

## The Italian case for a Job Guarantee. An empirical analysis

Giacomo Cucignatto (Roma Tre University)\*

[giacomo.cucignatto@uniroma3.it](mailto:giacomo.cucignatto@uniroma3.it)

*Abstract.* The impact evaluation of a *Job Guarantee* (JG) program – or the State as *Employer of Last Resort* (ELR) – on the Italian economy is the focus of this work. We proceed to an *input-output analysis* to understand the effects of the policy on the country's productive structure and public finance, introducing a sectoral proxy of the JG expenditures through the selection of the most suitable economic activities, with respect to the JG relevant literature. The most recent input-output tables (2018) allow us to calculate value added and employment (Leontief) multipliers, which in turn permit us to estimate the net financial cost and the sectoral employment creation associated to the program. We developed different cost scenarios, in relation to the number of possible applicants – analysing the Italian labour underutilization – and to the chosen wage level. The exercise reflects the multiplier process both on the production side – the inter-industry linkages – and the standard Keynesian income-expenditure channel. This paper also aims to judge the relevance of the main theoretical obstacles to the ELR implementation and to offer an insight on the peculiar Italian challenges, related especially to the European institutional framework and to the high level of Italian public debt.

\* *PhD at Roma Tre University and Industrial Policy Consultant at Unione Italiana del Lavoro (UIL). Research interests: Input-Output Analysis and National Accounts (E01, D57, C67, R15), Innovation and Industrial Policy (O25, O32), Economic Planning (O21, P11, P21, L52), Classical Political Economy (B51, E11), Modern Monetary Theory (B52, E12) and Labour market (J01, J08).*