Towards a European Job Guarantee

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Report 2024.11

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european trade union institute

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Cite this publication: Antonopoulos R. (2024) Towards a European Job Guarantee, Report 2024.11, ETUI.

Brussels, 2024

Print: ETUI Printshop, Brussels

D/2024/10.574/35
ISBN: 978-2-87452-739-5 (print version)
ISBN: 978-2-87452-740-1 (electronic version)

The ETUI is co-funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the ETUI. Neither the European Union nor the ETUI can be held responsible for them.

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Abstract

Long-term unemployment is recognised as a stubborn challenge that has been confronting the Member States of the European Union for some time now. It affects the unemployed, their households and communities, and, if widespread, it also has negative impacts on the growth and stability prospects of an economy. In the search for remedial action, the idea of an EU-wide Job Guarantee (EU-JG) has recently gained currency among a wide range of European constituencies as an important policy innovation. This Report begins with an explanation of what a Job Guarantee would propose, theoretically and practically, and lays bare, through facts and statistical evidence, the state of play with regard to long-term unemployment in the EU context. It proceeds to familiarise the reader with the EU's experience of job guarantee initiatives and other direct job creation programmes that are currently being implemented, highlighting their similarities and differences. It then moves from the present to the future via a presentation of the contours of the principles, options and trade-offs upon which an EU-JG may be established, and also raises the question as to how this might be financed. The undertaking of the work presented in this report has been motivated by the interest of the ETUI and the ETUC to bring job guarantee-related information and evidence-based analysis to the fore so as to provide further support in deliberations and debate on this topic. The aim is to contribute to the ongoing dialogue about the efficacy, if not the imperative, of a European-wide Job Guarantee.

Acknowledgements

The author would like to thank the ETUI and the ETUC for the opportunity to contribute to the ongoing dialogue about the importance of adopting an EU-wide Job Guarantee; ETUI colleagues Sotiria Theodoropoulou and Bianca Luna Fabris for their excellent comments and overall support; the French TZCLD collective; Julien Charles (Belgium); Lukas Lehner (Austria), Leoni Ax-Groningen (Netherlands) and Cecilia Fracassa (Italy) for inspiring conversation and their time and generosity in sharing information regarding job guarantee pilot projects; Dimitri Papadimitriou for remaining a sharp critic with always constructive suggestions; and, Panagiota Boukouvala for able assistance with data and graphs. While the writing of this paper was being undertaken, a sudden health issue of a close family member occurred. The author wishes to express her sincere gratitude to colleagues at the ETUI for their patience shown in extending deadlines, and to her family for support received at a difficult time.

Introduction

In recent years, the idea of a European Job Guarantee (EU-JG) has been gaining currency in a wide range of European constituencies as an innovative policy intervention.

First and foremost, a job guarantee (JG) is proposed as a pathway to alleviating the economic hardship and social exclusion of the long-term unemployed through the offer of a publicly funded job. Indeed, it can fill the lacuna[1] created by the inability of the private sector to provide a sufficient number of jobs to absorb all of those able and willing to engage in remunerative work. Moreover, an EU-JG can potentially correct two more imbalances in the labour market. Depending on the specific challenges that a Member State faces, it can support efforts for the (re)integration of discouraged and marginalised workers; and offer supplemental hours to the part-time employed wishing to hold full-time jobs.

Second, and equally important, during prolonged economic downturns an EU-JG can contribute to the rebalancing of Member States' economies. While preventing the jobless from entering and remaining in the ranks of the long-term unemployed, it functions as a countercyclical measure. On a scale commensurate with the depth of the recessionary pressure a country faces, it stimulates demand and refuels the motor of growth while interrupting the vicious circle of rising long-term unemployment (LTU), intensification of employment precarity, lacklustre consumption demand and depressed living standards. It therefore protects against the domino effect of increased business and household bankruptcies which, in turn, induce greater unemployment while further lowering consumption demand and investment, and so on.

Europe is not unfamiliar with (some aspects of) the spirit and scope of job guarantee initiatives. Within a variety of economic contexts and diverse policy objectives, public employment services (PES) in a number of Member States have been implementing direct job creation schemes to fend off unemployment for some time. The examples are many and include Ireland, Luxembourg, Greece, Germany, the Netherlands and Slovenia, to name a few. Such interventions have often been received with scepticism by EU policymaking bodies. They have been regarded as consisting of state-led interference preventing necessary labour market adjustments and of being administratively costly and less effective than

1. As will be discussed later, there is no known mechanism that matches exactly the supply of labour from jobseekers to the demand for labour by the private sector in a free market economy.

other labour market policies. The important shift currently taking place provides a window of opportunity for fresh thinking.

The report consists of four sections and aims to contribute to the ongoing dialogue about the efficacy of a European Job Guarantee. It is motivated by the interest of ETUI/ETUC in bringing JG-related information and evidence-based analysis to the fore so that this can further support deliberation and debate on an EU-JG.

Section 1 documents the EU's interest in job guarantees and introduces the rationale behind a Job Guarantee policy proposal. Using Eurostat data, it then presents selected facts and statistical evidence to contextualise the magnitude of the LTU challenge, as well as some significant differences among Member States, inviting the reader to delve into the question of whether a JG can be a useful policy instrument for a few, many or all EU Member States. The section concludes with a discussion of two different EU frameworks, each providing a distinct focus of EU interventions regarding LTU, which are relevant in situating a JG response to LTU within the European context.

Section 2 begins by presenting the diversity of the EU's experience with direct job creation, including the recent JG pilot initiatives . The delineation creates a typology that facilitates a contextualisation of the diverse policy objectives that each type, explicitly or implicitly, entails. The focus is then shifted from the past to the future, presenting the contours of the principles, options and trade-offs upon which an EU-JG may be established.

Section 3 raises the question of sources of financing. Whether the JG is seen as yet another cost to the budget or a necessary investment, dedicated expenditure must be earmarked for its implementation. Therefore, identification of possible sources is necessary. Expenditure on a JG, in addition to supporting the long-term unemployed, produces positive economic outcomes. The critical importance of these is highlighted as they include increased growth, tax revenue and added job creation elsewhere in the economy. This information ought to be available to policymakers and other stakeholders because it provides clarity regarding the final net cost of JG interventions, which is a fraction of the required initial investment. As an illustration of this particular issue, evidence-based results are presented from an ex ante empirical study in Greece.

Section 4 presents the JG through a lens that gives visibility to its linkages with concerns that are important to labour and, therefore, to trade unions.

The paper concludes with the possible next steps – the way forward – as to how dialogue on this issue can be advanced within the European Union.

1. Job guarantee initiatives and the challenge of long-term unemployment

1.1 The European Union's renewed focus on job guarantee initiatives

Beyond loss of income, increased risk of poverty and social exclusion, long-term unemployment engenders skill loss, physical and mental ill health, feelings of desperation and isolation, and, at times, mistrust in democratic institutions and adherence to dangerous ideologies (Drèze and Sen 1989). Much to the credit of grassroots mobilisation, which met with strong political will among policymakers at local and national levels, innovative JG pilot initiatives have taken root in a number of Member States. Beginning with the pioneering initiatives of Territoires zero chômeur de longue durée (TZCLD) in France in 2016, Belgium, Austria, the Netherlands and Germany joined in, while Italy is at this time in preparatory stages for a similar initiative. Persistent advocacy[2] and collaboration between them has proved instrumental in attracting interest at EU institutional level. Of equal importance, and connected to their efforts, there is therefore ample evidence that the policy space is opening up. In chronological order, five instances stand out:

1. **European Committee of the Regions** The first EU-level policy initiative came from the European Committee of the Regions, which unanimously approved in May 2023 an opinion document that recommended support be given by the European institutions for innovative and local solutions to combat long-term unemployment in Europe, drawing inspiration from JG interventions currently underway (European Committee of the Regions 2003)
2. **European Parliament** The next initiative was a resolution adopted by the European Parliament in November 2023 which recommended the creation of jobs to combat long-term unemployment through local experimentation, explicitly mentioning existing job guarantee initiatives and pilot projects as references (European Parliament 2023)
3. **European Trade Union Confederation** In Madrid in December 2023, the European Trade Union Confederation's Executive Committee adopted a resolution in favour of a European JG, committing itself to '...support[ing] the idea of a European Job Guarantee which would provide employment opportunities for the long-term unemployed through a state-

2. See https://www.tzcld.fr/making-employment-a-right-a-universal-battle, the website of TZCLD collective.

run programme for job seekers unable to find opportunities in the open labour market'. (ETUC 2023)

4. **European Commission** In March 2024, a report was published entitled *Towards zero long-term unemployment in the EU: Job guarantees and other innovative approaches* (Markowitsch and Scharle 2024). This report was prepared at the specific request of the European Commission, bringing into focus the interest of the Commission in the innovative JG pilots currently implemented across Europe.
5. **Social Innovation+** Next, the European Commission issued in April 2024 a call for proposals with a small budget of 23 million euros, funded under the Social Innovation+ initiative of the European Social Fund Plus (ESF+), to help EU Member States pilot innovative ways to tackle long-term unemployment. Through this call, the Commission signalled its willingness to enable a process of knowledge transfer and the scaling up of promising initiatives and social innovation in redressing LTU.[3]

1.2 What is a job guarantee?

A job guarantee is a policy intervention by the state that interrupts joblessness; simply put, it funds and offers a direct job and a wage to those seeking but unable to find remunerative work.

The job guarantee – also known as an employment guarantee policy, public works programme, direct job creation or an employment of last resort programme – is not a new idea: its theoretical antecedents can be traced to John Maynard Keynes and William Beveridge in the early part of the twentieth century; Hyman Minsky (1986); Amartya Sen and Jean Drèze (1989) in the 1980's; and in the late 1990's, William Mitchell (1998), Randy Wray (1997), Mathew Forstater (1999) and Dimitri Papadimitriou (1999). At policy level, many developed and developing countries have periodically responded to the challenge of joblessness through direct job creation under very different circumstances and policy objectives. For example, against the backdrop of the global financial crisis, China invested 3 per cent of GDP annually in an emergency programme until employment was stabilised. In the United States, the American Recovery and Reinvestment Act of 2009 was passed for a similar purpose. On the other end of the spectrum, South Africa, since 2004, and India, since 2005, have put in place permanent large-scale schemes to address the perennial challenges of structural unemployment and the seasonal unemployment of rural agricultural workers, respectively.

These experiences and the importance of 'The employment guarantee as a tool in the fight against poverty', have been highlighted in a 2023 United Nations report of the Special Rapporteur on extreme poverty and human rights (De Schutter 2023). In it, the argument is made for the JG as an enforceable legal right, that, among meeting other policy objectives, can function '… as an essential component

3. See https://www.esf.lt/en/transnational-calls/innovative-approaches-tackling-long-term-unemployment/1430

of the "just transition" and of the new eco-social contract needed for the post-crisis recovery'.

Historically, many JG programmes have been undertaken to generate jobs in work projects with a view to yielding a public benefit to communities by fulfilling infrastructural and other unmet needs to the greatest extent possible. Their design and implementation have varied in many dimensions: in terms of scale – targeting specific communities or having nationwide reach; the duration of the job offer – short or long term, seasonal or year-round offer, part-time or full-time engagement; pay scale – a flat minimum wage or multi-tier wage structure according to skill level; implementing and administering agencies – municipal and local government, non-profits and/or social economy entities; with or without the provisioning of optional training and upskilling; choice of work projects – centrally determined or locally identified, with a mandate to reach developmental objectives or with an open-ended agenda; etc.

As mentioned earlier, several EU Member States have already designed and implemented direct public job creation programmes (or are doing so currently), France, Austria, Belgium, Luxembourg, Ireland and Greece among them[4], a discussion of which is presented below in Section 2.1 and Appendix 4. The empirical research in the case of Greece, explored in Section 3.3 makes evident that job creation under a JG is an excellent countercyclical instrument that serves the economy well during recessionary times or periods of deep crisis. In addition to direct JG jobs, it accelerates job creation in other parts of the economy, contributes to overall economic growth and leads to the expansion of tax revenue. Furthermore, according to the Greek research, among positive macroeconomic impacts, the final economic net cost of a JG can be shown to be a fraction of the initial required investment. It is of interest to note that these results are not unique to Greece; similar studies for the US, for a JG from 2018 and beyond (Wray et al. 2018), as well as during the early recovery period after the 2008 financial crisis (Antonopoulos and Kim 2011), show comparable results in terms of orders of magnitude.

1.3 Unemployment as a permanent feature of market economies

We turn next to the argument of why a job guarantee deserves consideration as a permanent feature in the policy intervention toolbox.

Job creation is dependent on many factors, including fiscal and monetary policy, the overall structure of the economy, industrial and development policy,

4. For France, see https://www.tzcld.fr/decouvrir-le-projet/les-territoires/. For Ireland, see https://www.gov.ie/en/service/412714-community-employment-programme/. For Luxembourg, see https://adem.public.lu/en/employeurs/demander-aides-financieres/embaucher_cld.html. For Austria, see https://maxkasy.github.io/home/files/papers/Jobguarantee_marienthal.pdf. For Greece, see https://www.ilo.org/publications/getting-back-work-study-social-impacts-kinofelis-development

technological advance, exogenous factors and shocks, and, for export-oriented countries, the economic conditions of their trading partners. Ultimately, the vast majority of jobs is created and destroyed by the private sector, by hiring and firing decisions guided by market conditions; that is, the production needs of business sectors and their earnings projections and profits. Since there is no internal requirement for job vacancies to match the numbers of jobseekers, unemployment and underemployment are a permanent feature of open market economies. Joblessness fluctuates significantly over the business cycle, yet, its existence is being felt not only during periods of severe shock but also when the economy is on a healthy growth path.

Policies to support the unemployed in Europe are delivered traditionally through two interventions. First, through unemployment benefits intended to avert the risk of a sudden, if not catastrophic, decline in income during the job search period. Second, through active labour market policies (ALMPs) to facilitate re-entry: job search assistance to match the unemployed to employers; training and upskilling to strengthen job seekers' qualifications; and wage subsidies for employers hiring those job seekers who are harder to place. Although intended to prevent job separation by averting layoffs, the importance of job retention schemes and/or wage subsidies must also be mentioned as a key labour market intervention protecting workers against entering the ranks of the unemployed. Short-time work (STW) schemes – that is, the partial compensation of direct and indirect labour costs offered to private companies to maximise job retention – were widely and effectively used by EU Member States during the Covid-19 lockdowns but also during the 2008-10 financial crisis.

