

2.7 SPATIAL INEQUALITIES OF PUBLIC WORKS EMPLOYMENT

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This chapter deals with the spatial inequalities of the public works scheme. The main question to be answered concerns which types of unevenness are present at the sub-national scale if we look at access to the programme and the distribution practices of quotas and funding.

Local or regional inequalities of the labour market and effects of labour policies have been covered in some of the former yearbooks of *The Hungarian labour market* and also the *In focus* sections of those (see for example *Kabai-Németh*, 2012, *Kertesi-Kézdi*, 2010, *Lőcsei*, 2011). These studies have made clear that spatiality is a crucial aspect if analysing the realm of labour. However, spatiality as such is not only a dimension of labour (or in the case of this yearbook, of the public works scheme) to be taken into account. Space (i.e. the fact that social relations are distributed over space) is constitutive of the public work scheme: the public works scheme is distributed geographically unevenly, and thereby public works as a social relation reproduces geographically uneven development. Spatial patterns to be discussed in this chapter are not a result of purely spatial causes; spatial forms have to be understood as a result of social relations occurring over space, as a result of the geographically uneven historical development of capitalism (see for example *Masse*, 1995). From this perspective, local variations of the public works scheme are not only 'local specificities' in-line with or diverging from processes at the national scale; the national level picture shown in other chapters of *In focus* are constituted exactly of these local processes.

This chapter is structured as follows. The first part is a literature review on how the public works scheme, and workfare in general reproduces socio-spatial inequalities. Secondly, data used for describing the spatial inequalities of the Hungarian public works scheme is discussed. The third part covers a description of spatial inequalities of the public works scheme, the main argument being that the programme funds are distributed unevenly not only socially, but also spatially.

Public works as spatial policy

At times of economic crises society reacts to the growing unemployment and the worsening of life conditions in different ways. On the one hand social movements (such as trade unions or other representations of class interests) call for direct job-creation by the (national) state. On the other hand, the state itself (mediating between economic processes and prevailing ideologies

of the political elites) also considers direct job-creation as an effective means of tackling the devastating effects of economic crises (cf. *Arrighi*, 1990, *Silver*, 2003). In other words, following Polanyi's (2001) idea of the 'double movement', in times when the self-regulating market fails (such as recently, during and after the 2008 crisis), social dislocations 'naturally' lead to social protectionism and different forms of political intervention.

In Hungary, these historical processes unfolded in a very similar way as in core countries of the world-system, following the waves of global capitalist development. During the downturn of the 1870s some suggested that the state should play a more active role in job-creation, but this idea was easily fobbed off in the heyday of economic liberalism (cf. *Rézler*, 2001). During the 1929–33 Great Depression, the government (both at the national, as well as on the municipal level) attempted to create jobs in public works programmes (*Baksay*, 1987), the 1930s also featured government policies offering social assistance only for those taking part in public works. Following the crisis of the 1970s the government put forward a rapid restructuring of the manufacturing industry and a raising of the standard of living, but controversial labour policies at national and at firm-level were also introduced (cf. *Fazekas–Köllő*, 1985). The public works programme widened after the 2008 crisis is, thus, not a significantly new phenomenon, and its explanation cannot be limited to shifts of ideologies or economic policy ideas of current governments or political elites.

The current public works programme as a public policy goes hand in hand with workfare policies of West European and North American core countries, introduced in the past decades. How these policies reproduce socio-spatial inequalities has been at the forefront of critical labour and political-economy studies since the 1990s. The following paragraphs summarise how and why workfare policies reproduce socio-spatial inequalities, as it is an inherent characteristic of them, and how the inequalities might be conceived as a result of inter-related economic processes at different geographical scales, from the local to the global (cf. *Peck*, 2002).

The transition from welfare to workfare is often described in an over-simplified way as a neo-liberal economic shift towards the hollowing-out of the state. This term means that both the national and the local state (in Hungary the more than 3200 municipalities) are losing power and their role in governing labour market processes. It might be self-evident from this perspective that social inequalities rise because of market processes – resulting in opportunities depending very much on *where* one lives. Employment opportunities differ, both as a consequence of variegated individual strategies in securing livelihoods, and the development trajectories of the local government. This latter means, for example, that some municipalities are better off in attracting firms and capital for job creation, and thus from the rising local taxes more money might be re-distributed as social benefits. In spite of these

processes, local governments are taking different positions in the competition for national or supra-national financial transfers, such as development funds (see, inter alia, *Kálmán*, 2012). Following that, one cannot simply say that the state is losing power under the political-economic formation of neoliberal capitalism, rather, the state both rolls out from, and rolls back into, certain realms of production of goods and services and social reproduction (*Peck–Tickell*, 2002).

