

The scalar regime of workfare in post-crisis Hungary

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Post-crisis Hungary and direct job-creation by the state



Crises of capitalism, unemployment and the job creation of the state

accumulation
of capital



Tompkins Square Park Riot, 1874



great depression
1929-1933

SOLIDARNOSĆ

1970s
crisis



2008
crisis



time

Roll-out neoliberalism and the workfare state

- Eastern European semi-periphery: neo-liberal reforms after 1990 believed to solve the supply-demand mismatch on the labour market
- recent developments after the 2008 crisis in Hungary: roll-back of the welfare state, direct job-creation by the state, linking welfare provisions to participating in state public works programme

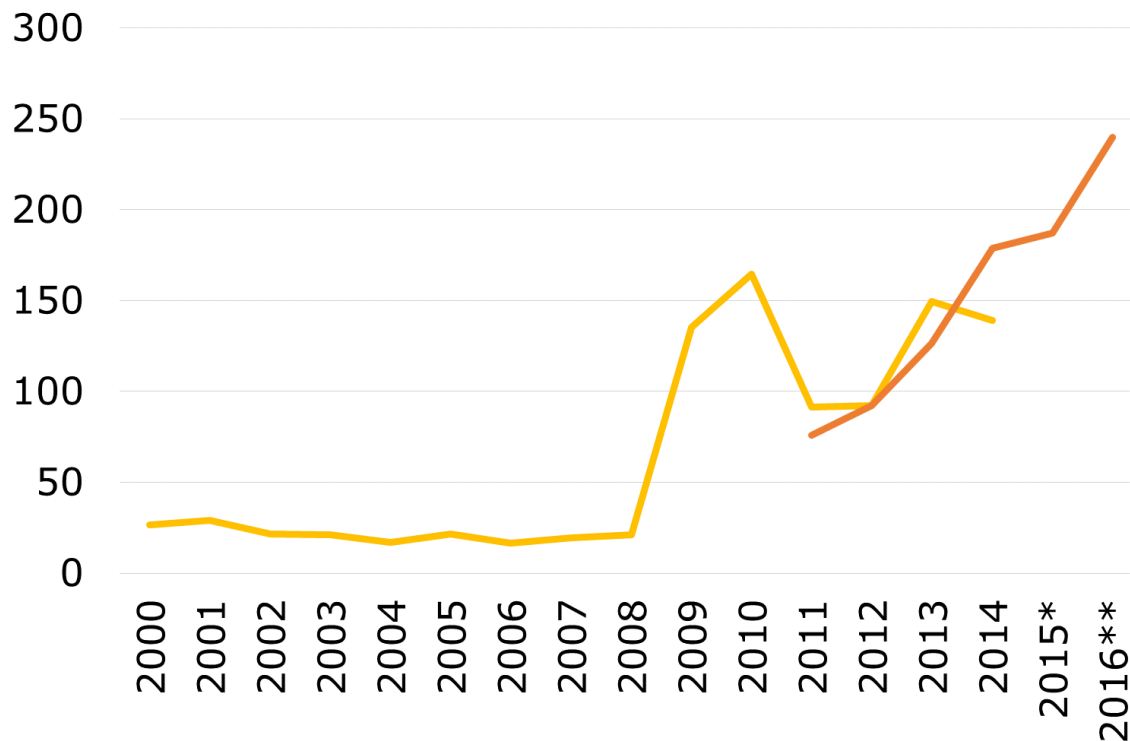
“if we opt for a work-based society, a bright future will come for Hungary” PM Viktor Orbán, 2014

- national-level workfare policies are geographically uneven and coupled with a reorganization of spatial scales



Leszek Balcerowicz (Poland), Lajos Bokros, Viktor Orbán (Hungary)

Number of participants in the public works programme (thousands)



part of the answer to decreasing employment after the 2008 crisis

2013: 3,8% of employment!

