
Abstract

The purpose of this report is to review theories and suggestions related to the Job Guarantee, and to propose a plan for implementing the Job Guarantee program in Korea, with simulation results of economic models, considering its characteristics and social needs.

We established an empirical model to analyze the economic effects of the Job Guarantee in Korea through simulations over 2000-2019, in line with the Fair model approach. If the Job Guarantee was implemented in 2000, in our model, GDP growth rates in Korea would have been increased by 0.68%p-1.06%p per year. Also, an increase in the employed was estimated to be 667,000-1,079,000. However, the government's fiscal balance as a percentage of GDP was estimated to decrease by 1.3%p-1.6%p per year, which might not cause a serious problem in the Korean economy.

Now, Korea must prepare a great transformation to a new paradigm in the post-COVID era. Thus, the Job Guarantee program needs to be introduced in the direction transforming social and economic structures. We could consider creating transformation-type and participation income-type jobs, which would stimulate the ecological transformation, the transformation of the national care system, the creation of innovative commons, and the reinforcement of our social solidarity economy. We also suggest that the national-wide transformation projects be carried out by public organizations, and the participation income-type projects be operated through a cooperative system between the local government and the various units of social economy.

Keywords Job Guarantee, Public Works Plan, Ecological Transformation, Social Care System