From the 1970s on (following the economic downturn) ‘First World’ countries observed a triple transformation of the state, public works programmes being an integral part. Firstly, the Fordist mode of production declined, traditional wage relations having been substituted by deregulated, flexible forms of employment. (Flexibilisation is also typical for Hungarian – and more generally, for Eastern European countries’ – labour policies since the 1990s, irrespective of which parties were in power.) Secondly, parallel to the change in the mode of production, workfare states replaced former welfare states; dismantling the collective rights of social assistance, and introducing the obligation to work (for a current overview of the Hungarian case, see *Cseres-Gergely–Molnár*, 2014). Thirdly, the penal apparatus of the state is widening, in a sphere where it is still possible (*Wacquant*, 2008). In Hungary, the punitive state and the public works programme is closely intertwined ideologically: for most of the public works programme the Ministry of the Interior is responsible (and not the Ministry for National Economy which oversees labour market policies in general).

The shift from the welfare state to the workfare state does not only transform the national scale. Overall, it might be conceived as a shift from a Keynesian welfare national state to a Schumpeterian workfare post-national regime (*Drahokoupil*, 2007, *MacLeavy*, 2010). In Hungary, the upsurge in public works employment is a complex structural change in public administration, affecting different scales of governance. For instance, the supra-national EU scale (from which financial transfers arrive in ‘less-developed’ countries and regions – cf. *Lendvai*, 2008) played an indispensable role in financing the public works programme shortly after the outbreak of the 2008 economic crisis (*Elek–Scharle*, 2011). The scale of the national and the local state will be analysed in detail in the following parts of this chapter.

Economic crises have always been played out unevenly geographically (cf. *Fazekas*, 1996, *Lócsei*, 2011, *Boros–Pál*, 2011), and thus employment policies tackling crises have also led to spatially uneven outcomes: their direct effect is smaller in areas where the primary labour market and traditional wage labour play a larger role (*Czirfusz*, 2014). Declining manufacturing regions are typically locations in which the national state launches national programmes in order to attract investments which also boost employment (for a comparable Czech example see *Drahokoupil*, 2007). In other cases the state becomes the

direct employer, such as in the Hungarian public works scheme. In addition, inequality might also be analysed within localities: in larger settlements unemployment is concentrated in specific neighbourhoods (such as in quarters dominated by the working class or lower social classes in general). The local state reacts to spatial unevenness through the use of different local policies: for instance, Budapest's 23 autonomous district municipalities introduced highly different social policies in spring 2015. A further aspect to be considered in this differentiation is the combination of the public works programme with punitive policies (*Wacquant, 2008*). Seemingly this move decreases social inequalities, but in reality these policies reproduce intra-urban tensions. The public works programme fossilizes masses of people as the working poor – a primarily urban problematic situation throughout Eastern Europe (*Smith, 2008*).

In some countries, spatial unevenness of employment has led to overtly spatially focused policies. This has been the case in the United States in which welfare assistance was decentralised to the 50 states by the Clinton administration, or in the policies of the Labour governments in the United Kingdom after 1997 (*Peck–Theodore, 2000*). The aim of these policies is that they decentralise decision-making and financial resources (for example access to some funds are only available in designated 'backward' areas), and local needs are taken into account with spatially variegated development policies. Also important from a historical point of view, is that in the era of the neoliberal mode of regulation (since the 1970s in the Western world) local governments are able to show an increase of competencies, and are able to re-legitimise their jurisdiction by governing the realm of employment and unemployment locally (*MacLeavy, 2008*). This is a somewhat unique turn as the general public and the political discourse is about the growing constraints of local policy-making.

Despite these advantages, the disadvantages of the decentralisation of labour market policies are also visible. Rescaling responsibilities from the national level to the sub-national means growing competition for financial resources among regional and local governments. Rescaling is not a structural answer for the uneven development and is not an alternative to neoliberal economic policies (*Crisp, 2012*). In line with this argument, *Peck and Theodore (2000)*, as well as *Artner (2015)* point out that workfare policies and welfare reforms are both part of the economic policies aiming to increase competitiveness – i.e. flexible, deregulated labour markets and public works programmes are two sides of the same coin, functionally complementing each other. What follows from this statement is – as shown in the following parts of the chapter – that a public works programme is inherently unable to decrease spatial inequalities – as it does not deal with structural causes of unevenness, i.e. capitalist development. What is more, in local labour markets where the primarily labour market is weak the public works scheme does not offer a solution for different groups of unemployed people according to educational at-

tainment or other social dimensions. Public works programme participants are expelled from the primary labour market and forced into low-wage and low-skilled workplaces (in the Hungarian case, public works employees get less than the minimum wage).

