleges, and regional universities. Regional JG administrations should be structured to meet the needs of community, make investments in the public good, and address environmental concerns while meeting the immediate employment needs of the unemployed and underemployed stakeholders.

These regional job centers do not operate on a capitalist, profit seeking model, but these job centers can still work alongside and in conjunction with local businesses. For capitalism to flourish requires a money-driven, profit-seeking, rent-extracting, inhumane model of economic development; the interests of capitalism and capitalists are in direct conflict with and supersede the interests of workers, the community, and the environment. Contrary to the capitalist mode of production that operates in the private sector, governments—which all too often work to support the capitalist-mode of production—operate under a different model. The public sector promotes the public good and promotes the collective welfare of society. Healthcare, housing, education, public safety, infrastructure, and promotion of a clean environment all are centered around promoting socioeconomic welfare. To the extent that these also support the capitalist process, the implementation of the JG model would be a win-win in the eyes of public policy makers. The central point is that governments do not operate under the constraints of economic efficiency like the private sector does. Governments promote policies that are welfare-enhancing; current debates around public funding are essentially arguments over the prioritizing of enhancing the welfares of one group of stakeholders over another group. Typically, in a capitalist-mode of production, the stakeholders who win out in these policy decisions are the capitalists themselves. The JG model must be designed to elevate the interests of marginalized groups, including and especially prioritizing the unemployed, the impoverished, and those excluded from the political process. This would require operating a JG model in conjunction with other social programs, specifically those targeted towards marginalized groups in order to elevate their position in the community, allowing them active participation in the creation and design of JG programs within their own communities.

The federal funding of these programs is based on the twin ideologies of Modern Money Theory (MMT) and functional finance. In principle, any country that produces and utilizes a sovereign currency need not worry about the size of their national deficit or the national debt. All that matters are the effects of public policy. A federal government with a monopoly over their currency cannot go bankrupt. In many ways, this financing structure is not new to governments operating a sovereign currency. Two of the largest global economies, the United States and the People's Republic of China, are prime examples. The United States has always operated on the principles of MMT and functional finance. The U.S. utilizes its monopoly control of the U.S. dollar, which allowed the U.S. to build the interstate system after WWII, fund the Cold War, and employ those returning home from wars abroad. Presently, it allows the U.S. to fund military interventions throughout the world and to bail out Wall Street bankers after the Global Financial Crisis of 2007-08. Randall Wray (2017) estimated that the U.S. Federal Reserve committed \$29 trillion dollars to prop-up the global financial system following the 2007-08 financial crisis. The U.S. engaged in these activities while still supporting the domestic U.S. economy, including domestic entitlement programs like social security, SNAP benefits, and the overall financing of the American economy.

While the United States was 'printing' unprecedented amounts of U.S. dollars to save global financial institutions from collapsing, China was likewise using the Chinese Yuan to make investments in its physical infrastructure, and importing unparalleled amounts of raw materials. David Harvey (2017) illustrates that the global economy was effectively bailed out by China's investment in the built environment following the Global Financial Crisis. In doing so, China avoided mass unemployment by absorbing at least 17 million people into the labor force and created infrastructure projects as quickly as possible. These projects included the construction of an advanced high-speed rail network and the building of entire cities. David Harvey notes that these construction projects in China are evidenced by the 6,500 million tons of cement consumed by China over a two-year timespan—in comparison to the 4,500 million tons of cement that the U.S. consumed between 1900-1999 (Harvey 2017, 178). Likewise, China imported massive amounts of iron ore, copper, and many other raw materials for the creation of the built environment (Harvey 2017, 180) lifting exporting nations out of crisis. Harvey argues that global capitalism survived the 2007-08 financial crash because of China's sustained levels of consumption.

As Randall Wray and others have argued, China and the U.S. are able to do these things because they operate using a sovereign currency. Policy makers in these countries only need to look to the real outcomes of any fiscal or monetary expansion. Following the global financial crisis that threatened global capitalism, there was a desire within the United States to provide liquidity to the global banks in an effort to preserve the global financial system. In China's case, they employed laborers and used their relative economic strength to create a 21st century infrastructure, all but ensuring that China will soon supplant the United States as the global economic and financial powerhouse. For countries like China and the United States, the question is not whether there is an ability to finance public policies—the money cannot dry up if a country operates upon a sovereign currency. Advancing one public policy over another is a political decision, not a financial one. Alternatively, for countries that do not produce a sovereign currency, or for countries where implementation along the

principles of MMT is not politically feasible, Murray (2013a) provides an illustration of how a fully financed, budget neutral job guarantee program may be financially implemented in the United States.