These traditional interventions are designed to fend off the risks the labour force may face from time to time. Yet, their effectiveness presupposes that either the availability of jobs is plentiful, and therefore jobs can be matched to the newly reskilled individuals, or that weak demand for labour is temporary and that normality will soon be restored. If these conditions do not hold, traditional interventions do not work well and short-term joblessness turns into long-term unemployment. This is the case for 4.5 million people who are long-term unemployed today in the EU, whose numbers reached roughly 14 million at the peak of the financial crisis. Why are people unable to find jobs, often after years of searching, despite extensive efforts and labour market policy interventions? Two fundamental reasons must be distinguished.

On the one hand, people whose employment profiles place them furthest away from the labour market may represent a challenge that may be extremely difficult to overcome. Examples include being laid off at an older age or near retirement, which becomes even worse when combined with skills no longer being in demand; seeking full-time work in midlife with no prior work experience; facing complex health issues or disabilities; being a member of a marginalised group facing prejudicial bias; or having recently served time in prison. Despite the existing activation measures, which are in principle available to all jobseekers, and wage support incentives offered to the private sector to hire them, the record shows that employers are reluctant to hire those they deem less desirable. The plight of older workers in LTU is particularly pronounced. These issues constitute the supply side of the labour challenge of long-term unemployment and to redress them, the job guarantee deserves consideration as a permanent feature in the policy intervention toolbox.

On the other hand, on the demand for labour side, statistical data and the historical record show that the private sector may simply not need to hire all available labour, as it may be unable to generate jobs for all those seeking them. Unless fiscal and monetary policy is specifically targeted on achieving full employment, industrial policy coordination is at full speed and trading partners' economies are booming, there is no reason to expect the level of economic activity to deliver full employment. The process becomes even tougher with protracted periods of recession; recoveries that are U or W shaped; jobless recovery phases; periods of structural change which require prolonged adjustment periods; and severe financial crises with global repercussions. In all such cases, the existing toolbox of ALMPs is insufficient to deal with long-term unemployment. Instead, macroeconomic theory and practice recommends that fiscal policy, alongside monetary and exchange rate policy, ought to be used countercyclically to limit the duration and socioeconomic impacts of recessionary pressures.

It is in this macroeconomic context that JG can function as an automatic stabiliser and here that a recommendation be made that it become a permanent part of the policy menu. The state thus assumes the responsibility of acting as a guarantor of the right to a job by becoming the employer of last resort through a fluctuating level of expenditure which is automatically reduced when the economy recovers and more jobs become available via the market.

Much of the theoretical analysis of the government acting as employer of last resort is credited to Hyman Minsky. Concerned with the fiscal policies of the Kennedy and Johnson administrations in the 1960s, Minsky wrote that 'liberals' War on Poverty' was born out of neoclassical theory in which the poor – not the economy – were to blame for poverty and in which that war, wrongly in his view, sought to change the poor, not the economy. This led him to advocate an employer of last resort policy, eventually including a more clearly defined version in his seminal 1986 book *Stabilizing an Unstable Economy*. In it, he envisages the government bearing the responsibility for increasing its demand for labour during downturns or periods of structural unemployment, analogous to the role of lender of last resort (i.e. the central bank's guarantee of providing liquidity to banks when the market fails to do so). Because there is no internal market mechanism to balance the demand and supply of labour, instances in which private sector demand is insufficient to provide full employment are the rule rather than the exception and so unemployment emerges and persists. In this sense, only government can divorce profitability from the hiring of workers (Minsky 1986: 308). This requires government to take responsibility for providing employment to all who are willing and able to work. Hence the proposal for the permanency of a JG policy instrument.

In this sense a JG is proposed as a labour right; that is, a labour-based instrument that responds to an imbalance in the labour market. According to Eurostat data, the risk of poverty among the unemployed is much higher than of wage earners. Minsky's view is that, when poverty is the result of joblessness, the remedy is a publicly funded job and not a cash transfer, with the latter remaining a highly desirable intervention for those unable to participate in the labour market. In this sense, a JG instrument stands much closer to unemployment insurance than to social assistance interventions.

It is important to emphasise at this point a fundamental distinction between wage income earned and cash transfers along the lines of minimum income guarantees. Both JG wages and social assistance cash transfers support income and, through them, access to market-based goods and services. But the former, the JG, recognises the ability of everyone, including those with LTU status – and independently of the circumstances that lead jobseekers into LTU – to participate in the economy not only as consumers but also as producers of goods or services. This characteristic of JG interventions – the idea of social inclusion by virtue of labour market participation – reinforces the belief that a guarantee of participation in economic life benefits individual participants but, in addition, promotes social cohesion and economic wellbeing for all. The work undertaken by JG participants yields benefits accruing to communities and ultimately to the local economy, as well as potentially the national economy depending on the scale of the intervention. It therefore represents a domain of policy that tackles the risk of poverty and social exclusion of the long-term unemployed through productive engagement instead of social assistance.

One argument against a JG becoming a permanent policy instrument is that it interferes with the downward pressure surplus labour (unemployment) exerts on wages and, in that sense, it compounds labour market rigidity. In an era of the unfair sharing of increases in productivity, declining living standards and with real wages not adjusting automatically to inflation in many Member States, such arguments seem rather misguided. The JG indeed reinforces a wage floor: the legal minimum wage as agreed through collective bargaining. But, as has been convincingly argued (Mitchell 1998), a JG policy does not create rigidities but adds rather to the suppleness of the labour market through a buffer-stock mechanism. At a fixed price (the agreed JG wage structure), the ‘excess’ quantity of labour is absorbed and maintained in an actively engaged manner which allows for skill retention and labour market attachment, while the quality of labour is enhanced through upskilling and reskilling. When demand for labour in the private sector increases, labour is ready and available as it voluntarily exits JG schemes, given that job offers in the open market command higher wages than the minimum wage offered under the JG. When the private sector cannot absorb labour, the JG ‘buys in’ surplus labour at the same fixed price (i.e. the minimum wage) and again releases it when the economy flourishes. This results in wage stability, and ensures decent conditions of wage employment and a minimum level of security in turbulent economic times.

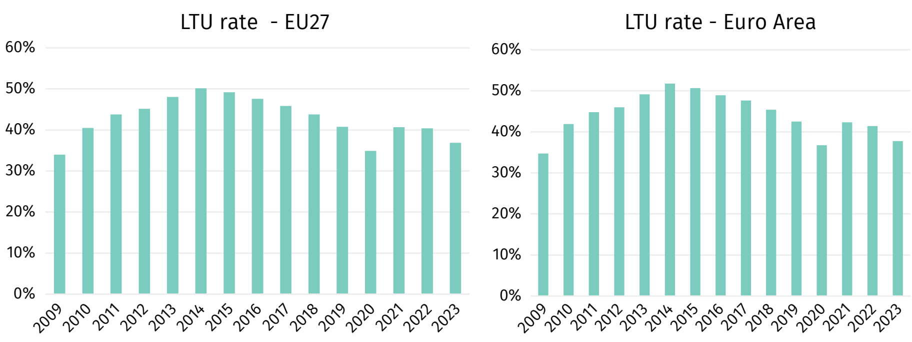
1.4 Long-term unemployment in the European Union: the statistical evidence

This section presents facts and figures on long-term unemployment for the EU, making reference to specific Member States to highlight differences and similarities. Its aim is not to provide a comprehensive analysis of LTU country profiles, but rather to inform discussion and debate surrounding the proposal for an EU-wide JG.

1. **State of play regarding unemployment in the EU** Despite the gradual, if slow, job recovery in the aftermath of the 2008-09 financial crisis and the successful job retention in the midst of the Covid-19 pandemic, in the European Union many people have been facing profound difficulties finding a job. As of June 2024, 13.3 million people were unemployed in the EU27.[5] This figure has fluctuated widely in the last decade, reaching a record high of 24.4 million (2014 Q1) due to the financial crisis and a pre-pandemic low of 13.8 million (2019 Q2). Since then, the ranks of the unemployed have counted between 13.2 million and 14.4 million persons.

2. **LTU share of total annual employment** During the same period, on average, the EU long-term unemployment share of total annual unemployment – a concept that counts how many unemployed individuals have been looking for work for more than 12 months – has hovered in the range of 40-50 per cent. During the years of crisis, the total number in LTU increased rapidly, as expected, doubling within the five years from 2008 to 2013 and reaching a high of 11.2 million people. Beginning in 2014, the ranks of the LTU begun declining by roughly one million people each year and, by 2023, the number had fallen to 4.6 million. The figure for those that have been jobless for 24 months or more is equally worrying. In 2022, according to Eurostat, among the long-term unemployed, 'At EU level, about a quarter (23.4%) have been unemployed for a period of 24 months or more (i.e. classified as very long-term unemployed).[6]

Figure 1 **Long-term unemployment rate in the EU27 and euro area, 2009-2023**



Note: the long-term unemployment rate is defined as the number of persons in unemployment for 12 months or longer, divided by the total number of the unemployed.

Source: Eurostat, LFS main indicators. Long-term unemployment as a percentage of total unemployment, by sex, age and citizenship (ages 20-64).

5. This figure corresponds to June 2024, the latest available information released by Eurostat at the time of writing.
6. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics_and_beyond#Long-term_unemployment

3. **LTU affects all EU Member States** Due to protracted economic hardship in the aftermath of the financial crisis, which for some Member States turned into a balance of payments and an internal as well as external debt crisis, Portugal, Ireland, Greece and Spain experienced a larger percentage of the unemployed population transitioning gradually into long-term unemployment. In 2014, a year that marked small but positive steps toward recovery for many EU Member States, the number of the long-term unemployed as a percentage of the total number of unemployed people stood at 52.9 per cent in Spain (aged 15-74). For the same year, in Ireland, LTU reached 55.0 per cent of total unemployment; in Portugal even higher, 59.6 per cent; and in Greece, 65.8 per cent. Other countries in the same year with very high LTU included Croatia, 63.6 per cent; Italy, 64.0 per cent; Slovenia, 54.0 per cent and Slovakia, 81.7 per cent. But LTU has been intractable even for Member States that were better able to weather the impact of the crisis. Omitting the atypical years of the pandemic, the Netherlands in 2015 registered LTU of 42.5 per cent; in Italy it was 60.5 per cent in 2016; in Malta, 55.5 per cent in 2017; in Germany, 40.9 per cent in 2018; in Belgium, 45.3 per cent in 2019; and, in Slovakia, 64.8 per cent in 2023. The prevailing exceptions to the rule are the Nordic countries and Iceland (see Appendix 1 for a full listing of EU27 Member States).

Table 1 **Long-term unemployment as a percentage of total unemployment, Selected Member States**

	2014		2016		2018		2022	
	U rate	LTU rate	U rate	LTU rate	U rate	LTU rate	U rate	LTU rate
Belgium	8.7	47.4	7.9	50.3	6.0	49.8	5.6	47.5
France	10.3	38.1	10.1	48.9	9.0	36.9	7.3	26.4
Switzerland	4.9	34.5	5.0	38.0	4.7	32.2	4.1	35.3
Germany	4.7	34.0	3.9	31.1	3.2	31.2	3.2	24.0
Norway	3.8	24.7	4.9	31.4	4.0	...	3.2	...
Luxembourg	5.9	23.0	6.3	32.0	5.6	24.3	4.6	34.3
Sweden	8.0	17.1	7.1	20.0	6.5	...	7.5	32.4
Netherlands	8.4	41.2	7.0	34.4	4.9	29.3	3.5	...
Czechia	6.1	43.8	4.0	63.1	2.2	...	2.2	...

Note: the unemployment rate (U rate) is defined as the number of persons in unemployment divided by the labour force (employed plus unemployed persons); the long-term unemployment rate (LTU rate) is defined as the number of persons in unemployment for 12 months and over divided by the total number of unemployed persons.

Source: Eurostat, LFS. Unemployment rate and long-term unemployment as a percentage of total unemployment, by sex, age and citizenship (ages 15-74); (...) indicates missing data.

Table 1 above, provides additional evidence for 2014, 2016, 2018 and 2022 (the period of the pandemic is excluded) for nine countries that have been facing relatively low to mid-range levels of unemployment over time. As can be observed, in Germany, while the unemployment rate (U rate) was 4.7 per cent in 2014, the corresponding LTU was 34.0 per cent; in Belgium and the Netherlands, with

U rates in 2016 of 7.9 and 7.0 per cent respectively, LTU reached rates of 50.3 and 34.4 per cent; France's U rate in 2018 was 9.0 per cent with LTU at 36.9 per cent; Luxembourg in 2022, with a U rate of 4.6 per cent, experienced LTU of 34.3 per cent; and Czechia, despite a very low unemployment rate of 4.0 per cent in 2016, had no less than 63.1 per cent in long-term unemployment. LTU is a challenge even for Member States whose economic environment produces very low to moderate rates of unemployment.

4. **LTU is even more challenging for older jobseekers** Employers are customarily more reluctant to hire jobseekers who have not held a job for a long period of time. For mature workers, in their 50s or older, the LTU picture is consistently grimmer: roughly six out of 10 do not get a job offer within a year of searching. This was the case in 2014 for the EU27, where LTU for those in the 50-64 age group was 55.0 per cent compared to 45.3 per cent for the entire population. By 2020, despite an overall reduction in unemployment, the percentage of older jobseekers unemployed for more than 12 months still stood at 50.0 per cent compared to 35.2 per cent of the total long-term unemployed population.

For comparison purposes, Table 2 presents data for the same nine countries as Table 1; that is, for countries that have been facing relatively low or mid-range levels of unemployment over the years. (See Appendix 2 for a full listing of EU27 Member States).

Table 2 **Long-term unemployment as per cent of total unemployment, 50+ years of age**

	2014		2016		2018		2022	
	U rate	LTU rate (50+)	U rate	LTU rate (50+)	U rate	LTU rate (50+)	U rate	LTU rate (50+)
Belgium	8.7	70.8	7.9	70.5	6.0	71.1	5.6	77.3
France	10.3	48.4	10.1	67.8	9.0	55.9	7.3	38.2
Switzerland	4.9	49.3	5.0	48.1	4.7	52.7	4.1	52.0
Germany	4.7	52.0	3.9	49.6	3.2	45.6	3.2	...
Norway	3.8	35.7	4.9	57.9	4.0	...	3.2	...
Luxembourg	5.9	49.8	6.3	61.9	5.6	51.4	4.6	55.0
Sweden	8.0	34.3	7.1	...	6.5	...	7.5	...
Netherlands	8.4	...	7.0	72.0	4.9	...	3.5	...
Czechia	6.1	...	4.0	...	2.2	...	2.2	...

