

In Support of the MMT Job Guarantee

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The MMT Money Story

- A government that wants to provision itself
- Tax liabilities to create people looking for paid work (unemployment)
- Government spending its otherwise worthless currency
- Payment of taxes

Unemployment

- **Government tax liabilities are the cause of unemployment, and by design.**
- The government can then hire those its tax liabilities caused to become unemployed by spending its otherwise worthless currency
- Residual unemployment is the evidence government tax liabilities created more unemployed than government desired to hire.
- Lowering tax liabilities facilitates the transition from unemployment to private sector employment.

The Job Guarantee

- Unemployment stigmatizes workers
- The private sector prefers to hire people already working
- The Job Guarantee provides employment for anyone willing and able to work.
- This promotes the transition from unemployment to private sector employment.

Inflation

- Both unemployment and the Job Guarantee function as a labor buffer stock.
- They both work to stabilize prices
- However, because the private sector prefers to hire those already working the Job Guarantee is a more liquid buffer stock than unemployment.
- The Job Guarantee therefore provides a higher level of price stability than unemployment

The Government Deficit

- Currently the government budget deficit is a fiscal policy target
- With the Job Guarantee market forces determine the size of the deficit, working to keep it consistent with price stability and full employment.

Why I Support a Job Guarantee

- By more quickly transitioning people out of unemployment to private sector employment total employment and output is increased
- A JG buffer stock need have fewer people than an unemployed buffer stock, due to its increased employability, which means total employment and real wealth will be higher.
- A JG buffer stock is a superior price anchor to current unemployment policy, again due to increased employability.

How I Measure Success of a JG Program

- How quickly JG workers transition to private sector employment
- How many fewer workers can be in a JG than be unemployed for at least the same level of price stability.
- The reductions of negative externalities such as crime, family breakups, drug use, child abuse, health related issues, etc.

What Will JG Workers Do/Not Do?

- They can work for qualifying non profits
- They will not compete with normal public sector employment
- They can work for state and local governments as supplemental workers on temporary assignments
- They will transition to private sector employment

What Is Preventing Congress From Enacting a JG?

- Not understanding monetary operations and the consequent fear of budget deficits
- Progressive presentations that feature the JG as a matter of human rights and entitlements, and not on its merits as an economic development and price stability policy.
- Conservatives who don't see past the JG being on the progressive agenda, and are therefore against it.