In the Hungarian version of the public works scheme the roles and responsibilities of the different scales brought about new hierarchies within public administration. The main regulatory changes have been discussed in *Chapter 2.1* of this book. Without repetition this chapter discusses how roles and power relations have been established between different spatial scales.

The public works scheme in Hungary is a national programme, directed by the minister responsible for public works,¹ who decides upon the allocation of the appropriation secured by the yearly state budgets. The planning is carried out jointly with the sub-national level institutions: the 20 government offices of 19 counties and the capital city of Budapest (*Figure 2.7.1*), as well as the government offices in 174 districts.² Spending the allocated funds is decided by the same government offices,³ according to municipal and other employers' requests examined by the minister or the government office itself. Organising and the implementation of the public works at the local level are in the hands of the almost 3,200 municipalities.⁴ Co-ordinating the public works scheme, its communication and compiling the requests for funding is dealt with by the district's government offices, as well as directly by the ministry.⁵

1 In some cases jointly with the minister responsible for employment policy – Act IV of 1991

2 Government decree 320 of 2014, § 8. In Hungary, the counties (NUTS 3 level – see *Figure 2.7.1*) have limited power, but possess an elected county council. They also seat government offices which are bodies of the executive authority at the sub-national level. The 174 districts (NUTS 4 level) serve mostly administrative purposes.

3 Government decree 320 of 2014, § 8. and government decree 375 of 2010, § 7.

4 Act CLXXXIX of 2011, § 13 and 15.

5 Government decree 320 of 2014, § 11; Government decree 66 of 2015, § 15.

Figure 2.7.1: Counties of Hungary



Spatial allocation of the budget available for the public works scheme might be based on two principles. The first one is the *equal access* to enter the programme which means that every unemployed person has equal rights and an equal chance to get a job under the scheme. This principle is important for the individual citizens, as availability of some of the social benefits is currently dependent on the fact of whether the person in need has taken part in the public works programme (this illustrates quite well that a welfare state is in formation in contemporary Hungary). The other principle which might be considered by policy-makers is *prioritizing 'backward' regions* with more available funding. In the yearly allocation of financial resources characteristics of the regional and the local labour market have to be taken into account, and municipalities and areas might be designated as prioritized ones 'in order to tackle social tensions and to offer a broad spectrum of public works'.⁶ However, how concretely this consideration is actually taking place is not detailed in the legislative documents. As a result, funding of the programme is assumed to be distributed unevenly because of two factors: Firstly, municipalities' requests for public works quotas do not correlate with the number of unemployed people or with the social needs existing (some local municipalities do not organise public works at all). Secondly, the consideration as such at the regional or ministry level (*vis-à-vis* a normative allocation of funding) also opens up the possibility of bargaining and lobbying. The spatially uneven distribution of the budget and quotas of employment in the public works scheme is the topic of the following parts of this chapter.

Data

This chapter builds on official registry-based data on public works programme participants between 2011 and 2013. The data harmonised by the Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences was complemented by other municipal-level (in Budapest: district-level) datasets of the Regional Development and Spatial Planning Information System (Országos Területfejlesztési és Területrendezési Információs Rendszer, TeIR) concerning the population number and the number of unemployed.

Methodologically the main challenge in analysing the spatiality of public works is to locate the public works programme episodes geographically. Participants of the programme are registered according to their permanent place of residence (coded by the postcode).⁷ The place of residence does not necessarily coincide with the actual place of work or the headquarters of the employer (this latter is the case for example at such employers as national forestry companies, national park or water management directorates covering larger areas).

6 Government decree 375 of 2010, § 7/A. See also the government resolution 1,044 of 2013.

7 The database contains 117.6 million rows which describe one day of a public works participant. Among those episodes the postcodes of permanent addresses were missing in 3,800 cases which were not included in this study. The verification of the database (sorting out mistypings, etc.) was not possible. All in all these constraints are not considered as significant, and do not modify the main tendencies to be described.

