

2.4 THE VALUES OF PUBLIC WORK ORGANISERS AND PUBLIC WORKERS*

LUCA KOLTAI

In this section, we rely on the results of a questionnaire to examine what are the values which appear in public works. Our intention is to give an overview of what the staff of organisations operating public works thinks about public works, what they expect, and what their opinions are concerning the impact of public works. After data collection, we examined¹ the opinions regarding the content, measurability and sustainability of “value-generating work” in in-depth interviews.

In the case of public works, even defining the aims is not an easy task. This is because public works can be used for (income-generating) poverty reduction, work test, activation, or additionally labour market reintegration aims (see *Chapter 1* on this). The national systems of public works have never identified with any of these aims, but rather have combined them (with various weights). Thus, we also used a broader approach to interpret the observed results and effects.

The aims of public works

The forms of public works are rather versatile. According to international experience, there are very different modelling approaches involved in terms of titles, aims and regulations: for example those prioritising social bonding or work, while other forms condition provisions on public works (workfare) (see *Chapter 1*, or *Betcherman et al*, 2004). The aims of public works can be categorised according to the following functions.

Poverty mitigation: The primary aim is, on the one hand, to temporarily mitigate income poverty by securing income generating activities for people living in profound poverty, and, on the other hand, to keep the permanently unemployed above the poverty threshold. The programmes aimed at these goals typically offer incomes that are widely accessible to the poorest for whom employment in the open labour market cannot be expected.

Development of workability, work test: these involve workability retention/development for those being most remote from the labour market. Creating or retaining propitious conditions for work can also be the aim of these public works programmes. These programmes are regulated and participants often have an obligation to cooperate in some form with the labour market institutions. Public works as a work test provide an opportunity for potential employers to select employees with adequate job skills and to employ them without risks.

Labour market integration: promoting labour market integration is the goal of many public works programmes. These programmes usually comprise per-

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¹ For the description of the methodology used in the research see Annex 2.4.

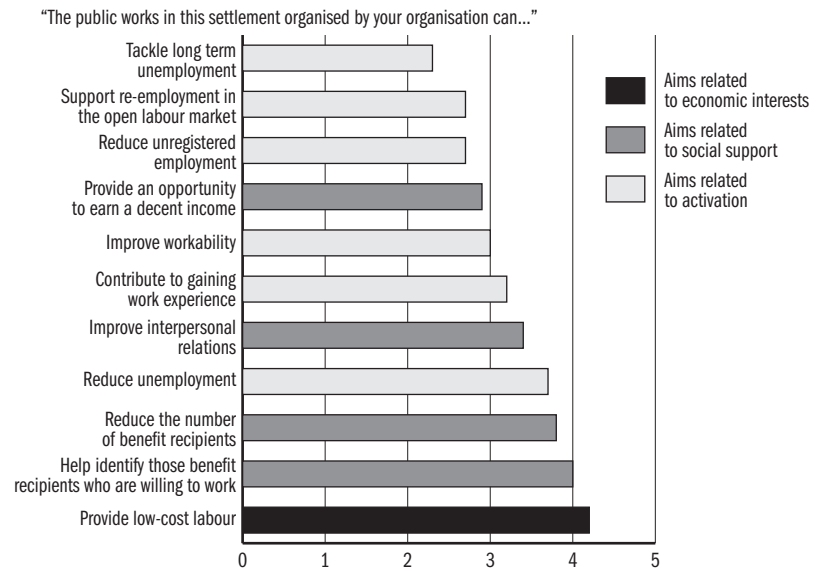
sonal development as well as training elements, and provide diverse work opportunities (Koltai, 2013a).

Most of the public works programmes do not neatly follow solely just one or the other aim, but some combination thereof. The national experience is also similar, over the past 20 years the aims of the public works programme varied, sometimes one, at other times another function would become paramount.

The aims of public works according to the examined organisations operating public works

One of the most important questions of our research was how public works participants evaluate the aims and results of the programme. To what extent do organisers help develop and revitalise the employment skills of public works participants and might facilitate their employment? In the study we approached 870 organisations operating public works (in 2012) which were primarily public, municipally owned entities. Participants of the survey were asked to provide their answers on a scale of 1 to 5 where 1 meant “strongly disagree” and 5 meant “strongly agree.” The aggregate results are presented in Figure 2.4.1.