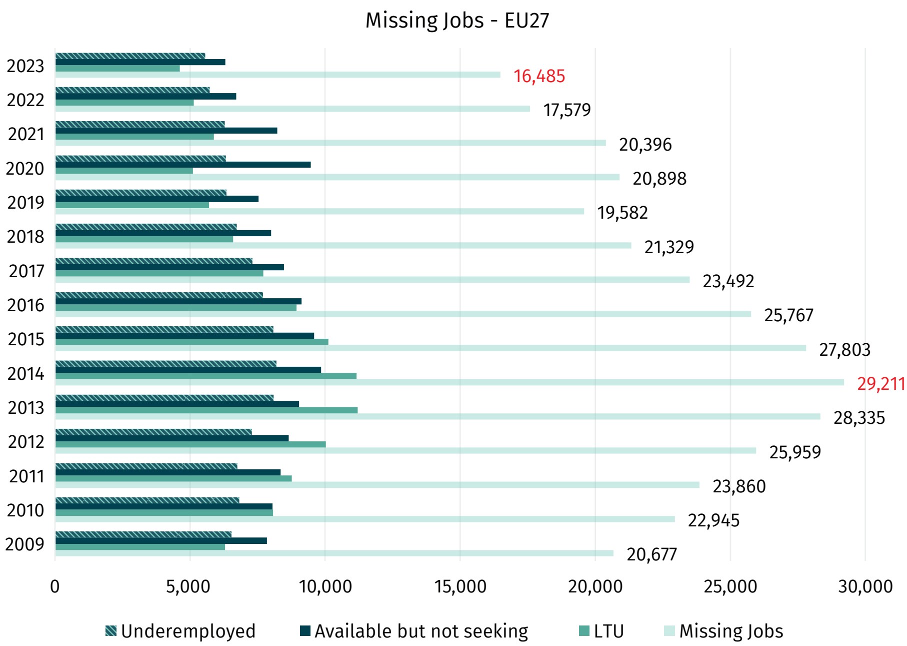
Note: the long-term unemployment rate for people 50+ years of age is defined as the number of 50+ people in unemployment for 12 months or longer divided by the population of 50+ people who are unemployed.

Source: Eurostat, LFS. Long-term unemployment (12 months or more) as a percentage of total unemployment, by sex, age and citizenship. (...) indicates missing data.

As can be seen, in Germany (in 2014), with a U rate of just 4.7 per cent, among jobseekers 50 years of age and older, 52.0 per cent were unable to find a job within a year, some 18.0 percentage points higher than the LTU for all age groups; in Belgium (in 2016), whereas the U rate was 7.9 per cent and the LTU rate among the total population of the unemployed accounted for an already high percentage at 50.3, LTU for those aged 50+ reached an astounding 70.5 per cent. Similarly, in France (in 2018) the LTU 50+ rate was 19 percentage points higher than the LTU among all unemployed; and in Luxembourg while the U rate stood at 4.6 per cent (in 2022) the LTU 50+ reached 50.0 percent.

5. **Missing jobs revisited** When considering the population encountering difficulties finding a job for prolonged periods of time, in addition to the long-term unemployed, the plights of the underemployed and discouraged workers ought to be taken into consideration. Part-time employees, including those working on a part-time temporary basis, who wish to hold regular full-time jobs, and people wishing they were engaged in paid work but who are no longer looking because they have given up hope, often remain less visible to active labour market policy interventions. The numbers here are instructive. In 2014, across the EU27, in addition to the 11.2 million long-term unemployed, 8.1 million people accepted less hours or were on temporary part-time contracts instead of the full-time job they sought; while 9.9 million were discouraged workers, labour market inactivity being imposed upon them. From the perspective of EU27 jobless people, 2014 thus essentially saw a deficit of a total of 29.2 million jobs. In this same framework, missing jobs in 2023 totalled approximately 16.4 million: 4.6 million for jobseekers in LTU, 5.5 million for the underemployed and 6.3 million for those available and willing to work but no longer seeking paid work.[7]

Figure 2 **The jobs deficit: missing jobs for the long-term unemployed, underemployed and discouraged workers, EU27 (thousands)**



7. Appendix 2, provides a complete listing of graphs for all EU27 Member States.

Notes: missing jobs, or the jobs deficit, is defined as the sum of the long-term unemployed, underemployed part-time workers seeking full time jobs and those available to work but not actively seeking it.

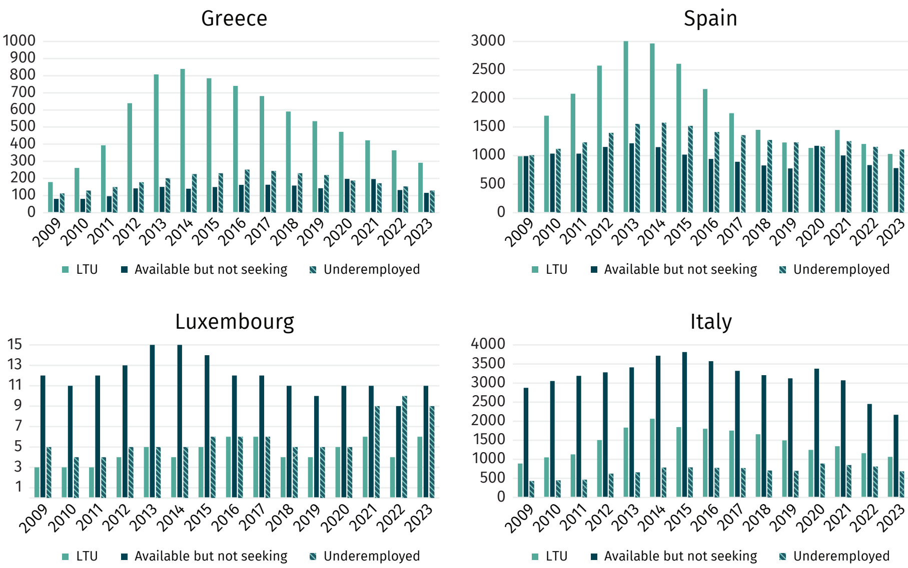
Underemployed part-time workers are those working part-time who wish to work additional hours and are available to do so. Part-time work is recorded as self-reported by individuals; persons available to work but not actively seeking it are the sum of those neither in employment nor unemployment status who want to work and (a) are available for work in the next 2 weeks but are not seeking work; (b) were passively seeking work during the last 4 weeks and available for work in the next 2 weeks; or (c) have found a job to start in more than 3 months and are available to work in the next 2 weeks.

Source: Eurostat. Long-term unemployment (12 months or more) in thousands, by sex and age, ages 15-74 (online data code: une_ltu_a, address: https://doi.org/10.2908/UNE_LTU_A); persons available to work but not seeking in thousands, by sex and age, ages 15-74 (Online data code: lfsi_sla_a, address: https://doi.org/10.2908/LFSI_SLA_A); underemployed persons working part-time in thousands, by sex and age, ages 15-74 (online data code: lfsi_sla_a, address: https://doi.org/10.2908/LFSI_SLA_A).

Once again, averages hide significant differences between the Member States. While in some countries the most challenged jobseekers are the long-term unemployed, in other cases the most voluminous group affected by the lack of jobs are discouraged workers who have given up on the search for remunerative employment; while in others it is the underemployed and those on temporary contracts.

Figure 3 shows that, whereas in Greece and Spain it is the long-term unemployed that bear the brunt of labour market exclusion, the persistent challenge of joblessness in Italy and Luxembourg is that of discouraged workers. In 2015 in Luxembourg, for instance, with a labour force of 285 000 people, discouraged workers were almost three times as many as those in long-term unemployment: 14 000 compared to 5000. Similarly, in Italy the total number of the long-term unemployed in 2018 was 1.6 million whereas discouraged workers were 3.2 million.

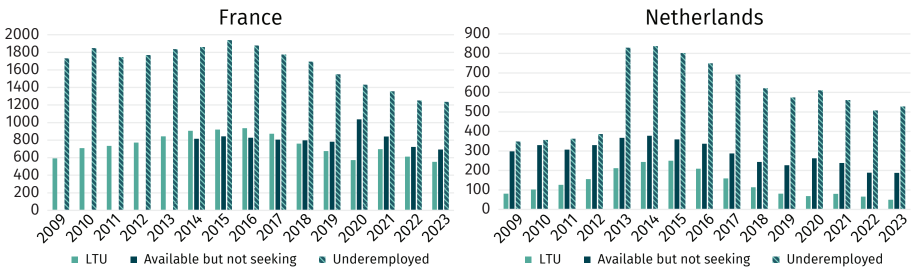
Figure 3 **Missing jobs: available but not seeking a job, discouraged workers**



Source: Eurostat, Long-term unemployment by sex and age; and Labour market slack by sex and age.

In terms of underemployment, France and the Netherlands stand out in this regard, as Figure 4 shows. In France, the long-term unemployed numbered 554 000 in 2023 while 1 236 000 people held part-time jobs instead of the full-time jobs they sought; correspondingly in the Netherlands there were 50 000 long-term unemployed in 2023 but 528 000 in part-time work seeking full-time employment.

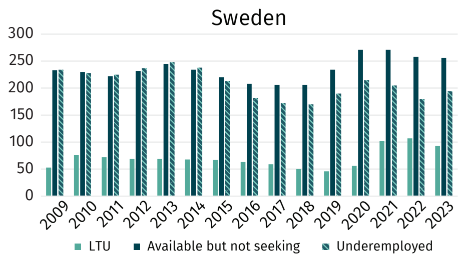
Figure 4 **Missing jobs: part-time workers seeking full-time jobs**



Source: Eurostat, Long-term unemployment by sex and age; and Labour market slack by sex and age.

Sweden, finally, serves as an example of a country in which long-term unemployment has traditionally been relatively low (see Table 1). This, though, tells only a partial story. In parallel to the 93 000 jobseekers in LTU in 2023 in Sweden, during the same year 194 000 persons wished to hold full-time jobs and were thus underemployed, while 256 000 were available to engage in the labour market but no longer seeking a job. As Figure 5 indicates, even when LTU seems a lesser problem, joblessness has many more faces, consisting additionally of underemployed and discouraged workers.

Figure 5 **Low long-term unemployment but high levels of discouraged workers and part-time workers seeking full-time jobs**



Source: Eurostat, Long-term unemployment by sex and age - annual data; and Labour market slack by sex and age.

6. **Risk of poverty or social exclusion and labour market activity status** Making use of data from Eurostat's Statistics on Income and Living Conditions (EU-SILC), this subsection concludes with the following observation. The unemployed, a significant proportion of whom are long-term unemployed, consistently face an especially high risk of poverty or

social exclusion (AROPE).[8] This is not surprising as the vast majority of the population gains access to the basic conveniences of life mostly[9] through earned income. Table 3 paints starkly the difference that a JG policy orientation would make to the lives of many among the unemployed and the LTU in particular.

Table 3 **Risk of poverty or social exclusion by labour market activity status, EU27, 2015-23 (percentage)**

Activity and employment status	2015	2016	2017	2018	2019	2020	2021	2022	2023
Employed	13.1	12.7	12.1	11.5	11.1	11.2	11.1	11.1	11.3
Unemployed	67.2	67.5	65.3	65.9	66.2	66.1	64.5	65.2	66.3
Retired	17.4	18.0	17.8	18.2	18.5	19.1	18.5	19.1	18.7
Inactive	42.0	41.7	41.9	41.3	40.9	42.5	42.4	42.8	43.2

Source: Eurostat, Statistics on Income and Living Conditions (https://doi.org/10.2908/ILC_PEPS02N).

In the EU27, the poverty rate as measured by AROPE for those in employment status has, since 2015, ranged between 11.1 and 13.1 per cent (for those aged 18 years and over), compared to an astounding 64.5 to 67.5 per cent among the unemployed. For comparison, note that, among people in retirement, 17.4 to 19.1 per cent still continue being at risk of poverty; and that those classified as 'inactive' rank second highest, at 40.9 to 43.2 per cent. It is for the unemployed that the AROPE figures are the highest: on average roughly two out of every three unemployed people are found at risk.

The AROPE rate also varies significantly across Member States. For instance, in 2023 among the unemployed in Germany it reached an astounding 80.9 per cent while in Luxembourg the corresponding figure was 51.6 per cent (see Appendix 3 for data on all Member States).

1.5 EU recognition of long-term unemployment

In the aftermath of the financial crisis, the European Union recognised the prevalence of long-term unemployment as a stubborn challenge for Member States. Furthermore, it was clear that the consequences extended beyond the immediate loss of income borne by those excluded from labour markets for prolonged periods of time. Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market (2016/C 67/01), para iii, acknowledged that:

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8. Data provided by EU-SILC are for the category of unemployed persons without reference to duration of unemployment.

9. Living standards, in addition to market purchases, also depend on state provision of public goods and transfers in cash or kind, as well as goods and the care services that households produce through unpaid work for their own consumption.

> Long-term unemployment, apart from affecting the persons concerned, lowers the potential growth of EU economies, increasing the risk of social exclusion, poverty and inequality, and adding to the costs of social services and public finances. Long-term unemployment leads to loss of income, erosion of skills, higher incidence of health problems and increased household poverty.

The first two paragraphs of the document are worth reiterating:

i. The unemployment rate in the Union increased to a historically high level following the 2008-2009 financial and economic crisis. It is currently decreasing, but long-term unemployment remains very high. Long-term unemployment affects each Member State to a different extent, particularly as the impact of the crisis has been uneven and the macroeconomic situation, economic structure and functioning of the labour market vary from one Member State to another.
ii. After years of subdued growth and low job-creation, in 2014 long-term unemployment, defined by Eurostat as the number of people who are out of work and have been actively seeking employment for at least a year, affected more than 12 million workers [...] 62% of whom had been jobless for at least two consecutive years.

The Recommendation (which is non-legally binding) proposes a variety of actions to be taken and several coordinated services that ought to be made available. However, traditional active labour market policies at the heart of the policy prove less effective for the long-term unemployed.

