From Welfare to Workfare

Abstract
The presence of long-term unemployment, the increasing number of the unemployed and the widening circle of them are one of the most urgent economic and social problems nowadays. The principle of distribution based on work and achievement plays still leading role in our value system, albeit, in the practice, it withdraws. The need for full employment, which is widely suggested as a solution, and the difficulties of its achievement are not new phenomena. In this paper the author aspires to demonstrate what sort of views were outlined regarding the achievement of full employment and what sort of experiments can be found in Europe aiming to reach it.

The aim of the author is to justify the hypothesis stating that the Hungarian forms of public employment programs – centralized and isolated from labor market processes, concentrating on state and local government employers –, applied widely to integrate long-term unemployed people into society are currently ineffective. Regarding their operational principle, they resemble to workhouses and relief-work of the early modern history, developed in order to support those without income and to help public safety, more than to modern integration programs improving employment capabilities and helping entrance to the primary labour market.

Keywords: unemployment, employment policy, active labour market measures, public employment, workfare

Economic and social crisis at the end of XX century queries work, as the main principle of economic and social order itself. While Durkheimian division of labour has been so far seen as chief integration force of society, proportion of those excluded (or having only a minor share) from the “property of labour” is continually increasing. People living in most detrimental circumstances have no other capital than physical force, but at the labour market of postmodern society it is vainly offered against cheap machines. This threatens not only social integration, but subsistence itself. The excluded experience of a general identity crisis, since respectful work (paid work and entrepreneurship) of post-industrial society became unavailable for them. As consequence, the principle of redistribution based on work and performance is gradually surpassed by private property, ancestry and personal abilities in one hand, and by goods available via redistribution based on citizenship on the other hand. (Handy 1985, Beck 1996, Kurz-Scherf 1998, Giarini-Liedke 1999)

Although material goods and social status won by labour have lost practical significance, at the level of values and ideologies it also remained the sole dimension of identity of
the first part of XXI century, even if social inclusion of wide masses cannot be solved. Repression of labour paradigm is also resource of serious social conflicts. A number of faults can be detected these days between the working and the unemployed, between people sharing primary redistribution and beneficiaries of redistributive systems, or between those arguing for widening welfare provisions, and others emphasising demoralizing and pauperizing effects of such a step. Crisis of labour paradigm is also endangering social cohesion: lack of a uniform and generally respected order does not only affect macro-level economic and societal systems, but also occurs in everyday life.

Among economic conditions set up at the beginning of XXI century, alternative paradigms – such as ensuring availability of social goods on basis of existence or on citizenship (social-based income) – have no real potential against a labour-determined society.

Because of the lack – or low level of acceptance – of alternative paradigms, and also for the purpose of amending operability of societies, most of European countries – regardless of ideological dispositions, traditions and value systems – now stand for labour paradigm and reorganization of the complete employment system, which could make former principles of redistribution (work and performance) sustainable.

Full employment, as a generally respected goal nevertheless hides a number of contradictions. In one hand, it is a condition of social integrity, but on the other hand it is also seen as an unattainable (or often unnecessary) utopia. According to liberal view, overall goal of capitalist society is not generalization of full employment, but realizing sustainable development in terms of profit realization. This “for its own sake” – character of work itself is the barrier in becoming a wide-scale framework of social integration. Full employment built on paid work has been a historical and geographical peculiarity: it was a consequence of post-war economical boom and became general in the wage-income based society. Labour offered in these days’ European societies do not fit traditional frameworks called “fordism” (eight hours long, permanent status embedded in compulsory social insurance, providing a middle-class income) nor in terms of quality neither in quantity (Beveridge 1944, Aldcroft 1984, Lee 1997, Vobruba 1990, Vobruba 2000).

In second half of the nineties, a new form of employment called “gatesism” has been gaining ground: employment became temporary, compulsory social insurance is replaced
by individual risk management, and the concept of required flexibility comprises forms, place and timing of employment activities as well. Income is thus realized, but in case of the low-skilled having bad labour-market positions its framework is limited to the world of mini-jobs”, and does not ensure a respectful status (Blanplain 1999, Jessop 1993, Trembly 1995).