The database registers postcodes of employed persons and this is used for aggregating data to the scale of municipalities. If several postcodes are used in one municipality, data was aggregated to the municipal level.⁸ As in some cases the same postcode is used in separate municipalities, several (administratively independent) municipalities were pulled together in order to ensure compatibility with other databases containing the number of inhabitants and unemployed.⁹ In the case of Budapest, if possible, the district¹⁰ was used as an analytical unit. In the end, the database consisted of 2,613 aggregated units. In the following parts of the chapter, these will be referred to as municipalities. The number of participants in the public works scheme was calculated by using the full-time-equivalent, in order to sort out the statistical effect of part-time work (cf. *Cseres-Gergely–Molnár* 2014).

8 For example, four-digit postcodes 2241 and 2242 both refer to the municipality of Süllyásap, data of the two postcodes was combined.

9 For example, postcode 7400 is used in the county seat Kaposvár, as well as two neighbouring municipalities. Postcodes 7451 and 7461 denote two (formerly independent) neighbourhoods of Kaposvár. The three postcodes were combined, as well as other statistical data of Kaposvár and the two other municipalities. As a result, the least common multiple of different databases was secured.

10 Budapest has a two-tier administrative system, responsibilities are shared between the Budapest municipal government and the governments of the 23 independent districts. As most of the social policies are delegated to the district governments in the city, and these social policies are highly different district-by-district, it is more meaningful to analyse those than the aggregated data of Budapest. (Budapest districts are not to be confused with Hungary's 174 sub-national districts – the administrative units referred to earlier.)

11 The most visible (and the most cited) differences within the county in terms of economic development is the East–West slope, apart from the Budapest–countryside divide. Western counties are often depicted as developed ones whose ‘winner’ economies are deeply integrated into global production networks (mostly in the manufacturing sector). The Northeast is characterised by an industrial decline starting during the 1970s global economic crisis and by a collapsing industry following the end of state socialism

Spatial inequalities of the public works scheme

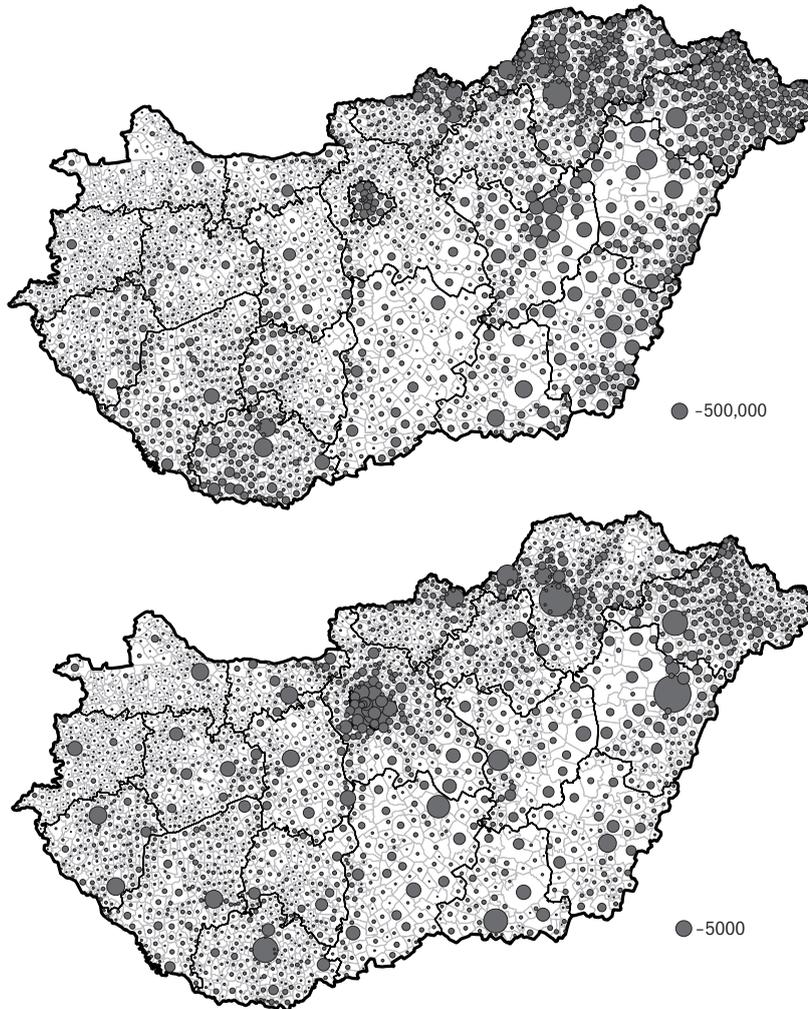
Following the literature review of the preceding parts, it might be assumed that the spatial allocation of the public works in Hungary is highly uneven. In order to verify this assumption, the spatial distribution of the public works employment and unemployment was compared (*Figure 2.7.2*).