Figure 2.4.1: Perceptions of the aim of public works



2 The claim “Public works organised by your organisation provides a cost-effective workforce for the provision of municipal tasks” received 4.2 points on average. The claim “Public works filter out from among those on benefits who want to work” received 4 points on average.

The highest agreement emerged in the case of the organisers’ contribution to the aims of *solving direct economic problems*. This was followed by aims of a *social nature*, in which the most widely shared aim was that concerning the work test function of public works.²

The *work test* function of public works is supported by more than two thirds of the respondents (68 per cent). Only 3 per cent of the respondents did not

believe that the public works organised “filters out among those on benefits the ones who do not want to work”.

According to organisers, the aim of public works is primarily to provide a *cheap labour force for municipalities as well as to filter and activate beneficiaries*. 56 per cent of the respondents largely agree with the statement that “public works decrease the number of the unemployed and beneficiaries” (3.7 point average). Although organisers do not expect to tackle long-term unemployment, it is clear to them that while someone is in public works, the benefits payable to them can be saved. Certainly, this explains why the largest part (62 per cent) of respondents agreed with the evaluation according to which public works “decrease the number of beneficiaries” (3.8 point average).

To the question of whether public workers experience *participation in public works as an opportunity or an obligation*, the answers were strongly divided: 36 per cent said that it was an opportunity, 37 per cent said that it was an obligation. The negative replies however strongly differed: according to 12 per cent of the respondents one cannot talk about obligation at all, while only 5.7 per cent rejected the claim that participants experienced public works as an opportunity. A study published in 2010 which examined participants in public works found that it was less than half of participants who had voluntarily entered public works (Csoba *et al*, 2010).

There is no strong agreement regarding the *poverty mitigating effect* of public works, despite the fact that public works provide a higher income than the benefit. Only 28 per cent of the respondents agreed with the statement that “public works provide an opportunity for locals to gain an adequate income”.

The answers given to the open questions of interviews and questionnaires yield us a more *subjective picture*. According to some respondents, income from public works “is more than the benefit,” but elsewhere: “to carry out physical work all day long for a couple of thousand forints and travel back and forth, it’s no wonder there is no work discipline”. According to another respondent: “This little money is not what matters to them. Firewood, mushrooms, the products of community gardens, that is what matters.” Elsewhere we heard the following: “It is a pity that only one person in a family can participate in public works and only for a couple of months”.

62 per cent of the respondents did not agree with the statement that public works are “adequate to tackle long-term unemployment” (35 per cent did not agree at all, only 15 per cent found it an adequate measure, and the average point was 2.3). This was the most rejected aim. In a survey prepared during an earlier programme called ‘Road to work’ (in Hungarian: “Út a munkához”) 6 per cent of the respondents found public works an adequate measure to tackle long-term unemployment, but some 67 per cent thought it could provide a temporary solution (Petz, 2011).

According to the respondents, 90 percent of the public workers in 2012 obtained entitlement for social benefits again, and 80 per cent of the programme participants became public workers again. The very high (80–100 per cent) and seasonally-dependent probability of return clearly shows the circular character of public works (benefits-public works-benefits). This phenomenon has already been observed over a 15 year period (*Csoba et al*, 2010). People who have participated in public works are in a particularly difficult situation. After the third event a so-called locking-in effect develops in the course of which the public worker's chances of employment are lower than they were before the person entered into public works (*Csoba et al*, 2010, *Hudomiet–Kézdi*, 2012). We should not forget that it is often in the interest of the organisers of public works to retain the good workers, to call them again and again, and that organisers might be reluctant to replace a workforce that proved successful. Thus, both the public workers and the organiser get used to the circular character of public works, in fact, they strive to stay in/retain that.

An important aim of public works can be the *maintenance and development of participants' employment skills* so they can start with better chances in the real job market. Thus, it can be considered as a result if the public works contribute to “employment skills” or “the acquisition of work experience”. On average, the 870 respondents gave medium scores to this question, only about a quarter of them agreed with the aims/effects that are related to the development of the personal and employment skills of public workers.

