

## *Abstract*

for the 8th ESPAnet Conference 2010

### Social Policy and the Global Crisis: Consequences and Responses

Budapest 2-4 September 2010

#### *Chosen Thematic Area:*

9.2. Employment Policies Requested – Social Risks and Risk Management of Globalised Economy

#### **Public Employment Programs in Hungary**

##### *Objectives*

The presentation aims to picture the framework of Hungary's wide-scale utilized public employment programs, as well as their contribution in facilitating social and labor-market integration of people obtaining regular welfare allowances.

##### *Summary*

Public employment, as a method designed for managing the 1989-1990 system change's consequences on the labor market, has been present in Hungary for the past 23 years, and - uniquely in Europe – has gone under a transformation that resulted in evolving three parallel subsystems. These days it became an active labor-market tool concerning the greatest part of long-term unemployed people, nevertheless operating with low efficiency, and isolated from labor market processes. In summer, 2009 a survey has been executed in 52 detrimental settlements involving 1705 households, aiming to understand public employment's effect on circumstances and labor market integration of families living in the region. The rate of participation in public employment programs of families with children has reached 40% in the given period. Research results show that a *typical publicly-employed person* might be a *middle-aged Roma man characterized with low level educational attainment*. This target group may get at less black labor-opportunities than the long-term unemployed one, who are not involved in public employment programs.

According to our results, public employment offers work opportunity mainly for long-term unemployed people, who are definitely incapable of working in the primary labor-market. As an indirect result though, public employment locks the target group into the trap of regular benefits and subsidized employment. Public employment operates on a very low level of efficiency, regarding the 4% share of participants who were able to enter in the primary labor market. Nevertheless, these facts get explained if one consider that regarding its operational principles, public employment resembles more to workhouses of the early modern times (referring distress work designed to maintain public security by assisting people not having regular income), than to modern integration programs, which have been designed to develop employee skills and to facilitate (re)entrance in the primary labor-market. The above statement is also proved by results of the interviews made with *PEP organizers: in most of the cases they also question the efficiency of the work accomplished in public employment*. They

agree that *the value of this work does not commensurate with the allocated costs*. Public employment - often named „useless work” – is therefore unable to reduce social and ethnic tensions found in local communities, and further maintain the general need for „*put unemployed people in their place*”.

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***Presentation tool:*** Power Point Presentation, discussion will be stimulated by a summary of problems.