Principle 4 of the European Pillar of Social Rights (2017)[10] echoes the Council's Recommendation. It reinstates citizens' right to active support in finding employment by receiving job search support, training and reskilling. Nevertheless, in many instances, although these measures absorb substantial amounts of the resources of the European Social Fund (ESF), the EU's primary financial instrument for tackling long-term unemployment, many among the long-term unemployed remain jobless. Unemployment benefits and ALMPs are very important as the former mitigates catastrophic losses of income and the latter contributes to shortening spells of unemployment. Yet, to address the economic and social ills of LTU, as identified above in the Council Recommendation, they must be supplemented by a 'back to work' approach, that is, a right to a job to be exercised voluntarily, as proposed by a job guarantee.

At this historical juncture, as per para (ii) above, it was apparent that LTU across Member States was being caused by a sharp decline in economic activity and could not, for the most part, be attributed to the idiosyncratic characteristics of

10. The European Pillar of Social Rights contains 20 principles and rights, all of which promote: (a) equal opportunities and access to the labour market; (b) fair working conditions; and (c) social protection and inclusion. After extensive consultation in 2016, it was launched in March 2017 and endorsed by the European Commission, the European Parliament and the Council of the EU at the Social Summit in Gothenburg in November 2017.

the unemployed. This policy awareness and the policy of activation endorsed by the Council Recommendation provided an opportunity for new thinking, in which process proposals for innovative JG pilot initiatives to supplement the traditional ALMP menu found fertile ground.

In expanding the policy toolkit to redress more effectively the plight of those in long-term unemployment, it is useful to revisit existing EU reference frameworks that shape policy responses to the challenge of unemployment and LTU. In the European Union, two coexisting such frameworks can be detected that largely underpin potential labour market (re)integration policies.

First, the ‘activation policy’ reference framework, which has its roots in the European Employment Strategy from the mid-1990s and which is defined by the objectives of the Treaty on European Union (1992). Title IX (Employment) states that the EU and Member States should ‘work to develop a coordinated employment strategy and in particular to promote a skilled, trained and adaptable workforce and labour markets that respond to economic change’ (Article 145). The aim, and therefore the obligation, of policymakers is to ensure targeted investment that promotes an adequately skilled labour force so that, as far as possible, there is equality of opportunity between the unemployed and the employed, with sufficient adaptability to the changing needs of the marketplace.

Second, the ‘social policy’ reference framework which derives its legitimacy from Title X (Social policy) of the Treaty. It proposes ‘the promotion of employment, the improvement of living and working conditions, so as to enable harmonising them while promoting the improvement of social protection, dialogue between employers and workers, development of human resources *with the aim of permanent high employment and the fight against exclusion’* (Article 151, emphasis added). In this context, policy interventions have the task of improving and promoting equality of outcomes. Here, an implicit recognition may be detected: the operation of an open economy and the labour market may not result in permanent high employment and economy-wide social inclusion. This is therefore a call for the state to intervene and correct undesirable market outcomes and, consequently, for Member States to invest in policies that mitigate them.

These two frameworks suggest two distinct relationships between the market and the state. In the first instance, it signals that labour market policy interventions ought to be responsive and accommodating to the changing needs of open markets, by investing in processes that prepare and transform the labour force as needed, thereby enabling jobseekers to participate actively in the labour market. An affirmation of, and a supportive stance towards, the functioning of open markets can be detected. In the second case, there is recognition that open markets may not be sufficiently accommodative to the needs of the labour force. Hence policy interventions, and the requisite investments, ought to be put in place so as to counteract the shortcomings of open markets, with specific reference made to where these fall short of generating full employment and ensuring social inclusion.

These distinct frameworks are meant to be complementary but, at times, they become antagonistic. If economic policies and legislation that set the rules of conduct in the market, including the labour market, turn a blind eye to inequality, the deterioration of living standards, work precarity and unemployment, it is misguided to expect social policy to reverse them when, instead, what ought to be fixed is the economic policy that produces such adverse social outcomes.

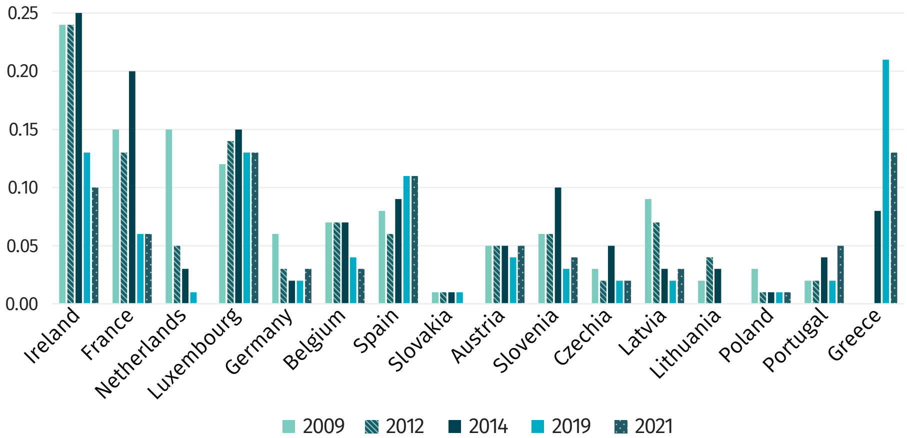
Yet, even when proper care is taken in evaluating policies in terms of their socioeconomic outcomes, unemployment, underemployment and spells of long-term unemployment could not always be expected to disappear. It is exactly this lacuna that a job guarantee has the potential to fill. Its ‘back to work’ mindset addresses the jobs deficit and social exclusion while, simultaneously, if designed with this purpose in mind, can support the activation of custom-tailored new skills acquisition. This is something that is of particular interest in view of the EU’s commitment to decarbonization and the need for a just transition.

2. Designing an EU Job Guarantee

2.1 The EU experience with job guarantee initiatives and direct job creation programmes

European countries have, over the years, introduced a variety of direct job creation (DJC) programmes, and Figure 6, based on OECD data, identifies sixteen that have been allocating resources to the implementation of DJC programmes.[11] As early as 2009, Figure 6 indicates that Ireland, France, the Netherlands, Luxembourg, Belgium, Spain, Austria, Slovenia, Czechia, Latvia, Lithuania, Poland and Portugal were already implementing such programmes. Most maintained significant levels of intervention during 2009-14, due to rising unemployment caused by the 2008 financial crisis, and Greece joined in at the end of 2012. Subsequently, as recovery took hold, between 2014-19 Ireland, France, Belgium and Latvia scaled back dramatically and budgetary allocations declined across Member States. In particular, Ireland dedicated less of its GDP to these programmes in 2019 because unemployment had declined dramatically compared to the crisis years but also because its GDP had increased. On the other hand, Greece and Spain – the two countries with the highest unemployment rates in the Union to date – increased their spending.

Figure 6 **Expenditure on direct job creation as a percentage of GDP, 2009-21**

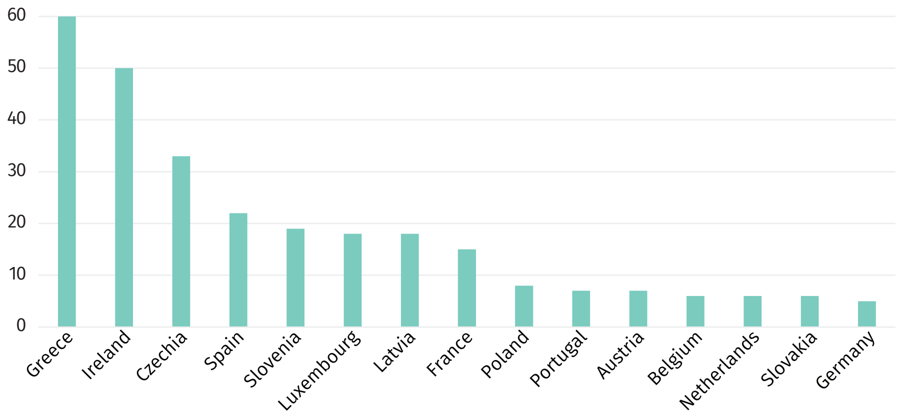


Source: OECD, Labour Market Programmes Database.

11. The Hungarian workfare programme is not included and will not be discussed here as its design falls outside the framework and principles of a voluntary, labour rights-driven job guarantee.

Additional insight can be gained from observing data depicting the share of expenditure on DJC programmes in total ALMP spending. As an example, for 2019, Figure 7 documents that France, Luxembourg, Spain, Czechia, Latvia and Slovenia devoted between 15.0 and 33.0 per cent of their total ALMP spending on DJC schemes. In the same year, Greece and Ireland ranked at the very top among EU Member States, dedicating 60.0 and 53.0 per cent respectively.

Figure 7 **Expenditure on direct job creation as a percentage of ALMP spending, 2019**



Source: OECD. Labour Market Programmes Database.

DJC programmes and recent JG initiatives share in common the idea that the offer of a fully funded job by the state is a necessary intervention to mitigate the devastating effects of long-term unemployment. The innovation of JG is twofold. The first pertains to the extent of population coverage which is proposed to be universal so that, gradually, involuntary long-term unemployment tends to zero. The second relates to the duration of participation. While DJC programmes propose temporary respite, through fixed-term job offers, the proponents of JG advocate open-ended duration. The rationale is that, despite the presence of job search and job matching services, which are designed as integral parts of JG initiatives, there is no assurance that transitioning to open labour markets is always an available option, at least not for all participants. If time limits are imposed for those graduating out of the programme without proper placements, the travails of unemployment turning into long-term unemployment would soon begin.

The paper turns next to identifying the main features of recent job guarantee experiments as well as of three fixed-term direct job creation programmes currently in operation. The intention is not to provide a detailed or exhaustive list of EU programmes nor of their characteristics, but rather to draw lessons from them and thus inform the discussion that follows on the possible contours, principles and options of the structure of an EU Job Guarantee.

2.1.1 Recent JG experiments of open-ended duration[12,13]

The current wave of JG initiatives began with the longstanding experiment of Territoires zero chômeur de longue durée (TZCLD), a French initiative that dates back to 2016. In its first phase it encompassed 10 territories – geographic areas with fewer than 5000 or 10 000 residents – and ran until 2020. The second phase is designed to encompass 50 more territories up to 2027, graduating to a country-wide programme. With LTU being a challenge for many countries, the search for innovative solutions is heavily focused on the ongoing experiments of France, adjusted as necessary for country specificities.

In addition to the TZCLD, currently the following initiatives are being implemented:

- Modellprojekt Arbeitsplatzgarantie Marienthal (MAGMA) pilot programme of Austria since 2000
- the Basisbaan of the Netherlands, also since 2020
- the adaptation of the French TZCLD model in Belgium, since 2022
- Solidarisches Grundeinkommen (Solidary Basic Income), a pilot scheme being offered by the State of Berlin from 2019 up to December 2025.

These JG pilots converge on several elements. Participation is strictly voluntary; job offers are not of fixed duration but, instead, open-ended to match the needs of each participant; the size of the communities chosen is small and, consequently, the number of jobless people enrolled is also small (participants range from 112 people in Marienthal, in the Municipality of Gramatneusiedl in Austria; 822 are planned in Wallonia and 46 full-time equivalents in Liège, Belgium; 140 in the Netherlands with a target of 250 by the end of 2025; 1000 in Berlin; to a total of 3023 in all 75 territories throughout France); their intentional reach is universal as each initiative offers or creates a new job for all who voluntarily wish to enroll; there is community-wide involvement that ensures consensus and democratisation of the process; public employment services and the municipal authorities are involved but social and solidarity economy (SSE) entities and non-governmental organisations play a significant role in design and implementation; and they also have a strong focus on custom tailoring each job according to the individual needs and particular challenges of each participant (for example the French, Belgian and Austrian pilots). Furthermore, upskilling, job search and job matching are also a feature of these JG initiatives. A key principle they all share is that, independently of skill level, everyone, including those that have remained outside the labour market for a long time, can contribute when the job is matched to the specific skills a person possesses instead of the other way around.

12. For a detailed presentation of the initiatives, see Markowitsch and Scharle (2024).
13. For an interesting discussion and critical appraisal of the initiatives, see the Annex of the ETUC Resolution on the European Job Guarantee https://www.etuc.org/en/document/etuc-resolution-european-job-guarantee

This list of characteristics, despite its non-exhaustive nature, provides sufficient background to draw upon for this discussion while additional information on each of the pilots can be found in Appendix 4.[14]

2.1.2 Direct Job Creation Programmes: fixed period, national coverage

Luxembourg's small in size programme and Ireland's relatively large one provide examples of direct jobs programmes of fixed length, with participation ranging between one and three years. The expectation upon exit is transitioning to a regular job in the private sector within a reasonable amount of time. Participation is voluntary with the exception of a smaller programme in Ireland.

1. **Luxembourg's Reintegration Contract for the long-term unemployed**[15] has provided grants since 2017 for the establishment of new integration jobs for people in long-term unemployment, and invites government, municipalities and community associations, public institutions, social economy enterprises, non-profit associations and foundations to create them. Participation is voluntary and financial support is provided for the first three years. Training and acquisition of new skills on the job are stated as important elements of the job offer. The expectation is that the job position created will either be retained or a new job identified for the participant. The renewed job offer is only partially supported financially and on a sliding scale according to age. Coverage of the population is very low. In 2022, for example, 133 long-term unemployed people were hired.[16] Eurostat figures documented above show, for the same year, roughly 4000 in long-term unemployment and, the year before, 6000. Responding to the particularly strong challenge of the 50+ LTU population, Luxembourg's Employment Fund reimburses 100 per cent of the actual salary costs incurred until the employee's retirement.