According to 43 per cent of the respondents, public works have a positive effect on the participants' human relationships, only 19 per cent rejected this claim. Another survey, conducted in 2010 that asked the same question, found a much higher, 74 per cent consensus in this regard (*Petz*, 2011). The interviewees also emphasised this aspect: communities have evolved (in one settlement there was even a “public works holiday” held), “they came and went together”, and “paid better attention to each other”.

According to 33 per cent of the respondents, public works “contributes to the *revitalisation and development of employment skills* of participants”, but the rate of respondents who disagreed with this statement was also the same (34 per cent). The accumulation of work experience is evaluated positively by more respondents: according to 39 per cent, public works contribute to the participants' acquisition of work experience.

This picture is further qualified by information from the interviews. According to many, there is an element in society for whom it is beneficial for them just to frequent a place, or a community daily. For many of them it is the first time that they have involved themselves in an employment relationship that “*provides work norms and experiences in which there are some expectations.*” There are some who have a profession in which it is possible to organise work

for them, but unfortunately this tends to apply to skilled workers only. For women and those with a weak physique there is little adequate work. There were only sporadic opportunities for education which were limited to training programmes for specific occupations, and the short programme phases did not allow enough room for that. One of the mayors said the following concerning this: “There is little sensible work, the quasi jobs and work experience gained here does not mean anything in the primary labour market”, “this builds team-spirit only.”

It is very often expected that *public works should provide a way* into the labour market, that is, they should contribute to the subsequent employment of the public worker. The aforementioned study from 2010, which questioned the organisers, has established that according to 2.7 per cent of the respondents, public works helped employment in many cases, while according to 37 per cent they had no bearing on employment (Petz, 2011). A 2010 study relying on control groups found that on average 4.6 per cent of public works participants became employed and the chances of re-employment increased depending on the degree of distance of the public works organisation from the municipality (Csoba et al, 2010).

In our research half of the respondents disagreed more with the statement that *public works contribute to subsequent employment* (50.9 per cent), while only every fifth respondent found this aim valid, and thus it received the second worst (altogether only 2.7) score.

In this area, personal interviews provide particularly interesting information. These also confirm the phenomenon already mentioned that employers are interested in keeping people with adequate skills at work, and to ‘cream off’ the target group. Many of the organisers, admittedly dissuade good workforces, craftsmen etc. from exiting to the primary labour market. “I told him that it was true, you get less here, but you don’t have to travel; you’re already at home at three pm...” Others have only said that they would do nothing to prevent a competent public worker leaving. A director of a public employment agency complained that “if they need to upload a 200 persons programme in three days, they call in all able-bodied persons” irrespective of whether they could perhaps be recommended for a job in the open labour market.

We also asked the organisers of public works regarding the proportion of participants who could in their view find employment in the primary labour market thanks to having participated in the programme. We did not differentiate between registered and unregistered jobs or between permanent or temporary jobs. Due to a very high standard deviation, we interpreted the results by calculating with the modus of data which was at a 10 per cent value. It must be noted that there was no difference between those who reported as measuring the indicators themselves, and those who did not do so but only hazarded a guess in their responses.

Value-creation

During the reform of public works, the government identified value-added work as the most important objective and highlighted agricultural production and the provision of utility services (sanitation, environmental management).

In terms of value-creation we found three areas of public works. The highest publicity was received by those value-added Start-model programmes which are aimed at animal husbandry, plant production and the creation of various products. Another area where public workers carry out some sort of public services typically include the maintenance of public and farming roads, weeding, eradication of ragweed and the maintenance of public spaces as well as public and private forests. The third area is the integrated organisation of public works. In this case, public workers only “help out” in providing public duties at some workplaces. Such are for instance delivery, portering, health, educational tasks at the municipality, maintenance, cleaning, kitchen, etc. duties at cultural institutions, and staff assistance functions at civil or church organisations. These three different areas provide divergent working conditions. In the first two, public workers can participate in separated groups, brigades in public works. Their number is often independent from the number of persons that would economically be optimal to carry out the given task.

