



PUBLIC
EMPLOYMENT
SCHEMES FOR
THE LONG-TERM
UNEMPLOYED IN
EUROPE

**A COMPARATIVE
ANALYSIS OF FIVE
POLICY EXPERIMENTS
IN EUROPE**

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INTRODUCTION

- Presentation based on my master thesis for the MSc in Socio-Ecological Economics and Policy at WU Vienna.
- Co-supervised by Momentum Institute as part of the «Junior Fellowship» Programm



CONCEPTUALIZATION OF THE PROBLEM AND RESEARCH QUESTION

- In recent years there has been renewed interest in the concept of the Job Guarantee (JG), Public Service Employment (PSE), or Buffer Stock Employment (BSE).
- Although presented as innovative, the concept has been around for quite some time and a large body of – largely theoretical – literature has developed in the last decades.
 - Focus on how to finance it and possible trade-offs with price stability, ethical arguments in favour of the «right to work», transformative potential, aims and objectives.
 - Little empirical evidence and practical implementation guidelines on how to structure and administer the programme



RESEARCH QUESTION AND PROCESS

- 7 possible policy experimentations occurred in Europe in the last 20-30 years:

- *Aktion 20.000* - Austria (2017-2019)
- *Kinofelis* - Greece (since 2011)
- *Egységes Közfoglalkoztatás Rendszere* - Hungary (since 2011)
- *Territoire Zéro Chômeur de Longue Durée* - France (since 2017)
- *Soziale Teilhabe am Arbeitsmarkt* - Germany (2015-2018)
- *Melkert Jobs* - Netherlands (mid 90s - early 2000s)
- *Aides à l'embauche des chômeurs de longue durée* - Luxembourg (since 2017)

Final Selection

How do these policy experimentations (real types) relate with the notion of JG (ideal type)?

What institutional and governance structures were put in place and what can we learn from how they performed?



WHAT IS THE JOB GUARANTEE, THOUGH?

“The policy problem is to develop **a strategy** for full employment that **does not lead to instability, inflation, and unemployment**. The main instrument of such a policy is the creation of an **infinitely elastic demand for labor** at a **floor or minimum wage** that does not depend upon long- and short-run profit expectation of business. Since only government can divorce the offering of employment from the profitability of hiring workers, the infinitely elastic demand for labor must be **created by government**.”

- H.P. Minsky, *Stabilising an unstable economy* (1986), p. 308



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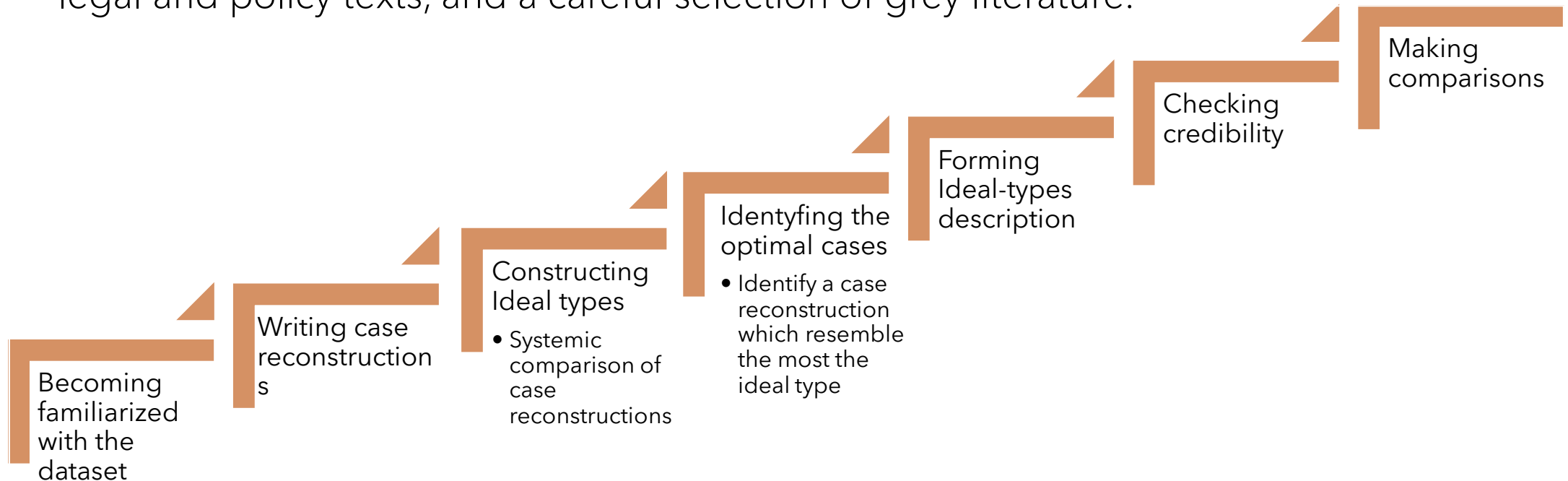
“this still leaves a **lot of issues to be examined**. Who should **administer** the program? Who should do the **hiring and supervision** of workers? Who should **decide exactly what workers will do**? There are different models consistent with this general framework, and different nations might take different approaches”

Tcherneva and Wray (2005), p. 5.