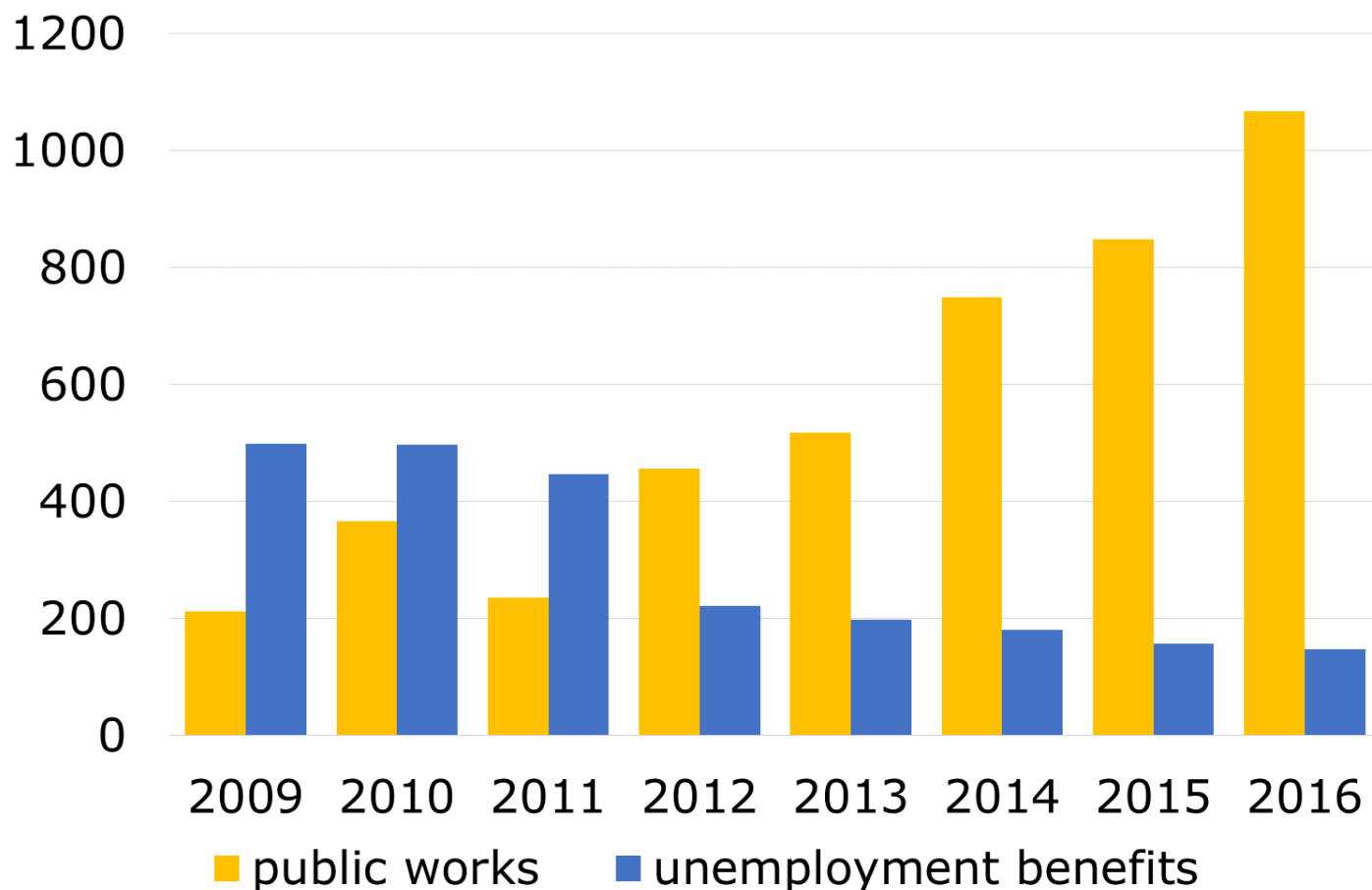
state directly employs people for low-skilled works, for $\frac{3}{4}$ of the minimum wage, not covered by the labour code and not unionized