Both in the case of production and public service in groups the results are the produced economic value. The effect of employment from the perspective of labour market reintegration is, however, highly questionable. The most important reasons for this were articulated by the president of the National Association of Local Municipalities (in Hungarian: *Települési Önkormányzatok Országos Szövetsége*) in the following way:

“The Start work programme, however, significantly differs from other public works programmes, since the basis of agricultural programmes are *appropriate professional knowledge*. These programmes do not bring results if the management of planning, cultivation and livestock production are done by a staff without appropriate professional knowledge” (Zongor, 2013).

For public works integrated into existing organisations there is an operating organisation that ensures the work process. There is much more attention given to the integration of workers and the public works are also more valuable from a labour market perspective. According to one of the survey respondents:

“Among public and municipal functions there are certain unserved or poorly served areas (cultural, social sphere, etc.) which represent a real market need and money needs to be allocated to them. Their utility and efficiency is clear, although cannot be measured in monetary-terms.”

The report on case AJB-3025/2012 published by the Commissioner for Fundamental Rights also underpinned the finding of our research that the organisers of public works (typically municipalities) dispensed neither intel-

lectual (expertise and qualification) nor productive infrastructure. The organisers unequivocally complained about the unpredictability of timescales and the arbitrariness of the budget. The establishment of the necessary producer infrastructure and the development of needed market embeddedness can only be efficient as part of a more long-term, planned and consistent local (or even regional development) process. In many cases neither the procurement processes are organised nor the producer relationship clarified between the organisers of public works and the local market. Also, several questions arise when the product is for “internal use” (for example in public catering); it is unclear at what – cost or market – price this should be accounted. Another question concerns what the impact of public works is on local producer markets, for it is from there where the solvent demand will be missing. The most difficult question to answer though is how such a “production” could become sustainable.

For decades, the activation of those permanently distanced from the primary labour market and the achievement that at least some percentage can stand on their own feet have been one of the biggest challenges in Hungary. A multitude of countries have experimented with many-many models. Relying on these experiences the expert committee of the European Union regularly develops and publishes professional and methodological recommendations. The *organisations of the social-economy (in other words social enterprises)* that create new jobs or fulfil transit functions can operate in various legal forms.³ Micro, small enterprises and non-profit limited companies are typical, but they can be civil organisations or even cooperatives. The selection of the optimal legal form suitable for the given enterprise and the local context are important for the establishment as well as the sustainability of the organisations’ development capacity. Related to public works, there are also more and more such governmental initiatives that are aimed at involving public workers into social cooperatives. In this regard, the legal regulation pertaining to cooperatives has also been amended.

The aims of public works for the individual

In our panel research on public workers, conducted between 2012 and 2013, we examined what the aims of public works could be for individual participants. We tried to present how public workers experienced this form, and how we disregard the general aims and effects of the system.

Public works embodies for the participants various functions. We analyse these by relying on the theoretical work of Marie Jahoda (*Jahoda, 1982*).

For public workers, the most important functions were status-related: this type of work provided a sense of usefulness, and prominently, it provided a household income. *Livelihood and extra income* were highlighted as the biggest advantages of public works by participants. According to 61 per cent it

³ According to the definition of the Nonprofit Enterprise and Self-Sustainability Team (NESST) it is such a purposefully planned entrepreneur activity that is created with the aim to offer innovative solutions to social problems. Social enterprises can be non-profit organizations which apply business models to fulfill their basic mission, and can be business enterprises which strive, in addition to their business objectives, to achieve significant social effects. Their basic principle is a dual optimisation that is represented by keeping in balance and harmony both economic and social goals.

is important that with this income they have contributed to the household income. Nearly 50 per cent provides a livelihood with this income to their family, so in their case, public works strengthened their *breadwinner status* as well. Many of the respondents highlighted that public works qualify as pensionable time; hence, they can get closer to a retirement that offers security.

So the poverty mitigating function of public works was deemed the most important by respondents. It was also mentioned that 30 days employment was needed to qualify for entitlement to social assistance and this could be fulfilled by participating in public works.