2. **Ireland's Community Employment and Tús schemes** Community Employment (CE) was originally introduced in 1994 and Tús, a smaller programme, in 2011. Participation in CE is voluntary and prospective participants must register and apply for a job offer, whereas in Tús acceptance of a job offer under the scheme by a long-term unemployed person is mandatory. Both programmes were developed during times of economic downturn and heightened unemployment but remain a highly significant part of ALMPs. To gain a perspective of population coverage, in 2021,

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14. The information provided per country was collected by the author through a questionnaire distributed electronically and answered by the TZCLD collective and others involved in various capacities in each of the pilot initiatives as mentioned in the acknowledgement. Unfortunately, information on the Berlin initiative was not made available due to time limitations.
15. Information based on the official website. https://adem.public.lu/en/employeurs/demander-aides-financieres/embaucher_cld.html
16. As reported by Luxembourg's minister of labour. https://today.rtl.lu/news/luxembourg/a/2152490.html

30 000 previously long-term unemployed persons were enrolled in the two programmes (23 000 in CE, 7000 in Tús), with roughly 47 000 remaining as non-participants. Placements offered are for part-time employment (19.5 weekly hours) in municipalities, non-profit organisations, charitable institutions, etc., typically with a one-year duration. Participants may find a part-time job in the private sector simultaneously; they also have access to skill upgrading and the option of extending the original one-year job offer with consecutive placements for up to three years and, in exceptional cases, up to seven years. In 2024, a change was announced according to which both enrolled and new entrants to LTU aged 60+ are entitled to guaranteed job offers extended up to retirement.

2.1.3 Short-term, time fixed: Greece's emergency programme of Kinofelis Ergasia and Jobs for 50+

Greece's emergency direct job creation programme was introduced during the severe economic and subsequent external debt crisis that engulfed the country from 2010-15 (with austerity conditionalities till 2018),[17] in the context of unemployment skyrocketing from roughly 378 000 to 1.3 million within five years. The long-term unemployed comprised 75 per cent of total unemployment by 2013 and this figure remains high. The ambition was for something on a much larger scale, but public expenditure was then severely curtailed across the board and, hence, available resources for the programme were incommensurably small to the challenge at hand. From 2012-18 the two schemes combined had provided jobs for a cumulative total of only 168 000 participants. The programme continued after the end of the strict supervision period by institutional lenders in 2018 and, by early 2024, job offers had reached 200 000 people.

The Kinofelis programme was designed and monitored by the Ministry of Labour, co-administered through the public employment service and implemented by the municipal authorities. Participation was voluntary but the selection process was targeted. Due to limited funding, job offers had to be severely rationed. Its widespread popularity was evidenced in its oversubscription, with eight eligible applicants for each available job offered. Selection criteria were necessary and a points system was put in place. High priority was given to duration of unemployment, and hence the majority of the participants selected for the programme had been out of a job for just over five years. Other criteria included low household income, being a single parent, being disabled, in a household where all adults were in unemployment, and being older.

Jobs were created at municipal level. With limited funding and EU hesitation about the usefulness of the intervention, a compromise was reached under which job offers were limited to eight months at the legal minimum wage. Subsequent legislation allowed for access to health benefits, fully paid contributions to

17. To secure borrowing, Greece signed three consecutive MoUs which entailed severe austerity measures and internal devaluation that contributed to a 25 per cent loss of GDP and an unprecedented volume of private sector bankruptcies.

the pension scheme, sick leave, parental leave and periods of leave following established labour law. Job offers reached the long-term unemployed in all 323 municipalities.

Job offers were structured around specific work projects. Identification of jobs required the cooperation of elected municipal councils, municipal authorities' technical personnel and local employment service counsellors. Together they matched as far as possible the skills in the last job held of long-term unemployed persons residing in the municipality with potential small and medium-sized work projects that would yield a strong public benefit to the community. Work projects were implemented by local municipalities after being accessed electronically on a platform created for monitoring purposes at the Ministry. The areas of admissible work projects were identified by the Ministry as part of the design of the programme and included, among others: maintenance and small scale improvements of community centres for the elderly, nurseries and public schools; environmental interventions such as forest management and fire prevention; rehabilitation of abandoned parks, playgrounds and recreational facilities; establishment of mobile libraries in remote areas, and educational and cultural projects for children and their parents; and sanitation, recycling and accessibility projects in underserved residential and commercial neighbourhoods.

The aim was to benefit the community while ensuring that municipal services delivered through permanently employed public service workers were not replaced. The issue of submitting projects that covered unmet needs that, under normal circumstances, should be provided by an expanded municipal labour force was a challenge. But, with public spending severely curtailed at local level, and given the brevity of the job offers, compromises were reached. To guarantee transparency and avoid political capture, the selection process among the long-term unemployed was administered via the automatic processing of the applications of prospective participants, submitted electronically, to the independent commission of the Supreme Council of Civil Personnel Selection.[18]

Jobs offered through the 50+ programme, since 2015, are individually assigned (not project oriented) and of a longer duration, with the original offer of a 12 month period, automatically renewable upon the request of the job holder for an additional 12 months.

2.2 Exploring the possible contours of an EU-wide Job Guarantee

The above examples of JG and DJC initiatives provide evidence of interventions aimed at ameliorating the detrimental impacts of long-term unemployment that have been shaped under distinct economic circumstances and with a wide range of policy objectives in mind. Availability, or lack thereof, of funding resources also

18. For a summary and a qualitative evaluation of Kinofelis, see https://www.ilo.org/publications/lessons-kinofelis-greek-public-employment-programme constrains and shapes interventions. It is, then, not surprising that their design and implementation varies.

2.2.1 Basic principles of a JG

The following are the core principles under which any Job Guarantee scheme needs to operate if it is to be successful:

- participation in the programme must be voluntary as regards both entry and exit. As not all the long-term unemployed will choose to participate, this reinforces the basic aim of a JG which is to eliminate all involuntary LTU
- offered jobs should not compete with, nor replace or displace, existing private sector or public sector jobs
- JG wages cannot be set below the legal minimum wage and should abide by labour standards as established by labour laws. The role of trade unions and collective bargaining agreements is critical
- participants should be entitled to available skill upgrading, reskilling and lifelong learning courses and accreditation of their newly acquired skills and competences
- open consultations during design, implementation, monitoring and evaluation ought to involve local authorities, trade unions, parent associations, neighbourhood committees, SSEs, civil society organisations, universities and other relevant stakeholders.

2.2.2 Basic considerations in designing and implementing a JG

When a JG (or pilot programme) is designed, there are several issues to be taken into consideration. They include: clear identification of objectives, the scale of the proposed intervention, community selection, targeted or universal coverage, and eligibility criteria for participation; the duration and time limits of job offers; wage levels; the process of individual job identification; the identification of potential work projects for JG job creation; institutional arrangements for programme management, design and implementation; decisions on the inclusion of training and upskilling; monitoring and evaluation processes; and the financing modalities. With respect for subsidiarity and differences in institutional structures and capacities, below is an indicative list[19] useful in identifying the issues and priorities relevant to the design of JG initiatives.

1. **Community selection, targeted or universal access, and eligibility criteria for participation**

a. decision on scale; namely, a pilot programme or nationwide implementation. If a pilot, or the gradual rolling out of a programme, identification of

19. This list was developed together with Steve Miller, an ILO Employment Intensive Infrastructure Development specialist now in retirement, as part of a collaboration on a project for the government in Mexico in 2010.

the communities in which to initiate the scheme is necessary. Criteria may include incidence of LTU, incidence of poverty, incidence of jobless households, being at risk of poverty or social exclusion, marginality of labour market attachment and exclusion from regularly available paid work

b. ideally, a JG should be universal and the duration open-ended, with hours per day, as well as days per week, custom tailored. This is easily ensured in small-scale programmes; in larger ones, consideration of the trade-offs cannot be ignored regarding universal access to job opportunities, duration of the job offer, number of days per household and whether the job offer is part-time or full-time

c. if targeted, including in programmes where there is a top-up wage approach, the identification of the criteria used to establish prioritisation and specific sequencing are necessary

d. identification of the approximate number of jobseekers that might wish to participate is necessary. This is important in establishing the required investment (cost), which issue will be return to later

e. ensuring access to a job offer also requires that women, older people, those who are disabled and people from ethnic minorities are given equal access and opportunity to participate.

Observation 1. In many instances, the willingness of elected authorities at national or local levels to implement an initiative becomes the deciding factor.

Observation 2. Scale will depend on costing projections and available resources, but also on the decision of whether to include underemployed and discouraged workers.

2. Wage determination and working conditions

a. the trade union role is important and binding agreements ought to be reached

b. the wage offer must be set at least at the legislated minimum wage and decent work conditions observed

c. top-up wage methods, based strictly on a declared and voluntary decision by the potential participants, should be explored

d. appropriate and acceptable wage levels should be identified: decisions must be made regarding a one or two-tier, or even multi-level, wage offer; while negotiations must take place, it is important to reach a compromise in a timely fashion so that roll-out of the programme is not delayed.

3. Identification of potential work projects for JG job creation

Social services

a. assistantships in early childhood development centres and eldercare centres

b. daycare assistants for the children of programme beneficiary workers (for children not already enrolled)

c. assistantships in afterschool programmes for children and literacy programmes for adults

d. safety monitors for schools, parks, neighbourhoods, playgrounds, etc.
e. low-income housing restoration
f. promotion of local and traditional artists and musicians; programmes for children and community/family events.

Productive infrastructure

a. agricultural and agribusiness improvements
b. environmental improvements
c. green transition projects
d. water supply, conservation and sanitation
e. transportation infrastructure and maintenance
f. forest management and commons infrastructure.

Social infrastructure

a. childcare and community centres
b. schools and related infrastructure
c. playgrounds, parks and public space improvements.

4. Programme management

a. issue clear guidelines and modalities for dissemination regarding: qualifications/hiring criteria; wage rates and remuneration packages; and the length and duration of employment opportunities
b. establish guidelines on steps to ensure that JG job creation objectives neither detract from nor substitute public sector jobs
c. establish management information systems to ensure good project management and accountability.

5. Institutional arrangements

a. ensure full ownership of the programme by communities and any municipal (technical) departments
b. address coordination issues and clarify the roles of all those involved (community organisations, SSEs, NGOs, municipal departments, etc.)
c. create clear guidelines for contracting SSEs and ensure NGOs, as service providers for designing and implementing JG interventions at community level, have been considered, including the financial arrangements and the wage structure of the SSE and NGO personnel
d. institute mechanisms to avoid conflicts between the established workforce and the programme workforce within a given technical field
e. encourage a process for social audits.

6. Beneficiary/worker participation and responsiveness

a. create mechanisms to encourage feedback from JG workers regarding conditions of work

b. consult with JG workers regarding priority focus areas of job offers; in cases of work project-based JG job offers, consult with JG workers, women and men separately, regarding project selection and community services and assets created (how might gender differences in priorities be worked on?)
c. collect demographic and socioeconomic data at time of entry and periodically update them. It is very important also to collect data of participants upon exit.

7. Training decisions

a. organise orientation for all new recruits
b. choice of training activities should also be informed by results of an assessment of labour market needs which ought to be disseminated to potential participants
c. training is best when it involves practical on-the-job training as well as classroom learning
d. participants should receive certification at the end of training.

8. Monitoring and evaluation

a. community participation is very important. Involve trade unions, university students and civil society, and encourage democratic participation and 'social audits' from the very first stages of establishing the monitoring and evaluation criteria.
b. clarify the programme's key objectives and provide an exact hierarchy of goals and expectations.

9. Costing and financing

a. estimate the economic, financial (total and net) and social costs of unemployment (and of 'inactivity' as far as possible)
b. undertake a projection of the required investment in the proposed programme
c. provide suggestions for sources of funding and budgetary estimates of the expected contributions from technical departments and ministries (e.g. public works, environment, health, education, water resources, rural development, etc.), including but going beyond the allocations provided by the ministry of labour/employment, with respect to its projected contributions to job creation
d. provide a review of existing poverty reduction government programmes and clarify which ones can work synergistically with the JG and/or public service job creation programme
e. undertake, when possible, a micro-macro analysis (direct and indirect job creation, impact on poverty reduction and living standards, GDP growth, tax revenue, deficit and debt analysis) of the proposed JG intervention. Evidence-based analysis has proved crucial in informing advocacy and social dialogue around proposed JG interventions and in negotiations with finance ministries.

This section concludes by focusing attention on two contentious ideas: a) the issue of the extent of flexibility allowed in the design; and b) the singularity of objectives. Clarification of these issues is extremely important because they go to the core of the principles of a JG. They also open up the space for redesigning DJC programmes and existing initiatives in EU Member States and, moreover, they establish a basis for the evaluation of outcomes.

2.2.3 Flexibility and adaptability of design are necessary

A JG should not be perceived as a prescription of uniform interventions, but rather as a flexible and adaptable policy instrument that can vary to meet a specific set of objectives. For example, the choice of full-time or part-time job offers may be determined by the characteristics of the job market of a Member State which may show that underemployment is the key challenge and not LTU; the green transition highlights that, desirable as universal coverage may be, regionalised interventions must receive higher priority and that their design must include a strong new skills acquisition component; SSE/NGO sectors in some Member States may not be sufficiently developed and, therefore, their ability to function as an employer may be constrained. Hence the design elements and implementation modalities may vary substantially.

What does need to be questioned is the idea that short-term and fixed-term interventions are appropriate and necessary design elements in order to avoid 'lock-in' effects, in all circumstances. If properly designed, participants that can find a job on the open market will exit voluntarily. Instead, diagnostic tools must be in place to identify the compositional characteristics of the long-term unemployed population and the economic and social reasons that lock them into long-term unemployment. In other words, taking into account the specifics of labour demand and supply, a diagnosis ought to establish whether the labour market disruption is transient, medium-term or structural. In short, a uniformly designed short-term or fixed-term JG is not an acceptable response for long-term displaced workers or the long-term unemployed with physical or mental disabilities and the low-skilled long-term unemployed aged 50+.

2.2.4 Clarifying the objectives

An expectation placed on JG initiatives, often a singular one, as well as on other direct job creation programmes, concerns participants' successful transitioning to the open labour market within a reasonable amount of time. This is misguided. While remaining a highly desirable outcome – and indeed achievable for some participants – it is predictably not feasible for many. A JG can support the work ethic, prevent loss of skills and potentially add new ones, but cannot transform the hearts and minds of those making hiring decisions in the private sector; neither can it entice the private sector to create jobs in the midst of a severe recession with or without wage support. Nor can it reverse structural or technological change. Judgement of a JG as a 'costly and ineffective intervention' based on low transition rates is misguided and should not serve as a reason to deny the right to a job to thousands of long-term unemployed jobseekers. Integration and reintegration in a socially inclusive, active and productive life may require that some groups are entitled to lifelong JG offers. This is precisely what Eurostat data for the long-term unemployed aged 50 or over teaches and it is, furthermore, what the direct jobs programmes of Ireland and Luxembourg have embodied and are currently implementing.