In the period of economic transition, **promise of full employment thus multiply seems false**: in one hand, it does not refer to former, traditional sense of employment’s organization. **Post-industrial society cannot be built on eight-hour paid work**. On the other hand, in the new employment model, the majority of society covers subsistence needs from different, complementary resources (income mix). Labour wages, capital income, redistribution income and home-produced goods together provide the income basis. In this complementary system, in case of job-seekers in active ages, **socially useful activities could redeem redistributive income**; nevertheless serious doubts remain. The question is still open whether redistributive income won in return of activities done for public purpose should be a voluntarily taken work fulfilling communal needs, defined as high-prestige work and respected by society; or whether it should be a low-prestige work, taken under constraint, obligatory only for the excluded (Schmidt 2002).

**While having key importance in social and labour-market integration, the concept of “respectful work” is rather ambiguous. Content of the concept has witnessed profound transformation during the centuries.** Having overviewed determining labour concepts of three historical periods (pre-industrial, industrial and post-industrial), a general definition of labour – independent from views and eras, being capable of fulfilling a social integrative role –seems to be lacking. While by Luther, moreover, and even by Kant work is seen as fight for survival, part of the misery God sent on people; according to Calvin, work is high goal of life, which results rejoice God itself. In the XIX century, work was seen as a tool of exploitation (Marx), while in XX century it became an instrument of self-realization and a condition of social integration (Castel 1998). **Labour’s dual character (penalty and award/opportunity) accompanies all historical eras; its historical particularities nevertheless much depend on economical, social and ideological environment of the era** (Seibt 1990, Arendt 1999, Gorz 2000, Hoffmann-Walwei 2000).

Economical, social and ideological context also determine **motives attributed to unemployment by society**. A new approach has been gaining ground since middle of the nineties, saying reasons **of marginalization are mainly personal**. More and more says that there is no need to further transform existing employment- and redistributive models, or to
initiate new work forms; the point is to keep the unemployed working. According to representatives of this approach, unemployed do not want to work, therefore all welfare allowances are counter-drivers since they only strengthen already existing passive disposition of this social group.

Our researches aimed to investigate what’s verifiable in the above mentioned approach. In present context, is distraction of existing welfare allowances – aiming to force unemployed to work, thus decreasing unemployment – a real alternative? Is strengthening coercion-element of the workfare-model (where work is seen as universal condition of redistribution) capable of providing solutions for problems occurred in the world of labour? (Csoba 2010a, Csoba 2010b, Csoba 2011.)

Slothfulness, being principle character of unemployed, already appeared in early phase of jurisdiction. Laws regulating slothfulness always appeared at verge of economical transformation. British (1536) and French (1556) pauper acts of XVI century already dealt the issue just like the „Poor Law Amendment Act” from 1834, Great-Britain, which already uses notions of the deserving poor and the desperate poor. Workhouses set up to manage contemporary problems fought the same employment symptoms and provided much the same solutions as we do today. Since number of workplaces offered by workhouses was less than registered number of the poor, an “outdoor-test regarding predisposition for work” has been employed to investigate whether the person in need wants to work at all. Independent from historical era and country, a general conclusion can be drawn: slothfulness is always controlled, even if there’s no work opportunity for al. (Illich 1978, Hawkesworth 1992, Schroeder 2000, Schmidt- Oschmiansky - Kull 2001).

Most of empirical researches investigating welfare provision of these days have verified that “slothfulness-based” misusing of the system of welfare allowances insignificant. Fear of misuse derives from the logic of wage-income based social policy: unemployed have to prove permanently the willingness to work as well as the incapability to find work. Mead calls this phenomenon “new paternalism”, where the state expects from the poor to behave in conformity with interests of economy and society; consequently, the state uses coercive tools (Mead 1992, Gorz 1994, Mead 1997).

Coercion of work nevertheless has inner contradictions. In case workplaces are established primarily targeting to control predisposition of work, prestige of work itself will significantly diminish. This also raises a number of issues to be considered. First, how can a socially devaluated redistributive mechanism (in terms of work and
performance) be the principal measure of social goods’ redistribution? Second, due to this devaluating process, work as form and content of socialization has lost its central function in life of the young generation, and no other social – organizational principle seem to be capable of taking it over. Youngsters have been left without meaningful cultural codes; incapability of meaningfully spending time is only one consequence of the above process (Rifkin 1995, Ribolits 1997, Krafeld 2000).

While coercion always questions willingness, in most cases these are work opportunity or employee skills missing. The latter is usually explained by lack of professional education or training; nevertheless participating in these days’ competition – and high-performance – based society is rather impossible without suitable qualification. Correlation between qualification and labour-market chances became increasingly tight in our days. Unfavourable tendencies of Hungarian labour market may be to a large extent attributed to low qualification rates. In case of those not even having primary qualification, 44.8% of the man and 32.7% of the woman are employed which is an exceptionally low rate compared to that of OECD countries.