“Public works are good because my income is more than 22,500 forints and I accumulate pensionable years, and anyway, I don’t have another job.” “For me it’s good like this because I don’t have to live on benefits. The kids can be provided for. I can also pay the utilities.”

Many (40 per cent) also agreed that they performed *useful* tasks as public workers. Additionally, it was an important aspect that these public works were *close by* and there was no need to commute.

The strengthening of a social network was perceived by approximately 20 per cent of the respondents, who noted that since participating in public works they had gained more acquaintances/friends.

The rate (18 per cent) of those to whom *activity* was important was roughly the same: they highlighted the fact that they had experienced more regularity in their days than they used to have before. These factors of public works (activation function, usefulness of tasks, and increase of social network or regular timetable) contribute mostly to the development or nourishment of employment skills.

Public workers saw only few long-term opportunities in these employment forms. Only 14 per cent expected the development of skills necessary for employment, and likewise very few (16 per cent) were those, according to whom public works contributed to subsequent employment; which is to say that the reintegration function of public works is perceived at a very low level. Moreover, some believed public works had an outright destructive effect.

Concerning the *shortcomings* of public works, most respondents (29 per cent) highlighted low wages, which needs to be interpreted carefully. For wages are indeed below the minimum wage, but without public works, for most respondents, there would only be social income available, compared to which the public works wage is still slightly higher. Compared to the falling amounts of benefits (and constrained access conditions) over recent years, public works can even represent a desired income. Therefore, many have highlighted that in this way they can earn more than by being on benefit. The fall of wages were mostly criticised by those who had had a longer public works history and they compared current incomes to earlier ones.

Regarding the questions on public works’ reintegration role to the labour market, there were more negative than positive answers. 20 per cent of re-

spondents saw some sort of negativity in public works in this respect (less time for job search, it does not help in finding employment as one is excluded from temporary jobs, or is not hired because of one's public works past). The need for permanency appeared very strongly though: many noted that they could accept public works as a permanent job (in fact, there were some who would even wish that).

A large part of public workers perceive their future as rather hopeless, they do not think they will be able to find employment. Often they do not have long-term plans or ideas at all.

“We won't be able to find employment anywhere. Neither part-time nor full-time. For me there's only public work as an opportunity. Because I am Roma.”

Summary

All prior forms of public works have received and still receive various criticisms. Sometimes it is the capacity of public works to lead back to the labour market, at other times it is organisation, participants' weak work performances, or wages below the minimum wage that are criticised. Others attack public works because of its high public costs, the degree of their own contribution, or the constantly changing administration. In the past 20 years, national public works programmes with various names and frameworks have tried to achieve various declared and undeclared aims, while there have been a number of aims and expectations which public works could obviously not live up to. Therefore, it is natural that, regarding public works, constant – and always justifiable – dissatisfaction and perceived indispensability are articulated simultaneously.

At the moment, the government wishes to push the primary aim of public works in a social direction (*HVG*, 2015), that is, the explicit aim of public works is that it should replace benefits. In other words, it is explicitly the poverty mitigating function that is placed at the forefront. This approach removes public works from the circle of labour market measures and places public works among social provisions, and does this in such a way that intensified obligation and local dependency criteria make people living in poverty more and more vulnerable. Parallel to this, the production goals of Start work programmes are still present.

“In the case of participants in the micro-regional agricultural projects of the Start model programme, exit to the open labour market is an achievable aim after providing an opportunity for self-sufficiency, and then employment in a protected environment (social cooperative) with professional help” – the ministry informed *Népszabadság* (*NOL*, 2012).

Integration in the open market is increasingly sidelined, or even disappears as an aim among the organisers of public works and public workers. Due to the pressure of an increasing number of participants, the organisers try to involve as many locals as possible, and thus mitigate poverty and secure an inexpensive workforce for the provision of their public services. The labour market func-

tions of public works are not relevant and realistic to them. According to the organisers these types of public works do not develop such skills and competencies that might open the door to jobs in the open labour market. There are no resources available for labour market skills development either. The interest of the organisers of public works is basically the retention of well performing public workers, especially those in value-generating, productive public works.