The two maps show 2013 municipal level data, the size of the circles is proportional to the number of public works employment and that of the unemployed persons, respectively. As other chapters in this book have demonstrated, after the reorganization of the public works scheme in 2011, 2013 featured a mostly solidified structure in terms of programme instruments and legislative background. Still, it is clearly visible from the comparison of the two maps that public works are not evenly distributed. More financial resources have been allocated to the Eastern parts of Hungary, but disproportionately more if the unemployment figures are taken into account. (It is clear that the public works scheme contributed to the fact that the number of unemployed in these Eastern counties of Hungary¹¹ is not as high compared to the Western parts of the country as it would be without the programme.) The fact that the distribution is highly uneven might be justified with county-level aggregated data. 17.4% of full-time-equivalent public works employment is concentrated in Borsod-Abaúj-Zemplén county (compared to an 11.7% share of the unemployed persons), a further 14.7% was allocated to Szabolcs-Szatmár-Bereg county (with 11% of the unemployed), followed by Hajdú-Bihar county (8.6%), Békés (7.3%), Jász-Nagykun-Szolnok (7.2%) and Baranya (7%). In Bu-

in 1989. Remaining parts of the East show a higher percentage of agricultural production, although most of the municipalities with several tens of thousands of inhabitants also have some companies in the manufacturing sector being in superior positions in global commodity chains. In the public discourse, social problems and tensions are often conceived as prevailing mostly in the easternmost counties, such as Borsod-Abaúj-Zemplén and Szabolcs-Szatmár-Bereg.

dapest 8.8% of the unemployment is concentrated, but the capital city only received 1.9% of the public works employment. The differences between the counties increased slightly between 2011 and 2013, primarily because of the growing share of Borsod-Abaúj-Zemplén.¹²

Figure 2.7.2: Full-time-equivalent person-days of public works employment (above) and the number of unemployed persons (below) at the municipal level (2013)



Data source: Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences; Regional Development and Spatial Planning Information System.

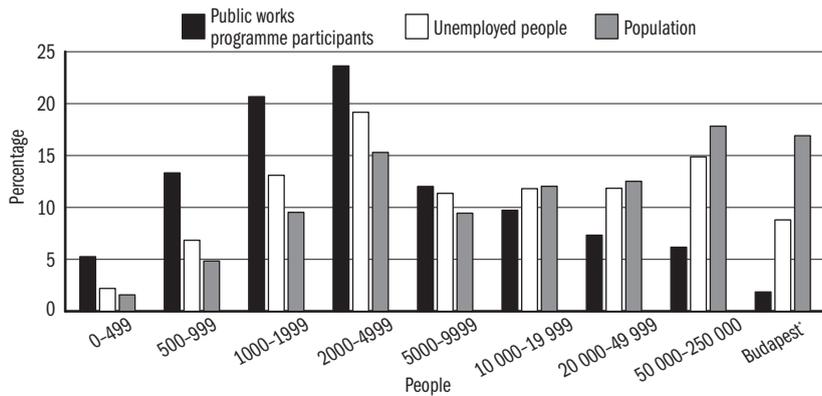
The map also reveals that county-level data obliterates considerable intra-county differences. It is striking that the allocation of funding within the counties often coincides with the assumed labour market position of the areas in the pub-

¹² For the geographical location of counties referred to in this chapter, see *Figure 2.7.1*.

lic discourse and in the national media. The Southern part of Baranya county at the Croatian border is a disadvantaged area with complex social problems emerging in the past 25 years of capitalism, and it also received significantly higher public works employment quotas than other parts also affected by unemployment. Several stigmatized regions in the national public discourse which are often depicted as areas in which people are not working, lazy, or even welfare scroungers – such as the former industrial centre of Ózd and its vicinity (Northwestern part of Borsod-Abaúj-Zemplén county), or the middle part of Jász-Nagykun-Szolnok county – received higher proportions of public works employment, seemingly with the intention to discipline those regions.

It is also obvious from the comparison of the two maps that on the map below, larger cities with higher numbers of unemployment do not stand out from the upper map showing public works employment. Larger municipalities with larger (absolute) unemployment receive relatively smaller quotas of public works employment, or to put it differently, people living in larger settlements have a significantly lower chance of entering into the programme once they become unemployed. This tendency is also shown on *Figure 2.7.3* which compares the distribution of public works employment, unemployment and population according to settlement size categories.

Figure 2.7.3: Distribution of public works employment (full-time-equivalent person-days), unemployment and population according to settlement size categories (2013)



* Population: 1.7 million.