3. Financial issues and macroeconomic outcomes

3.1 Financing an EU-wide Job Guarantee

Introducing a job guarantee policy is fully aligned with the intentions put forward in Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market (2016/C 67/01), as well as Principle 4 of the European Pillar of Social Rights (2017) and, very importantly, Article 151 of Title X (Social policy) of the Treaty on the Functioning of the European Union. These detail the EU's social policy objectives which are to promote employment, improve working and living conditions, achieve the equal treatment of workers, deliver adequate social protection according to need, enhance social dialogue, develop human resources aimed at achieving a high and sustainable level of employment and combat exclusion.

Beyond addressing the LTU challenge Member States face amidst the need to stabilise their economies during economic downturns, an EU-wide Job Guarantee has strong potential to prevent negative externalities across Member States. Unemployment in one Member State has ramifications for the economies of others across the Union through the channels of trade. If left untreated, the vicious circle of reduced economic activity and rising unemployment, by decreasing demand further, ends up decreasing the demand for imports as well, thus affecting employment and jobs in the exporting sectors of other Member States (Markaki et al. 2015). Inability to take action at the level of one country produces negative results for others.

How strong are the trade linkages between Member States? According to Eurostat, with European total output produced in 2023 of roughly 17 trillion euros, the trade in goods between EU countries (intra-EU trade) was valued – in terms of exports – at 4.1 trillion euros. The significance of the EU's internal market is underlined by the intra-EU trade in goods being roughly double the size of EU trade with the rest of the world (extra-EU trade). This is the case for all EU countries except Ireland and Cyprus, with the highest shares of intra-EU trade (above 75 per cent of total trade) recorded for Czechia, Slovakia, Estonia and Luxembourg.

A coordinated EU-wide effort to deal with long-term unemployment, which expands rapidly during economic downturns and after severe external shocks, will instead produce positive externalities throughout the Union, assisting the EU's stability. Similarly, a proposal for EU-wide unemployment insurance has been made by Vandenbroucke (2017) to increase stability across the Union. Vandenbroucke explores the positive externalities of such a plan and argues for its subsidisation in line with standard economic theory, according to which the production of goods and services yielding positive externalities ought to be subsidised. Thus, unlike a small scale regional or national JG programme, an EU-wide one will yield positive externalities. On top of the impact on trade, research has also shown the positive impact of an increased wage share (Onaran and Obst 2016). An EU-wide JG would expand the wage share through direct and indirect job creation and, given the structural characteristics of the EU, it would promote output growth and function as an automatic stabiliser.

As with most policies, implementing a JG will require the securing of adequate financing. There are two related questions pursued in this section. First, what are the potential sources of the financing of an EU-wide JG? A suggested, non-exhaustive, list of options is offered, with the strong potential of coordinated co-financing among them. Second, what is the size of the expected financial commitment (i.e. how much does it cost)? For an EU27 level of estimation, a per country estimate will be required. This is beyond the scope of this present paper and, therefore, the discussion is restricted to the important parameters that ought to be considered in undertaking such a study, as the eventual net cost of a JG is a fraction of the total sum required in advance. The case study presented, an ex ante micro-macro simulation of the case of Greece, provides evidence to that effect and acts as a useful structure for future policy-related research.

3.1.1 Sources of financing

A variety of EU financial instruments exists which could be explored and leveraged synergistically. The list includes:

1. **Annual EU budgetary allocations**. First and foremost, a long-term and ambitious vision points to the need for future specific allocations for the implementation of a JG to be earmarked in the annual EU budget through annual review and within the boundaries of the EU's Multiannual Financial Framework (MFF). Given that the budget – which, for the 2021-27 period, amounts to 1.211 trillion euros – is crucial for responding to the challenges the EU faces, a focused commitment is necessary. The annual budget procedure does provide an opportunity for agreement between the Commission and Parliament to adopt a proposal that amends the MFF aiming at reinforcing the budget to increase the Union's resilience by addressing an urgent priority; that is, the challenge of continuing long-term unemployment confronting many Member States.
2. **NextGenerationEU**. A great number of opportunities exist to support a Job Guarantee in Member States' green transition projects through the Recovery and Resilience Facility and the National Recovery and Resilience Plans of the NextGenerationEU investment funds that, together, total a commitment of 806.9 billion euros. An EU-wide JG will contribute to the agenda of a greener, more digital, more resilient future, with eligible projects to 'reinforce social infrastructure and services while reducing territorial disparities', 'enhance access to advanced education and training in skills relevant to the future economy' and 'support inclusive growth and

development and innovation for all' offering potential. Specific areas of interest are in the 'reduction of waste and plastic litter', 'planting of trees and bringing back the bees', 'creating green spaces in our cities' and many projects in the cyclical economy.

3. **European Social Fund Plus (ESF+)**. The European Social Fund, which is now a part of the European Social Fund+ and which has traditionally supported ALMPs, could enlarge the available policy mix it offers to Member States. As the ESF+ portfolio focuses on investing in people and supporting the implementation of the European Pillar of Social Rights, it is ideally positioned to support a JG policy. Recalling that the ESF+ budget is earmarked at 142.7 billion euros for 2021-27, the ESF+ can provide a stable and permanent contribution to an EU Job Guarantee, much as it did for the Youth Guarantee.
4. **Extending the SURE mechanism**. The European instrument for temporary 'Support to mitigate Unemployment Risks in an Emergency' (SURE), as a response to the Covid-19 pandemic, signalled the political will of the EU to take timely action and protect EU citizens from a disastrous rise in bankruptcies and unemployment – especially since such financing would, in total, yield higher returns when all its positive effects are taken into account. Similarly, as LTU is a continuing challenge across Member States, such an instrument can be extended to fund a JG on an EU-wide basis. This is particularly important to create flexibility so that countercyclical adjustments are included in the deliberations. Having already issued the first-ever EU Social Bonds to fund SURE loans during the pandemic, a 'back to work' line could be made available, providing a financing option for JG implementation to Member States during normal economic times but, most importantly, to prevent rising LTU when the economy falters.
5. **European Regional Development Fund**. Among the commitments in support of sustainable urban development across the EU, the European Regional Development Fund is designed to strengthen economic, social and territorial cohesion in the European Union by supporting employment, education, skills and social structures. It aims to do this by correcting imbalances between regions, enabling 'investments in a smarter, greener, more connected and more social Europe that is closer to its citizens'. Together with the Just Transition Fund, critical investments in coal and carbon intensive regions – set to be most affected by the climate transition – can support JG interventions with strong elements of the upskilling and reskilling of workers. Furthermore, the wage income that participants earn promotes social protection and cohesion, and assists with meeting the poverty prevention and poverty reduction targets of both funds. As seen earlier, the risk of poverty and social exclusion is much higher among the unemployed compared to wage earners.
6. **National budgets**. A final option for funding JG is through national budgets, provided that co-financing its implementation can be agreed (see below). A JG is a social investment, for the many reasons discussed, and thus its effects on national budgets should qualify for the extended fiscal adjustment period from four to seven years provided in the revised fiscal framework. The investment increases employment and reduces the risk of poverty and social exclusion but also contributes to upskilling and

> reskilling. A similar case of social investment has been suggested for an EU childcare policy that will boost female labour participation and it has been shown that, in most Member States, the fiscal adjustment is likely to be minimal (Darvas et al. 2024).

The direct job creation impact of a JG, discussed in detail through the empirical study included in Section 3.3, generates additional tax revenue through the indirect and positive externalities of open market jobs and income throughout the economy. In effect, investing in the reduction of LTU leads to a rise in GDP. And, while the cost of a JG is counted in net primary expenditure, the expected increase in GDP is a multiple of the initial JG investment – although this multiple expansion of GDP is not instantaneous and neither can it be guaranteed to materialise within the same fiscal year. But, over time, counterintuitive as it may sound, for many Member States, the net increase in their debt position will be a fraction of the increase in GDP, bringing the trajectory of the debt-to-GDP ratio in concert with the EU's required debt sustainability guidelines.

The recently revised fiscal surveillance framework, which seeks to ensure government spending stays within the pre-agreed boundaries of the spending ceiling, identifies 'net primary government expenditure' as the key variable that will be monitored (Theodoropoulou 2024). The calculation of net primary government expenditure is agreed to exclude spending on EU programmes co-financed or fully matched by EU funds, as well as cyclical unemployment benefits. Increasing countercyclically, the JG would function as an automatic stabiliser and, in concert with unemployment benefits, it would strengthen the resilience of Member States to economic downturns. Should an EU-wide JG be adopted, the expectation is that, much like unemployment benefits, expenditures on the intervention would rise when the economy falters. The argument can be made that the EU-funded portion of a JG and domestically funded cyclical JG spending ought also to be excluded from the calculation of net primary government expenditure.

3.2 Total (initial) financial commitment, actual cost and net cost of Job Guarantee programmes

For policymaking purposes it is critical to distinguish between three different measures: the total financial commitment required initially; the actual cost of the intervention; and the net cost.

3.2.1 Total (initial) JG financial commitment

This consists of the wage plus benefits bill for the participants plus administrative and other foreseen costs (outreach, organising community meetings, etc.). Administrative costs must include inspection, monitoring, information system management and data collection for evaluation purposes. If job offers are intended to be organised around work projects, for example in environmental interventions, even when the cost of materials, equipment and the health and safety requirements are supported by other ministries in items of the national budget or by municipal/

local budgets, they must be included to provide an all inclusive ex ante budgetary estimate.

3.2.2 The actual cost of the JG

The actual cost of a JG is less than the total financial commitment estimate because some costs are customarily covered by other ministries or departments, and therefore, already budgeted for. To give two examples, municipalities and local schools may provide, free of charge, access to the working spaces needed for organisational and regular consultation meetings; for PES/SSEs/NGOs coordination meetings; for the cultural and educational programmes provided by JG participants; or for community outreach and information sessions on environmental projects. In addition, materials and safety equipment in projects related to fire protection, the use and management of forest areas and related activities may be supported by the relevant environmental authorities at ministerial, regional and/or municipal levels.

A second example that may potentially lower the initial estimate concerns the larger cost component of a JG, that is, the JG employment bill. As participation is voluntary, and as it implies that participants are no longer long-term unemployed, a national agreement could be reached that facilitates the participant choosing to redirect the specific amount of unemployment benefits s/he would have received for the specified remaining period of entitlement as support for the JG wage. By such a transfer, and given that participation remains strictly voluntary, the option is offered to the long-term unemployed freely to transform their unemployment benefits into an employment benefit.

3.2.3 The net cost of the JG

Small-scale interventions in local communities can make an important difference to the lives of the participants, their households and their communities. Evidence to that effect is emerging from the reports and studies undertaken in the framework of the innovative JG pilots currently being implemented (Kasy and Lehner 2023). Interventions on a larger scale, however, have the potential to produce significant macroeconomic impacts which are the direct and derivative benefits of a JG to the economy. This encompasses increased production activity, new job creation (that is, in addition to the JG jobs) as a result of the additional production of output and newly accrued tax revenue. Although the JG wage income is low and, in many Member States, would be exempt from direct taxation, this income will generate tax receipts elsewhere in the economy. To satisfy the added demand for consumption, which originates with newly received JG wages, production must increase as well. And this production will be based on the use of raw materials and labour, which businesses organise; and, when the product is sold, firms will receive profits. It is these new activities, and the income generated permeating throughout the economy, that add new revenues through direct and indirect taxation as well as in the form of higher levels of employer and employee social contributions. This process continues, as private sector employment generates private sector income which, in turn, is spent in the economy, further increasing output, tax revenues, jobs, etc. This is simply the typical unfolding of the multiplier process: the expansion of economic activity whenever an injection of new spending enters the economy.

Taking into account the above discussion, how big a return might be expected to be yielded by a JG intervention? This question is answered in the next section, through an excursus presenting the ex ante results of an empirical study of the implementation of a JG in Greece, undertaken in the midst of the financial crisis that turned into a severe external debt crisis for the country.

3.3 Initial financial commitment versus net cost: the case study on Greece

Greece's economy had entered turbulent conditions beginning in 2008 and, by 2010, the country was shut out of international financial markets. To avoid bankruptcy, the government sought support in servicing its sovereign debt through a loan agreement provided jointly by the European Commission, the European Central Bank (ECB) and the International Monetary Fund. To bring the deficit and debt-to-GDP ratios under control, so that Greece could regain access to the financial markets, the prescription included harsh austerity measures, tax increases and internal devaluation, with the legal minimum wage falling from 751 to 586 euros per month.

This entire period proved disastrous for the Greek economy. Thousands of business bankruptcies and a contraction of GDP of over 25 per cent were accompanied by massive unemployment at a rate rising from 7.7 per cent in 2008 to over 27.8 per cent in October 2013. Compared to 2008, as of that month roughly one million more people had joined the ranks of the unemployed, with manufacturing, construction and retail trade suffering the biggest job losses. By this time, an astounding 71 per cent of the 1.3 million unemployed were in the LTU category and, over the course of 2013, the population unemployed for longer than four years reached 224 000 individuals.

3.3.1 Why Greece needed a job guarantee intervention

Projections by lenders and the government in 2013 reported that Greece would enter positive growth territory in 2014 but, from the standpoint of job creation, putting an end to austerity would not suffice to turn the unemployment tide. Even if Greece had managed to return from negative rates of economic growth to those it had enjoyed prior to the crisis (averaging around 4 per cent per year), it would have taken more than 14 years to reach pre-crisis employment levels, given the tendency of labour market recovery to lag GDP growth recovery (Dedoussopoulos et al. 2013).[20] If this was the 'best case scenario' for a post-austerity Greece, further policy actions were urgently needed.

Three years into the crisis, with unemployment and LTU skyrocketing, EU Social Fund allocations to ALMPs in Greece continued to be directed at improving employability. But with thousands of businesses in bankruptcy, firms were simply not hiring. A large-scale JG intervention, beyond the scope of the current ALMPs, was urgently needed.

3.3.2 The job guarantee scheme of Greece: background and rationale

The policy proposal for a JG for Greece, whose findings on job creation and growth potential are presented below (Antonopoulos et al. 2014), was undertaken at the Levy Economics Institute in 2013, in close coordination and partnership with the General Confederation of Greek Workers (GSEE). The collaboration with GSEE on a JG had begun several years earlier (Antonopoulos et al. 2011) and, as a result of that study, in 2012 a small programme was rolled out. Subsequently, the Institute was invited by GSEE to provide comments on the 2012 direct job initiative and it was jointly decided that a much more carefully designed, larger scale programme was necessary. To that end, further research was undertaken in 2013 with the findings presented at a conference in March 2014 organised by GSEE and attended by trade unionists, academics, members of parliament and representatives of political parties.