Fundamental ELR Characteristic	Short definition
Infinitely Elastic Demand for Labour	Anyone who is ready, willing, and able to work should be offered a job, regardless of the performance of the economy.
Hiring off the Bottom	ELR should not compete with the private sector or with non-ELR employment in the public sector.
Loose Labour Markets	Full employment should still guarantee that a pool of labour remains available to be hired out of ELR and into private firms.
Fixed Living Wage	ELR should provide a decent standard of living even as it helps to maintain wage and price stability.
Maintaining and Enhancing Human Capital	Workers involved in ELR should also receive training and retraining while on the job, learn useful work habits and skills, and remain or become attractive once again for either the private or government sector.
Valuable Work	ELR workers should be engaged in useful activities.

METHODOLOGY AND DATA SOURCES

- Comparative case study of five policy experiments based on an Ideal-Type Analysis framework (Stapley et al., 2022)
- Based on secondary data sources, namely existing policy reports, evaluations commissioned by responsible authorities and involved stakeholders, official statistics, legal and policy texts, and a careful selection of grey literature.



RESULTS OF THE ANALYSIS

Ideal type of ELR Dimension	Marginal Public Employment Scheme	Public Employment Scheme by Disaster	Full-employment oriented Public Employment Scheme
Real cases	STAM + AK20000	EKR + Kinofelis	TZCLD
Level of targeting	Very specific	Close to universal	Close to universal
Role of primary labour market	Primary	Ideally primary, but absent	Secondary, parallel to the programme
Main function of the programme	Springboard effect	Temporary safety net (not necessarily limited to short-term)	Creation of a permanent and systemic solution to unemployment
Unemployment caused by...	Individual placement barriers	Economic depression	Systemic features of the primary labour market
Core organising actor, involvement of local community and beneficiaries	Job centres, low involvement of local community and beneficiaries	Municipalities, some involvement of local community but low for beneficiaries	Worker-run business models and local committee, strong involvement of community and beneficiaries
Job creation mechanism	Employer-oriented	Community-needs oriented	Employee-oriented
Core skills, objectives, and values	Increase employability and limit negative effects of unemployment	Provide services to distressed communities, organise work where market mechanisms fail to, provide some alleviation to social exclusion	Transform work and foster workplace democracy, provide services to distressed communities, eliminate involuntary unemployment
Level of alternative social protection	High	Medium-Low	High

SOME KEY POLICY INSIGHTS PROVIDED BY THE COMPARATIVE ANALYSIS:

1. Duration and Targeting:

1. Limited duration and strict targeting criticized by both participants and organizers.
2. Consider permanent protected employment for those realistically unable to re-enter the primary labour market.

2. Inclusivity and Flexibility:

1. Employee-oriented hiring and activity co-creation processes enhance inclusivity.
2. Allow beneficiaries to define compatible working conditions, especially for frailer categories.

3. Principles of Additionality and Non-Competition:

1. Balance additionality and non-competition with financial sustainability.
2. Consider stable contracts at a minimum wage to establish a minimum standard of decent living and working conditions.



SOME KEY POLICY INSIGHTS PROVIDED BY THE COMPARATIVE ANALYSIS:

4. Community and Social Impact:

1. ELR programmes positively impact social inclusion, poverty alleviation, and community wellbeing.
2. Potential to revitalize rural communities and address the care crisis affecting modern economies.

5. Activities and Services:

1. ELR programmes focus on providing important social and environmental services.
2. Address insolvent demand for basic needs, sometimes at odds with non-competition principle.
3. Emphasize the mobilization of idle resources for societal interests.



FINAL REMARKS

- **Thwarting mechanism vs transformative leverage:**
 - Safety Net within Capitalist Markets
 - Potential for Transformation to Postcapitalist Economy (Unti, 2018)
- **Production Shift Towards Use Value:**
 - Focus on Essential Services
 - Emphasize Quality and Durability
- **Society-wide Impact:**
 - Socialising Production
 - Redefining Work Based on Societal Needs
 - Valuing Essential Tasks Beyond Market Considerations
 - Need to dialogue with post-work and radical feminist discourses.



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