For now, we shall leave the questions of financing aside. Whether a country has monetary sovereignty or not, a public sector jobs program is a policy decision. The greater challenge for policy planners is to create public sector jobs and design programs that best serve the needs of those workers entered into the employment programs, and ensuring that programs serve the interests and needs of the local communities where these regional job centers will reside.

The existing model of how public funding is directed generally benefits the capitalist class. With their armies of lobbyists, capitalists seek to advance legislation that serves their own interests while crushing legislation that might threaten to hinder or work against their agenda, often without regard to the positive effect such legislation might have for the interests of other (typically marginalized) stakeholders. In the United States, the passing of the recent tax reform, the repeal of environmental regulations, and the failure to advance such policies such as a \$15 minimum wage are all examples of the power advantage that capitalists have over all other stakeholders in policy design and implementation. Regional JG administrations need to be cognizant of this power grab. If the relative power of some community stakeholders over others is not immediately recognized and addressed, when designing local employment programs, it would not be surprising if capitalists continued to be given the loudest voice when determining the ‘community needs’ that regional programs would attempt to further.

This is not to say that capitalists should be left out of the design of local employment programs. Capitalist stakeholders have an obvious interest in helping to design such initiatives. One benefit to them would be that local infrastructure projects can support their businesses and bring their costs down. Capitalists know what general skillsets are needed by their employees in the private sector; having a more skilled workforce to pick employees from, all trained at the government’s expense, will make private businesses more profitable. Capitalists are stakeholders in their communities, and they will be the ones who hire workers from the JG pool. They very much have a stake in the design of local job programs, but they are only one stakeholder among many others. The interests of capitalists must not dominate or overshadow the voices and interests of other community stakeholders. The laborers who will be enrolled in the program are the main stakeholders, as their welfare is the primary focus of these programs. Other stakeholders might include community non-profits, community and grassroot organizations, neighborhood organizations and collectives, and certainly federal, state, and local government offices.

Regional JG programs must be designed to promote the interests of all stakeholders. This would include elevating the interests of marginalized groups, giving a voice and equal rank to those who have been left out of the political process. To accomplish this task, it is necessary that the design of regional JG programs be oriented around a model of Economic Democracy and Participatory Planning.

Economic Democracy and Participatory Planning

Christopher Gunn outlines Economic Democracy as a “term that stands for expanding democratic participation in the public sphere, and in the private realm [...] It refers to the social and political arrangements that empower people to participate in decisions that affect their livelihoods and opportunities” (Gunn 2012, 2). Economic Democracy does not stop at the expansion of participation; it is a model that challenges the traditional capitalist ownership-power hierarchy. Contemporary proponents of economic democracy favor localized orientation to governments that operate for the collective welfare of the communities in which they serve. In doing so, all community stakeholders shall be involved in socioeconomic planning and shall have collective ownership and control over the implementation process. By doing so, local governments encourage social and economic advancement of neighborhoods, businesses, and community members. Local governments built on advancing economic democracy further advance local self-reliance by expanding local ownership and control of community projects. “It supports the formation and growth of worker cooperatives, non-profits, and credit unions and contributes to the formation of alternative institutions of policy and planning, such as confederations of municipalities, towns, and villages and forming local currencies, and time banks” (Murray, 2013b).

There is a strong link between research towards community projects, outcomes, and regional planning. Emphasis is placed on Aitken and Mitchell’s (1995) distinction between “participation” and “ownership in the process” (p. 17). Participation means a degree of involvement from those affected by the implementation of policies stemming from research. While stakeholders may participate in the implementation or application of research, someone else is involved in the process. Therefore, participation does not imply power, maintaining the traditional power structure. To achieve substantive economic democracy, there must be both public participation and public ownership in the process. There must be a clear delineation of what the “public” and “participation” are and how these relate to expected outcomes (Schlossberg and Shulford 2005). Schlossberg and Shulford argue that it is important to understand how “specific publics” are linked to the types of participation, and how the “publics” and the “participation” are linked to desired outcomes (Schlossberg and Shulford 2005, 15). Understanding how these components are defined and linked increases the potential for a successful, community-oriented, outcome-driven projects.

This can be achieved in a variety of ways. The first, and perhaps the easiest, way is to make the data generated by participants public and accessible. This would be largely achieved by making data available for download over the Internet. Further, the continual development of computing power and functions, the increased availability of computers, and the advancement of Internet accessibility and cloud-based storage allows for increased use of public data for all, including grassroots community organizations and non-profits. However, as noted by Sieber (2007), technological advancements by themselves fail to ensure that useful information is transmitted to community organizations. Data may altogether be unavailable, or if available, costly. It may be available in only hard copy, be of the wrong format, or be located at a distant site. Data may be classified or copyrighted

(Sieber 2007, 48-49). If data is readily available, there may be organizational constraints, such as the size of the non-profit, their organizational structure, or their technical expertise (more on this below).