Unemployment rate of those having lower than secondary qualification was 23.5%, being 11.5% more than OECD average. Rooted in low qualification, reproduction of unemployment is particularly remarkable among youngsters: more than a quarter of 25-youngsters having only primary qualification are unemployed. Three-quarters of the unemployed youth has been vainly looking for a job for more than a year, and for a fifth of them, opportunity of professional training is also impossible due to lack of supportive family background. Without personal networks and material support, secondary training – and practical place, the condition of future employment – seems to be unavailable; labour-market chances of the low-qualified youth are thus ostentatiously low (OECD 2012).

In a split society, dominantly-used traditional pedagogical methods and contents may no more ensure ability of flexible adaptation for labour-market needs, nor do they provide opportunity to get integrated into primary redistribution of goods.

Consequently, a fundamental question of educational systems of XXI century is how it can fit two basic expectations of these days: in one hand, to what extent it fulfils tasks related to socialization, mobilization and social integration; parallel, in the other hand, to what extent it is able to satisfy ever-changing needs of the labour market with a workforce equipped with up-to-date knowledge and skills, both in terms of quality and quantity.

Besides unfavourable quantitative indicators – high number of drop-outs in primary and secondary education -, qualitative ones also talk about a remarkable drawback. At the age
of 15, every sixth child is only capable of a minimum usage of written text. According to
data of Pisa 2000 and 2003, Level 3 of reading competency (necessary for successful
independent learning at secondary level) is only reached by half of the pupils by the age
of 15, while 70% of pupils attend secondary education. Hungarian education system
contributes to development of employee skills to a much lower extent than it would be
necessary, thus reproducing the layer of the long-term unemployed day by day (Bauer-
Since from the mid-nineties unemployment has been continuously widening and
becoming long-term. Nations of the EU has undertaken significant role in managing
unemployment. Governments have set up an institutional system of provision, employ
active tools of social policy, and elaborated the juridical background of social allowances.

Besides all these similarities, they differ in realizing welfare, or a workfare type of
Difference between welfare and workfare system may be seized by considering that
welfare argues for something (inclusion) while workfare argues against something
(welfare dependency), though they both urge involving the inactive into employment. In
terms of manifest goals (labour-market integration), the two systems agree, but in terms
of tools employed, differences are numerous. The concept of workfare covers the call
itself deriving from contraction of the words “working – for – benefit”: Work for
support!

Three elements of workfare programs can be found in all definitions of the concept:
first, it is obligatory; second, it primary focuses on work; and third, it realizes the lowest
form of welfare provision. It reclines upon the new-value – creating ability and social
usefulness of the concerned.

In case of welfare model, state activity including employment of active labour-market
tools is not primarily characterized by sanction, work-test and control. It is characterized
by systematic employment of whole-scale means of active social policy, primarily
focusing on amelioration of person’s labour-market positions, on assuring existential
environment, and on providing conditions and services necessary to step further
towards employment.

Distinction between two types of provision nevertheless is not an easy task since both
models employ tools of active labour-market policy, which aims at revealing counter-
drivers of work in social context of people living in detrimental situation, and to motivate
them to (re)integrate into primary labour-market. Drawing on existing services may help
them to conserve or even ameliorate existing working abilities. However, forms of tools and methods employed show basic differences.

While welfare programs first attempts to establish conditions of development, workfare ones are built on direct reciprocity. They have the assumptions that besides social rights, citizens primarily have commitments. In return for welfare allowances mutual services are needed in relatively short time. Supported employment forms organized in a workfare system do not focus on development of employee skills since they primarily aim at testing work propensity as well as regaining expenditures of support from the work done (Nathan 1993, Schragge 1997, Solow 1998, Lodemel 2000).

Labour-market intervention in case of the unemployed thus two basic types: “neo-state” and “neo-liberal” strategies (Torfing 1999). Neo-state strategy is found for example in Scandinavia, where state activity doesn’t start with revocation of goods, supports and services and its programs are not characterized by penalty and control. Instead, process of intervention is characterized by systematic employment of wide-scale tools of active social policy. Neo-liberal or workforce model primarily prevails in Anglo-Saxon Models. It takes economical sanctions, limits training opportunities; in general, it focuses on employment on the open labour-market, while continually testing (and only to limited extent, developing) employee skills (Beharell 1992, Gilbert 1998, Martin 2000, Betchermann-Olivas-Dar 2004, Gilbert 2005).