Data source: Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences; Regional Development and Spatial Planning Information System.

The public works employment scheme is primarily a programme running in smaller municipalities. The divide lies at settlements around 10 thousand inhabitants – in smaller municipalities than that unemployment is higher than in larger municipalities and this is not compensated for by a larger par-

ticipation in the public works scheme. The situation in cities above 50 thousand inhabitants is most striking: unemployment is present, but public work employment opportunities are scarce. Further qualitative studies are needed to find out whether the legislative environment (the responsibilities of the different scales of public administration) or the local government's management capacities limit the available public works in this category. For example, it might be assumed that large municipalities have neither personal resources, nor infrastructure, nor organisational knowledge of how to offer public works for several hundreds or thousands of unemployed people – the result being that these settlements do not apply for large quotas. The case of Budapest is unique in the sense that firstly, both the 23 districts and the city of Budapest offer public works employment, and secondly, the unemployment rate is rather low as there are more opportunities of waged labour on the primary labour market. It is also clear that in Budapest individual portfolios of securing livelihoods might be more diverse than in smaller settlements (cf. *Smith–Stenning–Rochovská–Šwiątek*, 2008). Despite these circumstances it is obvious that the public works scheme does not offer a viable policy solution for offering a large number of jobs for unemployed people in Budapest.

A larger scale public works programme has been organised and executed by the local governments since 2001. Unevenness of this public policy measure is not a new phenomenon emerging after the 2011 relaunch, but it is certainly true that broadening the programme in 2009 resulted in growing inequalities among municipalities (*Keller–Bódis*, 2012). These inequalities might be analysed in a breakdown according to different instruments of the programme. Full-time-equivalent person-days combined in public works employment were 19.7 million in 2011, 39.4 million in 2012 and rose to 46.8 million in 2013. The shares of different instruments have constantly changed during the three years: the short-term public works, the so-called value-producing public works and the wage subsidies offered to companies employing public workers were all ended in 2011. So-called Start model programmes were launched in 2013 (*Table 2.7.1*).

Different instruments of the programme contribute differently to change employment locally. In the following we analyse whether the person-days of public works employment correspond to the principle that counties and municipalities with higher unemployment should receive more funding and more public works quotas. To measure this question the distributions of public works employment and unemployment between municipalities were compared using the widely used inequality measure, the Hoover index.¹³ If the distribution of public works employees and that of unemployed persons is similar (i.e. the Hoover index is small and decreasing) then the programme reduces spatial inequalities of unemployment.¹⁴ Calculations were made both for the whole country (to measure the inequalities within the country), as

13 Hoover index (H) measures the deviations of two distributions (x_i, f_i):

$$H = \frac{\sum |x_i - f_i|}{2}$$

The range of the index is between 0 and 100%; the higher the index value, the higher is the difference of the two distributions. The measure also shows what percentage of one distribution has to be re-distributed throughout municipalities in order to achieve the same distribution as that of the other one.

14 There is a methodological problem, of course, inasmuch as public works employment and unemployment are in a complex causal relation. Growing public works employment decreases unemployment. If the distribution principles of quotas are followed, this decrease in unemployment also leads to decreasing public works employment.

well as for the counties. This latter might refer to the role of government offices at the county level in distributing public works employment within the counties. Results are shown in *Table 2.7.2*.

Table 2.7.1: Distribution of full-time-equivalent person-days among public works employment instruments (%)

Instrument	2011	2012	2013
Short-term public works	37.47	0.10	0.00
Long-term public works	26.46	64.97	28.42
Wage subsidies for companies	3.05	0.00	0.00
National programme	28.48	35.03	21.04
Value-producing public works	4.55	0.00	0.00
Start model programmes	0.00	0.00	50.64
Altogether	100.00	100.00	100.00

Data source: Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences.

Table 2.7.2: County level inequalities of public works employment and unemployment, according to the instruments (Hoover indices, %, 2011–2013)

