

## What is full employment?

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*Andy Crow has become a regular commentator on this blog over the last year or so. Overnight [he offered this comment](#) on my [post on MMT](#). It is written in his style but because it raises some really quite fundamental questions I think it worth sharing it more widely as discussion on what full employment now means and how we might achieve it seems to be central to modern economic thinking and the political discussion on the issue is at present locked in a time far ago:*

“In that case more responsible measures have to be adopted as the goals for economic policy. MMT suggests that full employment is the alternative goal.”

Here I think, we get to the nub of the issue. Assuming we are intent upon taking this forward.

Let us ignore what precise figure we will accept as ‘full employment’. The number is not arbitrary, but by for example, raising the pension age, or the school leaving age it can be shifted substantially at a stroke. Also there will always inevitably be a degree of churn at any given time and that is not only inevitable, but necessary.

In terms of developing policy it is pointless to speak of ‘full employment’ without considering what we are going to accept as ‘employment’ and how its ‘fullness’ might be achieved.

There are important issues here. And policy choices to make. I’m going to take it as a given that pointless digging and filling of holes is off the agenda.

There are two, not necessarily mutually exclusive, routes to full employment. One is to allow the free market to get us there. (Stop laughing at the back ! )

We know how that works out. We’re still waiting to see how it might be achieved without going all out for war: the only strategy, so far proven, to get even close.

Or we can have government job creation schemes, and I’ve been there and it was a piss-poor show (unless you were one of the civil servants employed to set up and

administer schemes and don't mind being bored rigid and wasting your life.) The schemes I was involved with (forty years ago) assumed there was only one type of employment viz that which was 'traditionally' accepted as 'work'. That model assumed that half the population (the female half) should be at home working for nothing whilst doing (often badly and with bad grace) the most important work of raising the next generation, managing the social infrastructure or skivvying.

Emasculation of heavy industry has produced an economy in which (still, iniquitously, underpaid) women have shite jobs which barely cover the expense of paying for, even worse paid, inadequately educated, but maybe well meaning, young women (girls) to look after their children. We have made no progress whatsoever in addressing this nonsensical policy. (Because it IS policy. It may be a default policy but it's policy) We have, under this policy regime, created no role for 'manly' activity which is not criminal, and incidentally not actually manly. There is nowt 'manly' about criminality, be it in dealing drugs with menaces, or stealing money through fraudulent insurance and investment devices.

The alternatives which are obvious are to institute a Universal Basic Income, or a Job Guarantee.

If there are other options, I'd seriously like to know what they are. I do not regard the status quo as an option. It stinks.

Social and economic conservatives (with a small or large 'c') reject outright the need for change because we allow them to live in blissful ignorance of the condition of the lives of anything up to a third of their fellow citizens, and they have the effrontery to blame the very people whose lives they are sucking dry.

UBI requires for its success, education of people to the standard and mindset where they can become genuinely entrepreneurial and create opportunities which don't currently exist, to employ themselves (much more difficult and time consuming than it sounds) and create opportunities for employment of others without that level of self determination and 'drive'. (I've spent most of my working life in default self employment. I don't do 'business'. I can do all sorts of things, but making money doing it is not where I'm at. It's a mystery to me.)

UBI has to be pitched at a level which provides a subsistence income, or it fails by definition and isn't worthy of consideration. There is no point whatsoever in setting a UBI at a transitional level which does not support life unless it is in addition to existing social welfare benefits (many of which are already woefully inadequate and getting worse.) In effect UBI is a free market solution. It reprices labour. And not before time.

A Job Guarantee strategy is difficult to imagine and absolutely requires considerable state input. Once you get beyond the screamingly obvious need for hospital and other health care staff, and for more teachers and classroom assistants to make Eton-sized

classes a reality in the state sector you rapidly run out of state sector employment opportunities because everything else has been sold off. (OK, I exaggerate, but not by much. I expect there are civil service vacancies by the tens of thousands to deal with Brexit, but I was considering useful work (!) and there are probably a couple of extra bodies needed at HMRC)

Elderly care is a massive social requirement, but needs levels of training, supervision and administration that requires expertise which we don't seem to have. (Though there's plenty of individuals who have been forced to learn the hard way by looking after their kith and kinfolk) The private sector does this expensively and badly (with criminal brutality in some cases). That will not be rectified quickly. I see the Job Guarantee as a difficult strategy to transition into and one which cannot possibly be done without restructuring the local governance that would make it possible. (I think it would be worth it, but not easily achieved)

We need 'conversations' about this.

MMT looks after the money, but that really isn't the core problem. The real challenge is how to structure a society that functions. And functions for everybody. Even the finance sector, because they do have a useful and important role to play.