Differences of the two models derive from the fact that expectations regarding state involvement into management of labour-market problems are not of the same extent in European countries. Expectations are usually high in countries where state still has a determinative role in regulating labour-market processes. State intervention operates in a much wider scale than for example in Germany or Great-Britain. While in the latter, state primarily focuses on protecting market’s interests; Germany shows traits of a non-market based coordination (Madsen 1999, Enjolras-Laville- Fraisse-Trickey 2000, Koning-Mosley 2001).

These types of provision however do not only exist in ‘clear’ forms in Europe: the state – in the purpose of the same goal – may use rather different combinations of tools of communal funds, according to economical context, ideological disposition or traditions (Esping-Andersen 1990, Bonoli-Sarfati 2002, Jepsen- Serrano-Pascual 2006).

Since the mid-nineties, most of European countries have moved from welfare-type systems (established as result of post-2 world war social and economic changes) towards workfare-type models. For people excluded from primary labour-market, this resulted in

Besides national labour-market institutional system, local municipalities also had to have a great share in organization of public duties. In most of European countries, drawing the unemployed into active labour-market instruments is not an obligatory task of local municipalities; registration of unemployed as well as active tools’ initiation, financing, coordination and professional control is a charge of regional or local labour-market institutions. This particularly prevails in Anglo-Saxon countries, where fulfilment of public duties by the unemployed involves market actors as well (Bullmann 1991, Carruth 1994, Schulze-Böing 1994, Freidinger-Schulze-Böing 1995).

Hungary, on the contrary, has been characterized by extensive involvement of local municipalities in organization of public duties’ provision already from the mid-nineties.

Although according to empirical findings, most of local municipalities consider it inadequate to organize active instruments for unemployed both in terms of professional preparedness, financial resources and organizational structure, since initiation of the “work of public purpose” (1998) this obligation remained in their scope.

Even in case of a favourable attitude from the side of municipalities, provision of related duties is hindered in a number of aspects: majority of the unemployed is not ready for work; empowerment, on the other hand cannot be launched because of lack of professional program and finances. Although masses of people excluded from primary labour-market persistently draw on supports, supported employment cannot take up such a high number of recipients for such a long time.

Quality work is also not an issue for people involved in programs, since length of employment depends not on performance but on program framework; furthermore, workforce is swiftly rotated for that all concerned have a chance to acquire eligibility time of further support. Consequently, a part of public employees considers work as a constraint rather than an opportunity (Trube-Wittig-Koppe 2000, Huebner-Kraft-Ulrich 2002).

Establishment of local labour-markets as well as municipal involvement is still a key issue treated in related international literature. An efficient operational form, evolved in past decade could yet dissolve debates: harmonization or integration of organizations working on employment field can provide solution. According to client needs, resources and tools
of individual systems can be mutually and complementary used by case managers of the integrated system. Individually shaped assistance, holistic approach and wide scale of cooperative partners guarantee successful operation looking back to years (Madsen 1999). Although a number of pilot programs have been successfully closed, initiation of a Hungarian integrated model has not yet reached remarkable milestones. Measures and services of organizations working in employment field are not consecutive and harmonized; they are not organized by line of client interests. No institutionalized form of contact has been yet set up. Contacts between systems are based on a personal sympathy and they are accidental; no common database can be found; case conferences are also occasional; there is no obligatory consultation regarding goals of development; and, approach of a case manager is still missing during cooperation with clients. Systems are divided according to sectoral logic; all have numbers of parallelism and work with low efficiency.

National social policy also seems to be outdated not only regarding integrated models but also regarding organization of secondary labour-market programs. Although palette of active labour-market instruments is rather wide, training, wage-support programs and public employment prevail in the given period (1990-2012). Although the highest number of recipients has been drawn into public employment, intervention was not supported by individually designed development program. “One-dimension” model provided jobs without considering hindering circumstances or searching for possible solutions. In case of long-term unemployed, among a number of detrimental elements only one, obligatory work has been emphasized and – independent from working ability – this approach became general.

Public employment programs are working on largest scale; nevertheless, they much differ from welfare-type solutions, since the latter aim at skills development, complex problem-solving, and operate welfare services in integrated systems. Management of active labour market instruments – which almost exclude the market and also limit involvement of the third sector – remains of state and municipal scope of duties.