County	2011					
	Public works employment total	Short-term public works	Long-term public works	Wage subsidies for companies	National programme	Value-producing public works
Budapest	16.3	18.5	19.6	31.3	43.7	73.9
Baranya	28.4	18.6	30.5	47.7	57.5	72.0
Bács-Kiskun	16.3	14.7	20.3	60.3	35.1	94.2
Békés	16.6	13.4	16.0	52.2	34.9	68.0
Borsod-Abaúj-Zemplén	20.8	16.6	19.8	34.9	52.5	73.2
Csongrád	25.1	18.7	21.1	57.1	35.2	79.0
Fejér	20.3	19.8	18.3	44.2	49.2	88.9
Győr-Moson-Sopron	25.8	21.5	23.7	55.4	50.6	60.3
Hajdú-Bihar	19.2	16.9	21.5	29.5	37.6	64.8
Heves	22.9	20.7	25.8	48.5	46.0	91.4
Komárom-Esztergom	17.7	18.0	18.8	45.6	31.3	75.9
Nógrád	11.5	12.2	19.9	38.9	37.3	79.2
Pest	28.9	25.1	26.1	59.2	47.2	81.5
Somogy	21.5	16.5	18.2	62.6	50.0	68.0
Szabolcs-Szatmár-Bereg	22.2	17.3	21.6	37.6	39.7	73.9
Jász-Nagykun-Szolnok	18.8	17.8	18.5	38.7	37.3	91.7
Tolna	24.8	17.9	20.2	55.9	45.1	60.0
Vas	25.4	19.2	20.0	48.2	48.7	77.5
Veszprém	20.7	22.1	20.7	41.3	47.1	87.0
Zala	25.2	20.0	16.0	47.9	54.5	93.9
Total Hungary	25.8	22.9	27.0	48.7	47.1	77.7

County	2012			2013			
	Public works employment total	Long-term public works	National programme	Public works employment total	Long-term public works	National programme	Start model programmes
Budapest	12.6	12.4	17.5	11.1	10.4	22.3	22.9
Baranya	39.2	40.2	50.6	32.3	25.9	44.9	37.4
Bács-Kiskun	26.3	30.1	32.7	27.9	17.8	34.1	54.8
Békés	24.7	27.5	30.9	23.5	15.0	30.2	30.9
Borsod-Abaúj-Zemplén	27.6	29.4	38.4	33.1	23.3	41.5	40.4
Csongrád	27.5	33.5	27.0	23.6	17.2	24.4	42.7
Fejér	27.8	34.3	32.1	26.3	12.0	27.9	72.4
Győr-Moson-Sopron	29.3	34.6	35.3	29.4	25.4	35.3	88.8
Hajdú-Bihar	32.4	35.7	31.8	34.1	21.9	29.9	46.7
Heves	33.3	41.7	35.6	28.9	16.2	31.2	63.8
Komárom-Esztergom	18.8	17.6	24.4	22.4	13.3	25.3	84.3
Nógrád	26.0	33.1	39.0	29.9	25.1	36.1	50.0
Pest	32.7	27.0	43.0	26.7	20.9	40.9	80.4
Somogy	29.2	33.5	39.0	25.4	22.1	34.5	39.5
Szabolcs-Szatmár-Bereg	27.4	28.8	35.0	26.3	19.7	31.2	35.6
Jász-Nagykun-Szolnok	26.6	32.1	30.1	31.4	22.6	29.7	45.5
Tolna	31.3	38.2	33.1	37.3	22.6	33.5	66.3
Vas	30.2	37.7	34.3	30.5	27.4	32.2	85.2
Veszprém	28.4	34.8	33.2	31.0	25.7	34.9	83.4
Zala	35.5	39.8	41.9	35.1	17.7	38.0	73.6
Total Hungary	32.9	37.6	38.2	34.7	22.4	37.5	53.8

Note: Grey background of cells indicates instruments with higher inequalities than the total public works of the respective year. Public works employment was measured by full-time-equivalent person-days.

Data source: Databank of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences; Regional Development and Spatial Planning Information System.

Let us commence the analysis of the table with the yearly totals. It has already been shown that the distribution of the financial resources was highly uneven between municipalities in 2013. As the value of the Hoover index rose constantly between 2011 and 2013 (from 25.8 to 34.7 per cent), the programme was less and less successful in channelling public money to municipalities with higher unemployment – despite the successive reforms of the instruments and the changing legislation regarding the implementation of the programme. The Hoover index of 34.7 per cent means that out of 10 person-days in the country 3.5 were to be located elsewhere in order to concentrate resources into municipalities with higher unemployment. There have been large differences between specific instruments of the programme regarding the unevenness of their spatial distribution. The national programme (covering one-fifth to one-third of the person-days) was expected to fulfil the premise of even distribution (as it is co-ordinated at the national level, knowing

the socio-spatial trends of the whole country), but in fact, it has been more unevenly distributed than the total number of the public works employment (the Hoover index of the instrument exceeds that of the total).