The picture held by public workers is similar. Their future perspectives are in many cases bleak and few of them see a liberating opportunity in public works. They do however perceive public works as an easily accessible income that is higher than benefits. The highest demand is for permanence, which is to say that for most people, public works provide an acceptable income (as long as they are available) and they are still more predictable than, for example, grey employment in the primary labour market.

The tendencies presented in this study also underpin the change of function in public works. The actors do not perceive this measure anymore as that of employment policy, neither is the demand of employment in the open labour market brought to mind, rather poverty mitigation and activity in exchange for benefit become primary. This process decreases the demand of all actors to take active steps toward employment. This is also demonstrated by our research findings which revealed that the job search activity of public worker respondents drastically decreased during 2013–2014.

During the last wave of the survey (February–March 2014) only 15 per cent searched for jobs (as opposed to 42 per cent in the previous year), 13 per cent checked job advertisements (earlier this rate was 42 per cent), just 8 per cent applied for some sort of a job (in contrast to the previous 33 per cent), and practically no one went to job interviews, although previously every fifth (19 per cent) respondent noted that they did so in the hope of a job in the labour market (Koltai, 2014).

2.4 Appendices

Research methodology

During the research on the organisers of public works, we based our work on qualitative as well as quantitative work.⁴ Public workers had an option to fill out and return the organisational questionnaires via an online platform, email, or in a printed format. The population was composed of a database provided by the National Employment Service (in Hungarian: Nemzeti Foglalkoztatási Szolgálat) containing data on 8,537 organisations that received public works support in 2011–2012. The organisations of the population were typically contacted via email. Since our results would have been distorted by the low internet usage of employers in small and in the most disadvantaged settlements, we randomly selected 200 organisations among them to which we also sent the questionnaires in a hard copy. In this way we could ensure that 26 per cent of the respondents were operating in this quarter.

⁴ The full reports are accessible at: <http://eselylabor.hu>, Koltai–Kulinyi (2013), Koltai (2013a), (2014).

During the research, we could process a total of 870 questionnaires that predominantly arrived to us online. The responding organisations employed 52 thousand persons in 2011 and 40 thousand persons in 2012. This was nearly 20 per cent of the number of public workers nationwide in 2011 [256,607 persons (*Tajti*, 2012)]. Furthermore, in selected locations and organisations (national organisations, settlements of various sizes, the most disadvantaged micro-regions, etc) we conducted twenty in-depth interviews with the representatives of organisations affected in some way by public works, the directors of the public employment service, and experts. In the research, there were three focus-group discussions which were carried out with the involvement of affected organisations in public works of the relevant settlement and region.

The regional distribution of organisations responding shows a varying picture. Responses have been received from the whole country with the highest response rate of 11 per cent arriving both from Bács-Kiskun and Borsod-Abaúj-Zemplén county. In 2012, 20 per cent of public workers worked in these two counties. In the other counties we observed a response rate similar to the distribution of public workers. There was a somewhat higher willingness to respond in Veszprém and Győr-Moson-Sopron counties and a lower one in Szabolcs-Szatmár-Bereg county. With 67.5 per cent, local municipalities are in an overwhelming majority among respondents (just as in the population of organisers of public works). The remaining 13 per cent are municipal organisations and 4 per cent are municipal associations. Thus, 84 per cent of respondents organises public works as a public institution. In 2012, 75 per cent of public workers worked in these institutions (Employment and Public Works Database) – no wonder that their rate is so high among respondents as well.

In March–April 2013 during the research pertaining to public works participants our experts conducted structured interviews with 283 persons employed in public works in five selected micro-regions. The micro-regions were selected in a way that ensured we received the highest variability in their characteristics. Having said that we have to note that the mode of sampling in the research is not representative. Instead, our aim was to arrive at a picture regarding the situation and life of public workers. During the panel research we asked the involved participants four times: the first two times when public works were started, then when public works ended and participants exited, and the fourth time three months following the end date.

Our sample is representative in terms of gender distribution and, with a difference of 3–5 per cent, in terms of education as well. The sample was weighted by age, as the older age groups were slightly over-represented in the sample. Furthermore, we also organised focus groups and interviews where we invited participants affected by public works (experts, local employers, organisers of public works, municipality, etc).