Another way to define the public is by defining the ‘who’. Schlossberg and Shulford (2007) group the public into three broad categories: “those affected by decisions...those who bring important knowledge or information to the decision or program, and those who have power to influence and/or affect implementation (Schlossberg and Shulford 2007, 18).”ⁱ After the public stakeholders are initially identified, their degree of participation must be outlined. Participation may be thought of as “specific activities that engage individuals”, or thought of as “the broader purposes that participation is supposed to achieve (Schlossberg and Shulford 2005, 16).” Schlossberg and Shulford’s focus is on the latter, and it is conducive to our thinking of economic democracy.

Further, Arnstein (1969) provides a useful definition of what he calls “citizen participation”, defined as the “redistribution of power that enables the have-not citizens, presently excluded from political and economic processes, to be deliberately included in the future” (p. 351). Arnstein’s definition of citizen participation coincides with and reinforces the larger conception of ‘participation’ while also reinforcing the central tenets of Economic Democracy. Economic Democracy shifts economic power away from corporate capitalists and central planners to local communities with participatory democracies. Economy Democracy develops creative human faculties, encourages cooperation and empathy in its constituents, and recognizes the embeddedness of our economy in the social, political, and ecological world. Economic Democracy strives to create “...an equitable, efficient economy that promotes self-management, solidarity, and variety under real world conditions” (Albert and Hahnel 1991). The goal of Economic Democracy is to decentralize decision-making, expand participation to all members of the community, and move towards achieving an egalitarian society” (Murray, 2013b).

Grassroots Limitations

Contemporary shifts in local governance toward a more participatory model of localized decision-making has created new demands for non-profits and non-governmental organizations. Elmwood (2008) notes that these organizations are increasing their reliance on geographical information system (GIS) technologies to carry out their additional responsibilities (Elmwood 2008, 72). That said, many grassroots organizations are resource-poor, are short on organizational staff and volunteers, and lack the technical expertise and formal training to even begin to obtain data (Elmwood 2008, 73). Grassroots organizations and similar non-profits may simply not know what sorts of data are required for their organization’s mission, if the data exists, and if so how to obtain the data. The acquisition of some data can be costly, or if publicly available, requires the technical expertise to define data requests (Elmwood 2008). Much socioeconomic data that is publicly available free of charge requires, at the very minimum, that this last condition be met. The solution to address the limitations of data availability or access and data quality is to increase community participation, harnessing local knowledge for omissions in local data.

Toward a Regional Job Guarantee

Though most are outside the mainstream of conventional economics, there are many economists who argue that the capitalist process itself is unsustainable, suggesting we move towards a more inclusive, democratic, participatory system. As is noted above, the design and implementation of regional JG programs around the principles of Economic Democracy and Participatory Planning requires elevating the interests, and voices, of marginalized groups so that their participation, and voice, is of equal rank of the capitalist class. To do so requires implementing a regional JG in conjunction with other social programs. Paul, Darity, and Hamilton (2018b) extend President Franklin D. Roosevelt's (FDR) "Economic Bill of Rights". The original "Economic Bill of Rights" included:

- The right to a useful and remunerative job
- The right to adequate food, clothing, and recreation
- The right of every family to a decent home
- The right to adequate medical care and the opportunity to enjoy good health
- The right to protection from economic fears such as old-age, sickness, accident, and unemployment
- The right to a good education

Paul, Darity, and Hamilton extend FDR's original bill of rights to include:

- The right to sound banking and financial services
- the right to a safe and clean environment
- the right to a meaningful endowment as a birthright

This expanded list provides a foundational set of rights that could go a long way in elevating the interests of marginalized groups. One cannot fully participate in the planning process if they are suffering from a food shortage, lack adequate housing, or lack adequate medical care, or are suffering from poverty and are worrying about how they can make ends meet for themselves and their families. These basic needs must be addressed and require more policies than a JG. The JG must be part of a larger progressive agenda if it is going to be inclusive, promote diversity and equity, and operate on the principles of Economic Democracy and Participatory Planning.

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ⁱ It should be noted that Schlossberg and Shuford’s inclusion of this last general category is potentially problematic, as those already with control may strive to maintain and further their already dominant position by influencing GIS research—thereby reinforcing the power hierarchy.