During the pre-election campaign later that year, a JG initiative for 300 000 long-term unemployed people was announced as a part of the recovery policy mix by the left-leaning opposition party, which was elected to office. The 2015 JG – known as 'public service work' or Kinofelis Ergasia – was rolled out in successive waves over the years. Despite its relatively small size, the logic, structure and necessity of a 'public benefit' JG programme gained the support of participants and the general public alike. When elected into government in 2019, the conservative New Democracy party continued the programme's operation and it is still being implemented to date.

3.3.3 Job guarantee scenarios for Greece

The JG programme proposed by the Levy Institute was aimed at providing paid employment for 12 months per year on work projects selected via a community-level consultative process from the following areas: digitalisation of public sector documents; small infrastructure projects to improve public spaces (playgrounds,

20. Based on employment levels over 1998 Q1 – 2007 Q4, Dedoussopoulos et al. (2013) estimated a job creation rate of 60 000 per annum. Projecting into the future, they found that, if the Greek economy, beginning in 2012 Q4, returned to its pre-crisis rate of annual job creation, it would regain its 2009 Q1 employment level in 2027 Q2 – that is, in roughly 14.5 years. The calculation is, so far, on track.

small parks, etc.); projects that improved accessibility; environmental interventions in forest management and fire prevention; expansion of social services provisioning; and educational and cultural enrichment programmes for the public. Participation was to be strictly voluntary and the positions offered would pay the minimum wage and full social security contributions, as well as offering most legal labour rights including normal time off, maternity and sick leave, etc. and excluding, for example, severance compensation. Eligibility would be extended to all unemployed people with a strong preference given to the long-term unemployed, those with low household income, the disabled, single-headed households and members of households in which all members of working age were unemployed.

For budgeting purposes, drawing on the experience of other countries, programme costs were assumed to consist of 60 per cent allocation to wages and 40 per cent indirect costs (i.e. materials, other intermediate inputs and administration).

The research programme associated with the Institute's proposal sought to provide answers to three questions.

First, what would be an appropriate scale for the JG programme? In other words, as participation was voluntary, how many among the unemployed were likely to want to apply for a JG? The scenarios were chosen based on the minimum and maximum expected responses (the demand for job offers under the programme) from among the unemployed through statistical propensity score matching and from data provided by the Labour Force Survey of the Greek Statistical Agency (ELSTAT LFS); the EU Survey of Income and Living Conditions (SILC) and information on applications from the previous, limited attempt at a JG undertaken in 2012. According to various assumptions, it was estimated that a modest proposal should aim at 200 000-300 000 participants and, more ambitiously, at 440 000-550 000 participants.

Second, what would be the medium-term impact of the JG on total job creation (direct and indirect) and on growth of output? The effects of several scenarios were estimated, corresponding to an increasing scale of direct job creation (for 200 000, 300 000, 440 000 and 550 000 jobs) and two levels of minimum wage (pre- and post-2012 internal devaluation; that is, at a minimum wage of 751 euros and 586 euros per month, respectively).

To estimate these macroeconomic effects, namely the JG's multiplier effects, input-output (I-O) analysis was used, drawn from the 2010 I-O tables for Greece. On top of the impact of the JG on direct job creation, jobs created indirectly through business-to-business effects were also added. This refers to the linkages and subsequent feedback in output growth and employment between industries: for JG workers to produce output, supplies must be used. Other industries, therefore, will receive newly created demand for these intermediate inputs. This chain reaction – each supplier demanding inputs produced by other sectors – results in induced expanded output and job creation effects.[21]

Third, to estimate the net cost of the intervention, it was necessary to know not only the initial amount of government spending but also the increase in new tax revenue. The additional tax collection would be generated through the multiplier via direct income taxation on households and businesses, excise taxes and social security contributions.

3.3.4 Results of the JG simulations: employment creation, output and tax revenues

With more than 750 000 people in long-term unemployment, these questions were anything but trivial. The estimates were based on simulations of what would have happened had the JG been implemented in 2012 and, although one could not rewrite history, the results were instructive for stimulating debate to encourage policy action in the immediate future.

The JG programme was associated with significant positive multiplier effects. For every 100 euros spent on the JG, roughly 230 euros would be added to the Greek economy. At 751 euros, the pre-devaluation legal minimum wage, for every 250 jobs directly created by the JG, an additional 100 jobs (mainly skilled ones) were created by the private sector elsewhere in the economy. At the prevailing, post-devaluation monthly minimum wage (586 euros), it would take 320 JG jobs for 100 full-time jobs to be created elsewhere in the economy.

At the low end of the simulated scale for the JG (200 000 directly created jobs at a monthly wage of 586 euros), this would mean a total increase in employment of 262 268 jobs and an increase in GDP of 5.4 billion euros (2.8 per cent). At the top end of the scale (550 000 JG jobs at 751 euros), the total employment effect would mean the addition of 769 421 new jobs (direct and indirect) and GDP would increase by 18.9 billion euros (9.8 per cent).

Given the size of the unemployed population, these effects were substantial: a mid-range intervention for 300 000 individuals would be creating, within a year, a total of about 400 000 jobs, reducing unemployment roughly by one third.

3.3.5 How big an investment is needed? Total and net costs

The simulations determined that 59 per cent of the expenditure would be recouped through higher tax revenues (social security contributions, value added taxes and direct income taxes). Considering the entire range of scenarios (from 200 000 jobs at a minimum wage of 586 euros to 550 000 jobs at one of 751 euros), the total financial commitment of the programme (including wages and indirect

21. For the full research report and technical details, see Antonopoulos et al. (2014).

costs for inputs and administration) would range from 3 billion to 10.5 billion euros, or between 1.5 per cent and 5.4 per cent of 2012 nominal GDP, which was 193.7 billion euros.

However, given the level of newly generated tax receipts, as a percentage of nominal 2012 GDP, the net cost of the JG (total cost minus tax revenues) would range from roughly 0.6 per cent of GDP (1.2 billion euros) to 2.2 per cent (4.3 billion euros), for the creation of 262 268 and 769 421 jobs, respectively.

At the midrange estimate, a programme directly creating 300 000 jobs would have a total financial commitment of 4.5 billion euros, some 2.3-3.0 per cent of GDP. However, given the multiplier effects, the net cost would be only a fraction of this sum, due to the increases in tax revenues and social contributions, reaching 0.95 per cent of 2012 GDP, or 1.8 billion euros.

Parenthetically, it is worth mentioning that the scale of the intervention (required investment as a percentage of GDP) for 300 000 direct jobs corresponded roughly to what Germany and the USA individually allocated in the first years of the 2008 recession to respond to the unemployment challenges they faced, and a figure that was close to China's allocation, while the drop in GDP these countries experienced was nowhere near the 25 per cent decline in output that Greece endured.

3.4 Investing in an EU-wide Job Guarantee

Similar micro-macro simulation studies would provide important information through evidence-based analysis in the EU context. In that, several issues and trade-offs must be taken into consideration, as detailed in Section 2.2, to allow for the construction of alternative cost scenarios on the basis of varying sets of assumptions. To reiterate, to estimate the required total initial financial commitment, decisions must be made regarding the scale of population coverage, the duration of the job offer, whether the job offer is on a part-time or full-time basis and the level of the wage.

Such an exercise is beyond the scope of this paper, but it must also be kept in mind that the importance of investing in a JG goes beyond monetary cost-benefit analysis. Poverty reduction, better health outcomes, social inclusion, more cohesive communities and a renewed trust in democratic institutions are all positively affected: existing studies indicate this to be the case (ILO 2018a, Kasy and Lehner 2022). Social outcomes are indeed measurable, and the collection of data once the JG is implemented will show its positive and diverse contributions to the issues mentioned.

4. The European Trade Union Confederation and the Job Guarantee

Benefits of contemporary open market economies notwithstanding, it has been widely accepted that policy action is necessary to mitigate economic instability and the undesirable social outcomes caused by different kinds of market failure. Choice of policies is influenced by diverse ideas, ideologies and interests both public and private and, especially when new policies are introduced, democratic societies have embraced processes of negotiation and social dialogue. In that, trade unions and bodies representing working people are assigned an important role and their participation regarding an EU-wide JG will be extremely valuable. Trade unions in some parts of Europe have traditionally been involved in the operation of unemployment benefit systems and this provides them with an institutional voice in policy making (Clegg et al. 2022).

The European Trade Union Confederation, at its December 2023 Executive Committee meeting in Madrid, adopted a Resolution in favour of a European JG, thus affirming its endorsement of the introduction of a new policy instrument promoting the economic and social rights of the long-term unemployed. This policy instrument brings new ideas and innovation that heralds the reinforcement of social rights in Europe, as indeed ‘the right to a job’ accomplishes.

But there is another innovation that a JG would engender which ought to be highlighted: the Job Guarantee is proposed not simply a a scheme but as a powerful labour-based policy instrument. More specifically, the ambition of a fully employed labour force through a ‘back to work’ policy for those that the labour market excludes, and the guaranteed right to a job for all, directly links to four domains of policy that are of particular interest to labour.

4.1 Reduces the risk of poverty and social exclusion

The risk of poverty in 2023 (EU 27) was 66.3 among the unemployed as compared to 11.3 among the employed (table 3). A JG would protect against income loss by providing wage income and thus the expectation is that it would reduce the risk of poverty which is highest among the long-term unemployed. In doing so, it also delivers a message of social rights and social inclusion: the low-skilled, ‘redundant’ older age workers, members of marginalised groups and those discriminated against and rejected in the open labour market would, if they voluntarily wish to be engaged in paid work, not be left on their own. A democratic and caring state instead would be acknowledging the social importance of a paid job for everyone and not blaming the victim for his or her own misfortune.

The risks of poverty and social exclusion are measurable and, using Eurostat's methodology, this provides a domain within which JG evaluations may be most useful.

4.2 Prevents the distressed selling of one's labour

By having guaranteed access to a labour rights-abiding job offer at a level that matches at least the agreed minimum wage, it would provide an option to jobseekers enabling them to resist having to accept precarious offers. In effect, therefore, it would reinforce the labour standards floor. This is particularly important for workers belonging to minority groups and those who end up accepting sub-standard conditions of employment.

4.3 Prevents loss of skills and promotes upskilling and reskilling

For the long-term unemployed, including those that become so due to restructuring – including the green transition period ahead – and especially for low-skilled workers, a JG has great potential to combine reskilling and upskilling with job placements that provide on-the-job training with sufficient time to acquire new skills and accreditation in the fields of green jobs, environmental conservation and the cyclical economy.

4.4 Enables a labour-driven recovery in times of crisis

Instead of waiting for gradual increases of private sector investment to feed slowly through to job recovery, most often characterised by well-known lag effects, a JG at the beginning phases of an economic downturn could prevent the usual spiral effects. The immediate redeployment of labour has the capacity to lead the economy rapidly to recovery. It contributes, therefore, to better prepared and more resilient communities. For that, building proper institutional frameworks and implementation structures during less turbulent times is crucially important.

The involvement of trade unions is critical as their input is based on deep knowledge of the specific needs of workers at national and local levels. More specifically their participation ought to encompass:

- wage setting procedures, project selection, identification of upskilling and reskilling needs, and monitoring of adherence to labour rights within each region
- expedition of agreement on issues that can delay implementation, especially in the domain of wage setting
- collaboration with universities and other research entities to undertake ex ante impact analysis as well as ex post evaluation of outcomes.

- trade unions can be policy drivers for JG interventions in areas expected to be most affected by the green transition, contributing to regional green fair transition projects, both in the design and the implementation alongside other institutions and stakeholders.

Finally, and critically important, macro-level JG proposals can be debated and proposed with the aim of intervening proactively, preparing the ground for timely responses to future economic turbulence.

One such plausible direction, for instance, discussed among policy circles in 2017, was based on the following idea: when unemployment rates in a Member State register for more than three consecutive quarters above the previous three-year average, an automatic trigger would provide for an increase in JG expenditure funded though agreed EU financial instruments and facilities. This might well be an area in which trade unions could actively help shape the debate and, thereafter, the policy direction.

Concluding remarks

When confronted with the recent Covid-19 pandemic, policymaking in the EU showed a timely willingness to develop an expansionary fiscal policy and, thus, support the population of all Member States. In addition to the European Commission's activation of the Stability and Growth Pact's general escape clause, which allowed Member States to opt out of the Maastricht rules, Member States were supported by the SURE programme to the tune of 98.4 billion euros. The medicine prescribed averted mass layoffs and mitigated the dramatic decrease in demand during the lockdown. Furthermore, the European Council agreed on the creation of the NextGenerationEU financial pillar, a 750 billion euro recovery package of grants and subsidised loans, acknowledging that recovery would necessitate additional public investment over and above the EU's Multiannual Financial Framework for 2021-27. As a result, Europe managed to avoid the worst.

To address the multiple crises facing Europe effectively – including the rapid increase in inflation affecting the cost of living, putting more people into energy poverty, as well as the climate crisis – 'business as usual' rules and policies will not serve us well. Building a resilient and sustainable EU requires a hard look and an open mind, doing away, as needed, with longstanding orthodoxies, revising policies that do not work and introducing new ones that deliver results for citizens. In this context, a Job Guarantee is one such policy.

Taking stock of the results of the 2024 elections to the European Parliament, a strengthening of the existing JG initiatives is increasingly critical. The collective efforts of progressive EU constituencies whose work prioritises social inclusion and the improvement of living standards for the vast majority of the population has already placed the JG, a labour-based policy instrument, on the map. It must move forward and, for that, inspired leadership will be required. The time for action is now.

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All links and references were checked on 07.11.2024.