* January-June

** planned

Data source: Fazekas, Varga (2015); Ministry of Interior (data differ because of different methodologies)

From welfare to workfare in Hungary – state budget spendings (million euros)



2015: 1.6% of state expenditures on the public works programme

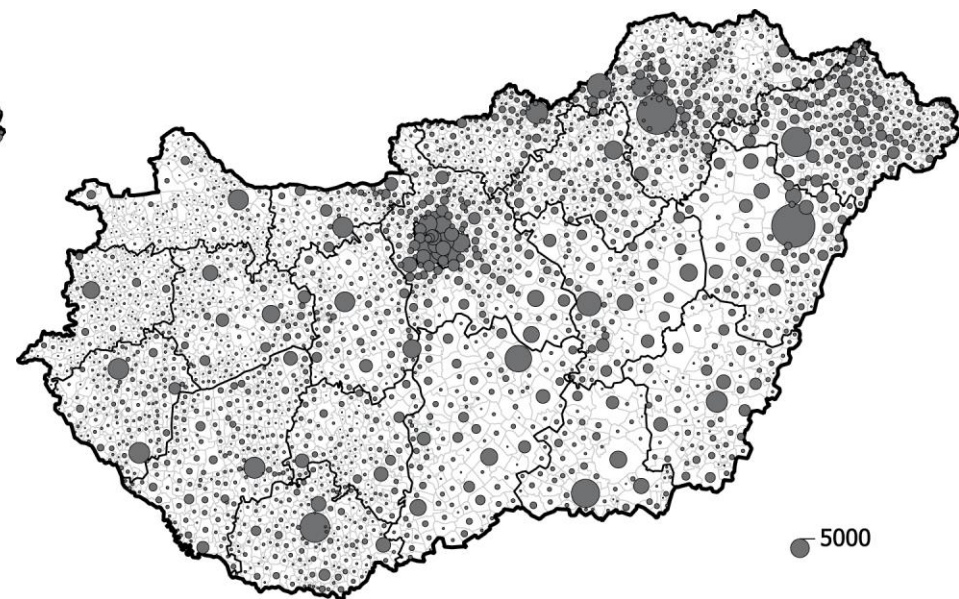
Data source: yearly national budgets

Public works as spatial policy

Person-days in the public works programme (FTE, 2013)