As consequence, we can set up the hypothesis: Public employment, the most frequently active labour market tool in Hungary resembles to work of former workhouses in not one aspect. It is hard physical work of a low prestige, bad paid and limited in time, not having real labour-market output. Character of work-test prevails instead of skills development, integration and network-building, which could assure long-term, sustainable labour-market outcomes.
Research data of us helps to interpret dominance of public employment: for contemporary national institutional and instrumental system of employment, **guiding the unemployed back to primary labour market is only a manifest goal.** Maintenance of the system, existing for close to twenty years without profound transformation in the face of economical, social and environmental changes has been interpreted by decision-makers in research frameworks as follows. Working skills, qualification and work experience of the long-term unemployed doesn’t make it possible for them to step out to primary labour market. Lack of cooperation with open labour-market actors is also a consequence of the unemployed incapability; therefore the state tries to keep occasional work in municipal scope, organizing activities in the framework of public employment. On the other hand, decision-makers neither consider primary labour-market wide are open-minded enough to take in such a twenty-years-long marginalized, persistently reproducing target group. No solution is left but workhouse-type approach and work-test. In other words: also in Hungary is a function of age, and country independent mechanism: **Control of laziness can also be carried out if there is no workplace for all.** (Novak 1996, Kötter 1997, Ughetto 2002, Kluve mts. 2005, Kluve 2006)

Success of manifest goal is not only hampered by present economical condition but also by the generally increasing, stigmatizing view that the unemployed itself is responsible for not working. This approach contributes to realization of latent goals: **until economic context ameliorates, public duties of poor-financed municipal sector are fulfilled by supported workforce;** furthermore, public employment also provides income and consequentially it decreases social tensions as well. **Workfare character of these days’ public employment cannot thus be questioned.** Work is a condition of availability of goods; public duties are thus fulfilled by low-efficient, seasonal work. This phenomenon is contradictory itself: wide-scale employment of the unemployed in provision of public duties makes possible further elimination of legal statuses in the state and municipal sector (extruding or substituting effect). Provision of most communal duties – tidying public squares, strengthening dikes, building infrastructure of inland inundation, organizing a part of social services – have been realized in the framework of public employment after hiring public servants, while employment-expanding effects of the program have been continuously emphasized. **In most countries of the EU, public employment is thus seen as dead-end of social policy, reckoned among workfare-type of active instruments, primarily characterized by coercion and work-test character.**
Besides, public employment ensures availability of eligibility time necessary for passive support, but also client’s walkabout between labour-market institutions and possible providers. Integrated institutional system more and more prevails in EU countries, although in Hungary it still keeps us waiting. Since stepping out into primary labour-market has off-chance from this “supportive” institutional system – resembling to a revolving door, where the client circles between system-elements –, we have to consider effects of long-term presence as well: number of clients circling in the system, time of support and speed of circling is also increasing. In “revolving door”, hopeless status of unemployed is not only conserved, but – due to amortization of workforce (lower efficiency, lower income, amortized household, declining health and increasing costs) and to consistent and ever-rising expectancies – it’s finally deepening. This is called “trap of public employment” (Jahoda 1975, Warr 1987, Sperling 1994, Jordan 1996, Sennet 2000, Roth 2003).

In Hungary, after traditional forms of public employment, assuring only a temporary job and minimal income, initiation of employment programs which are built on services, promoting complex problem-solving and targeting labour-market integration is still far away. Tightness and limitedness of existing institutional system of labour-market and social integration derives from system logic itself: if a system only has to fulfil work-test functions, setting up a wide-scale supporting service system is not necessarily needed, in such a program, supportive services are only functionless cost-elements. However, if the aim is labour-market integration or development of employee skills and abilities of people drawn into programs in the hope of a better labour-market position, these services cannot be passed by.

A number of framework conditions are still missing to establish efficient complex programs: first, complex employment programs still missing juridical background; second, program elements assisting transitions between program types are not yet elaborated.

Labour-market systems do not admit concentration of several individual supporting elements at the same time (ex. training, coaching, part-time employment and debt management at the same time); therefore they do not organize cooperation of providers.

Built on German continental traditions, Hungarian employment system is in a phase lag. It pursues transforming reality and successful welfare-models with a 10-15 years lag; however it may also be the first to realize the neo-liberal workfare model in Europe.
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