List of figures and tables

Appendix

Job guarantee initiatives in the European Union

Questions	Responses
Country	**Austria**
Name of the JG programme/ intervention	**Modellprojekt Arbeitsplatzgarantie Marienthal (MAGMA; Marienthal Job Guarantee)**
1. Identify the geographic region that best describes the scale of the intervention	Municipality of Gramatneusiedl
2. Is it a pilot initiative or a longstanding intervention?	Pilot initiative
3. Start date (actual or anticipated)/ year of the Job Guarantee initiative/ intervention (was there new legislation enacted? Is it based on some existing legislation? Please provide a short description and, if possible, internet link(s) to official document(s)	October 2020 No new legislation was enacted https://lukaslehner.github.io/assets/Jobguarantee_marienthal.pdf https://oms-inet.files.svdcdn.com/production/files/Marienthal-job-guarantee-policy-briefing-FINAL-Sept-23.pdf
4. Selection criteria of the specific community/territory/city (i.e. marginalised area with high LTU, political willingness of municipal authority, grassroots presence and mobilisation, etc.)	Historical legacy of the Marienthal unemployment study of the 1930s https://de.wikipedia.org/wiki/Die_Arbeitslosen_von_Marienthal
5. Offered wage (same amount as the minimum wage, lower or higher?)	1500 euros in 2020; 1775 euros in 2023 The wage is a bargained minimum wage collectively determined at industry level
6. Duration of the job offer (how many years?)	Permanent (for the duration of the project)
7. How many unemployed people have enrolled up until now in total? Or how many does the planned pilot envisage enrolling? If it is a pilot, are individuals (unemployed) selected or is it 'universal' access?	112 have enrolled
8. Source(s) of financing	Arbeitsmarktservice Österreich (AMS; Austrian public employment service)
9. Brief identification of implementing/ managing actors involved (website link if available)	AMS implemented and managed the programme https://www.ams.at/regionen/niederoesterreich/news/2020/10/ams-noe-startet-weltweit-erstes-modellprojekt-einer-arbeitsplatz
10. Links to any key documents (i.e. declaration of intent, signatures gathered to a letter, etc.) and/or evaluations of the initiative (website of the JG initiative, legislative docs, academic research, .ppts)	https://www.oecd.org/en/publications/providing-local-actors-with-case-studies-evidence-and-solutions-places_eb108047-en/magma-a-job-guarantee-pilot-project_cb3acbf2-en.html https://www.inet.ox.ac.uk/news/job-guarantees-moving-from-experiment-to-reality https://www.newyorker.com/news/annals-of-inquiry/what-happens-when-jobs-are-guaranteed https://www.ukri.org/who-we-are/how-we-are-doing/research-outcomes-and-impact/esrc/helping-long-term-unemployed-people-back-into-work/

Questions	Responses
Country	**Belgium (Wallonia)**
Name of the JG programme/ intervention	**Territoire Zéro Chômeur de Longue Durée**
1. Identify the geographic region that best describes the scale of the intervention	17 projects have been selected as part of the ESF+ 2021-27 programme, piloted at the level of the Wallonia Region
2. Is it a pilot initiative or a longstanding intervention?	Pilot initiative
3. Start date (actual or anticipated)/ year of the Job Guarantee initiative/ intervention (was there new legislation enacted? Is it based on some existing legislation? Please provide a short description and, if possible, internet link(s) to official document(s)	ESF+ 2021-27 programme No new laws No research-based evaluation of current socioeconomic integration schemes
4. Selection criteria of the specific community/territory/city (i.e. marginalised area with high LTU, political willingness of municipal authority, grassroots presence and mobilisation, etc.)	ESF+ call was limited to certain territories (Province of Luxembourg, arrondissements of Charleroi, Liège, Mons, La Louvière, Verviers and Namur – 'transitional' and 'less developed' regions)
5. Offered wage (same amount as the minimum wage, lower or higher?)	At least the minimum wage for the sector. For example, 2097.26 euros/month in Liège (see CP 329.02, ech. 1) (minimum wage in Belgium: 2070.48 euros/month)
6. Duration of the job offer (how many years?)	Open-ended contract limited by the duration of ESF funding (2021-27)
7. How many unemployed people have enrolled up until now in total? Or how many does the planned pilot envisage enrolling? If it is a pilot, are individuals (unemployed) selected or is it 'universal' access?	Currently: 8 + 3 via 'Article 60' (i.e. paid by the municipal centre for social action during the first year, then by the project) Planned: 46 full-time equivalents in Liège (822 in Wallonia)
8. Source(s) of financing	Half the funding is provided by the ESF; the other half by Wallonia (including through existing subsidies)
9. Brief identification of implementing/ managing actors involved (website link if available)	The Liège project is run by a para-public association. This means that the local authorities are involved in the management of the project
10. Links to any key documents (i.e. declaration of intent, signatures gathered to a letter, etc.) and/or evaluations of the initiative (website of the JG initiative, legislative docs, academic research, .ppts)	ESF call for proposals, plus note from the Wallonia government

Questions	Responses
Country	**France**
Name of the JG programme/ intervention	**TZCLD**
1. Identify the geographic region that best describes the scale of the intervention	Nationwide – 75 territories
2. Is it a pilot initiative or a longstanding intervention?	Longstanding initiative; started in 2016
3. Start date (actual or anticipated)/ year of the Job Guarantee initiative/ intervention (was there new legislation enacted? Is it based on some existing legislation? Please provide a short description and, if possible, internet link(s) to official document(s)	2 different laws: - 2016-21 (first experimentation law – 10 territories) - 2020-26 (second experimentation law – at least 50 territories)
4. Selection criteria of the specific community/territory/city (i.e. marginalised area with high LTU, political willingness of municipal authority, grassroots presence and mobilisation, etc.)	Political willingness of municipal authority 'Territory' in this project must be understood as an entity of between 5000 and 10 000 inhabitants
5. Offered wage (same amount as the minimum wage, lower or higher?)	Minimum wage at chosen time
6. Duration of the job offer (how many years?)	Open-ended contract
7. How many unemployed people have enrolled up until now in total? Or how many does the planned pilot envisage enrolling? If it is a pilot, are individuals (unemployed) selected or is it 'universal' access?	3023 people are actually hired in 79 companies for employment purposes Comprehensiveness: In this concept lies a fundamental notion of the project: the creation of jobs necessary in the community to eliminate people's job deprivation, via the companies for employment purposes or any other partner of the local committee for employment (this is one of the main purposes of this local committee). The term 'comprehensiveness' must be understood as a dynamic element that evolves as the experiment is implemented
8. Source(s) of financing	The project consists of the activation of passive expenditures (i.e. unemployment benefit) for active purposes (education, keeping people in employment, promotion and employment creation, labour market participation) Every year France spends 43 billion euros in financing a lack of jobs (figures determined by a macroeconomic study on the cost of job loss conducted in 2017); the proposal of TZCLD is to make the choice to use these resources to generate employment The aim is to redirect the costs of the lack of jobs into financing the creation of additional ones for people who are permanently unemployed in a given territory The macroeconomic study estimated the cost of job deprivation at around 17 500 euros per person per year. This is within the ballpark of the 23 000 euros it costs to pay the salary of someone full-time at the French minimum wage over the same period Additionally, the local companies for employment purposes must find financing levers for premises, business development and management positions The committee for employment, run by a local team, is responsible for administering the project and allowing any willing long-term unemployed people to obtain a job. Funding for this committee must be supported by local actors

9. Brief identification of implementing/managing actors involved (website link if available)	At national level, TZCLD is run by two organisations. The first is a non-profit established by the 2016 TZCLD law, titled Expérimentation Territoriale Contre le Chômage de Longue Durée (ETCLD). ETCLD acts as an intermediary between the government and the local TZCLD projects in the territories, and is the body through which the individual TZCLD projects are funded, supported and supervised. The second is a civil society organisation called TZCLD, which runs advocacy for the TZCLD project, analyses the performance of the existing projects, prepares new prospective territories for inclusion in the programme, organises training for the local committees and manages a research observatory. The local committee for employment, an operational implementation of the local consensus-building process, acts as the steering committee in the territory. It is chaired by the local councillor in charge (the mayor, president of the community of municipalities, etc.) and gathers together all the willing players in the area who are working together to enforce the right to employment (representatives of local authorities, in particular counties; the state; people who are permanently deprived of employment; and local economic players, in particular those involved in integration through economic activity, adapted work, etc.). By driving local initiative, the committee ensures comprehensiveness, i.e. the collective ability to offer employment to anyone who is permanently deprived of it (in local companies, social inclusion schemes, adapted companies or CEPs).
10. Links to any key documents (i.e. declaration of intent, signatures gathered to a letter, etc.) and/or evaluations of the initiative (website of the JG initiative, legislative docs, academic research, .ppts)	English version of the booklet project European dimension

Questions	Responses
Country	**Italy**
Name of the JG programme/ intervention	**Territori a Disoccupazione Zero (TDZ)**
1. Identify the geographic region that best describes the scale of the intervention	Municipality of Rome, more specifically, in two municipio (districts): Tor Bella Monaca (Municipio VI); and Corviale (Municipio XI)
2. Is it a pilot initiative or a longstanding intervention?	Two pilot projects in Rome
3. Start date (actual or anticipated)/ year of the Job Guarantee initiative/ intervention (was there new legislation enacted? Is it based on some existing legislation? Please provide a short description and, if possible, internet link(s) to official document(s)	Tor Bella Monaca Date of call publication: 31/03/2023 Documentation Call Third sector selected entities Corviale Date of call publication: 31/03/2023 Documentation Call Third sector selected entities
4. Selection criteria of the specific community/territory/city (i.e. marginalised area with high LTU, political willingness of municipal authority, grassroots presence and mobilisation, etc.)	Unemployment rate, poverty, social exclusion. Moreover, the two territories are the target of a dedicated urban regeneration project (PUI - Piani Urbani Integrati) funded by the Italian National Recovery and Resilience Plan (PNRR) TDZ is a set of planning tools for a regeneration project accompanying an actual project which, through pilot activities, aims to intervene in the fight against poverty and social exclusion, and to assist with the creation of new jobs starting from unmet local needs. Furthermore, TDZ is part of a co-production strategy coordinated by the municipality of Rome with the participation of local social economy organisations. The Italian third sector reform law establishes principles of co-planning and co-design according to which local governments and third sector organisations that meet certain requirements can jointly manage project services. In the TDZ project, co-design is one of the tools through which basic services (care, green, health, cultural heritage) are co-designed for employment, i.e. to create new jobs for unemployed people in the area
5. Offered wage (same amount as the minimum wage, lower or higher?)	There is no national minimum wage in Italy; however, it is defined on a sector basis by collective bargaining, and the project will comply with it
6. Duration of the job offer (how many years?)	N/A (it depends on the activities that will be implemented by the local stakeholders to cover social needs)
7. How many unemployed people have enrolled up until now in total? Or how many does the planned pilot envisage enrolling? If it is a pilot, are individuals (unemployed) selected or is it ‘universal’ access?	None yet enrolled Intended: no minimum or maximum number Universal access; to scout also those unemployed who are not registered in the employment centres
8. Source(s) of financing	PNRR (NextGenerationEU)

9. Brief identification of implementing/ managing actors involved (website link if available)	Policy framework: PUI and Piano sociale di zona, in joint coordination with the Municipality of Rome (Department of Social and Health Policies and PNRR Commission) 1) Analysis and mapping of the territory's needs (with qualitative/quantitative and participative analysis methods) 2) Participatory territorial animation (i.e. open to the involvement of all territorial actors) for the construction of a strategy aimed at the creation/emergence of new labour demand 3) Grounding (through co-planning) and start-up with the implementation of job placement and new job creation paths that meet the mapped needs with the involvement of the social and productive fabric of the territory Only Step 1 has been completed so far
10. Links to any key documents (i.e. declaration of intent, signatures gathered to a letter, etc.) and/or evaluations of the initiative (website of the JG initiative, legislative docs, academic research, .ppts)	Presentation (launch event) https://www.facebook.com/TDZRoma

Questions	Responses
Country	**The Netherlands**
Name of the JG programme/ intervention	**Basisbaan (Basic Job)**
1. Identify the geographic region that best describes the scale of the intervention	Municipality of Groningen. 243 800 citizens
2. Is it a pilot initiative or a longstanding intervention?	It started as a pilot but, since the middle of 2023, it has become a longstanding intervention as a part of labour market policy.
3. Start date (actual or anticipated)/ year of the Job Guarantee initiative/ intervention (was there new legislation enacted? Is it based on some existing legislation? Please provide a short description and, if possible, internet link(s) to official document(s)	March 2020. It is not based on any legislation The motivation for the project comes from the observation that, despite there being job vacancies, there is still a group experiencing unemployment This group is making various attempts to participate or reintegrate into the workforce, yet people are consistently encountering barriers preventing them from securing employment in the traditional labour market Nevertheless, there is an abundance of tasks and activities available within our neighbourhoods and communities. So, the Basisbaan creates tasks around participants to match the skills they have
4. Selection criteria of the specific community/territory/city (i.e. marginalised area with high LTU, political willingness of municipal authority, grassroots presence and mobilisation, etc.)	All participants need to be receiving social benefits. Various attempts have already been made to enter the regular labour market, but this is a step they are no longer able to take
5. Offered wage (same amount as the minimum wage, lower or higher?)	Minimum wage
6. Duration of the job offer (how many years?)	Duration is ‘open’. They can work until retirement
7. How many unemployed people have enrolled up until now in total? Or how many does the planned pilot envisage enrolling? If it is a pilot, are individuals (unemployed) selected or is it ‘universal’ access?	140. The target is 250 by the end of 2025. Everyone can apply. The coaches of the municipality decide if someone is suitable for a position
8. Source(s) of financing	There are costs associated with the programme, particularly for local government. These include the labour costs of the employed participants, as well as expenditure related to providing mentoring and support services. Currently, the financial investment comes primarily from local budgets, while the resulting revenues accumulate to national budgets
9. Brief identification of implementing/ managing actors involved (website link if available)	https://gemeente.groningen.nl/basisbaan-voor-organisaties https://gemeente.groningen.nl/basisbaan-deelnemers The municipality is implementing the Basisbaan and is also the employee of the participants
10. Links to any key documents (i.e. declaration of intent, signatures gathered to a letter, etc.) and/or evaluations of the initiative (website of the JG initiative, legislative docs, academic research, .ppts)	No documents available in English, but Kees Mosselman is working on a publication about the Basisbaan. Information about the Basisbaan is available in Dutch at: https://scripties.uba.uva.nl/download?fid=c2969479

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D/2024/10.574/35
ISBN: 978-2-87452-739-5 (print version)
ISBN: 978-2-87452-740-1 (electronic version)

9 782874 527395

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