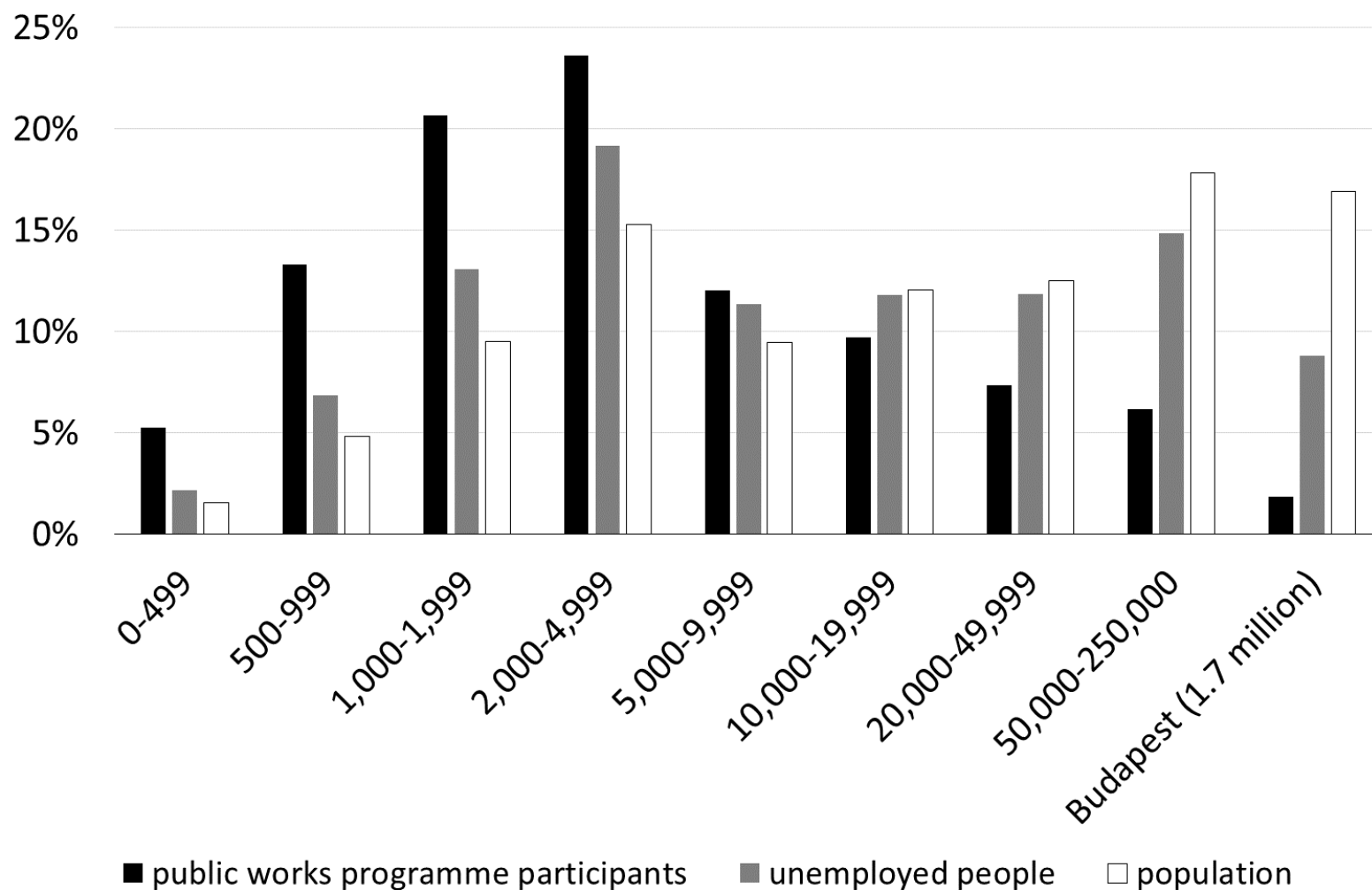
Number of unemployed people (2013)



Source: own calculations based on Ministry of Interior data

In the allocation of the funds, “labour force supply and demand, as well as employment opportunities and unemployment figures have to be taken into account.” (Govt decree 375/2010)

Distributions according to settlement hierarchy (2013)



Source: own calculations based on Ministry of Interior data

End or revival of the national state?

Bob Jessop: from a Keynesian welfare national state to a Schumpeterian workfare post-national regime

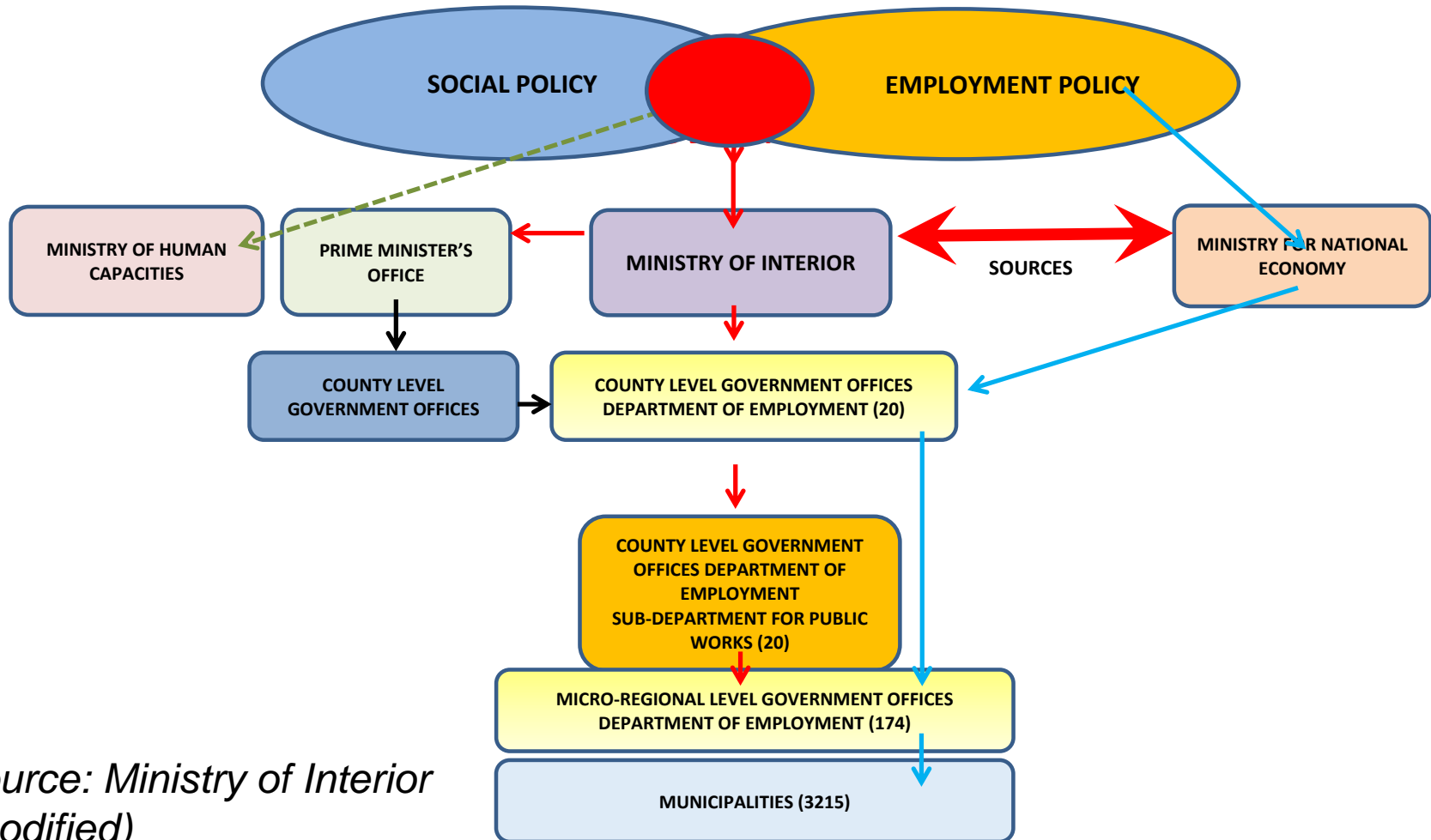
- semi-peripheric Eastern Europe is different

not a hollowing out of the nation-state, but trans-scalar nature of the workfare state (Peck 2002)

- re-channeling EU funding to direct job-creation in 2008-2009;
- national policies define the amount of funds;
- local governments compete for these funds;
- new act of local governments in 2011 and other reforms – re-centralisation and de-centralisation of social policies

Rescaling workfare

ORGANISATIONS TAKING PART IN IMPLEMENTATION OF THE PUBLIC WORKS PROGRAMME
(as of April 1, 2015)



Source: Ministry of Interior
(modified)

Internal contradictions and rescaling power-relations through governance



CONTRADICTIONS

different lobbying force of the municipalities

“in-sourcing” municipal jobs into the public works scheme, distorting local (labour) markets

municipality / mayor decides whom to employ, not equal chances for everyone

Conclusions

Hungarian workfare regime: constitutional right to work becomes an obligation to work in order to establish livelihoods

Public works programme (and workfare in general) is a spatial public policy, i.e. it reproduces socio-spatial inequalities. The reasons of this reproduction are:

- general political-economic context (economic crisis) in which this public policy is placed,
- uneven public policy institutional setting
- danger: deregulated “primary” labour market and the job-creating state supplementing each other – labour policy as class politics

There is no such thing as hollowing-out of the state in the Eastern European semi-periphery – new state spaces are and new policy landscapes in constant formation