Some of the instruments cancelled at the end of 2011 – such as the short-term programme – were allocated broadly evenly, in concordance with the spatial distribution of unemployment. Despite the even allocation, the instrument itself was not able to help those people in need in securing livelihoods, as it only offered employment for a very short period of time (*Cseres-Gergely–Molnár, 2014*).

Wage subsidies paid for companies employing public workers, and the so-called value-producing public works (the latter including municipal programmes) mobilised a small number of people (*Table 2.7.1*). Their spatial inequalities were high – in the case of the latter out of 10 person-days 8 were not in municipalities facing higher unemployment (*Table 2.7.2*). From this perspective, ceasing these instruments at the end of 2011 was a meaningful decision.

Long-term public works employment quotas differed significantly from year-to-year. For 2013, however (perhaps because of a more thoughtful planning of the instrument) a spatial distribution was found which resembled spatial patterns of unemployment. Further qualitative research is needed for figuring out whether the county and district government offices have played a role in this quite successful allocation of the financial resources.

Start model programmes were launched in designated ‘backward’ areas of the country in 2013. Although according to its name it is a model programme, its share became rather large in 2013, representing half of the total public works programme. The allocation of the financial resources is highly uneven (see the high Hoover index value). The cause of this unevenness might be that municipalities suffering from the most complex social problems have neither the organisational capacity, nor a viable agenda on how to tackle (mostly long-term) unemployment in their jurisdiction, thereby they were not applying for these financial resources. What follows then is that this instrument is biased towards municipalities which are more entrepreneurial (cf. *Harvey, 1989*) than others; not eliminating the uneven geographical development of capitalism, but actually reproducing it.

Looking at county-level data it becomes obvious that even within counties public works employment is not concentrated to municipalities in which unemployment is higher. In 2013 out of 10 person-days 2–4 (Komárom-Esztergom 2.24, Tolna 3.73) go to settlements non justifiably if we make a comparison with the actual unemployment numbers. There are only a few cases in which the distribution of the financial resources have become (slightly) better – such as in Csongrád county. The same is true for Budapest and the surrounding Pest county, in which low and decreasing public works employment have become more even (but the total number of public works partici-

pants is minimal compared to the number of unemployed). In some counties the spatial unevenness of the allocation has drastically increased, such as in Nógrád (11.5% to 29.9% between 2011 and 2013) – 3 out of 10 person-days were to be allocated elsewhere if a distribution fitting to the unemployment were to be considered. Among ‘winner’ counties of the programme (those with relatively high resources) it is only Szabolcs-Szatmár-Bereg in which the unevenness of the person-days did not increase – contrary to the situation in Borsod-Abaúj-Zemplén or Hajdú-Bihar.

Speaking of the specific instruments, the value-producing scheme and companies’ wage subsidies were allocated by considerations of low efficiency. The short-term public works instrument was directed to settlements more in need in 2011 in a majority of counties, the long-term employment programme distribution, however, was rather uneven. In 2012 two instruments compensated for each other, except for four counties and Budapest. In 2013, Start model programmes were introduced. However, there was not a single county in Hungary in which funding was primarily allocated to settlements with higher unemployment. Apart from Budapest, 3–9 out of 10 person-days were utilised in municipalities in which it was not duly justified by unemployment figures. Long-term public works instrument runs smoothly, and unevenness has significantly decreased in the counties (inequalities are the highest in Vas county with a Hoover index value of 27.4%). The co-ordination of the national programme has led to a rather uneven spatial allocation – both among counties and within counties.

In sum, public works employment is unevenly distributed among counties, districts and settlements. One might conclude that this policy measure is unable to decrease unemployment differences within Hungary. The legislative-organisational environment involves sub-national level of governance in the implementation of the programme. It is clear, however, that these units of public administration have not been able to concentrate public works employment into settlements with the highest unemployment – thereby public money is used for maintaining uneven geographical development in the country. More detailed analysis would be needed to discover whether this inequality is a consequence of deficiencies in the hierarchical, power-laden allocation mechanisms or ‘simply’ a management problem. The first explanation might cover controversial causal relations: decentralisation might be the cause of uneven allocation of funding, but it might also represent a tool which would help in allocating the resources more evenly. The second explanation might result from the fact that all counties and districts are fighting for more public works employment, thus interests at different scales of the public works governance leads to spatial inequalities.

One cannot fail to consider the scale of the individual either. Local social hierarchies are reproduced through the public works programme; the em-

ployability criterion is decisive in establishing new tensions – in-line with current social policies making a distinction between deserving and undeserving poor. If unemployment exceeds the number of public works employment quotas (which is the case in most of the municipalities), it is the ‘employable’ people who get the jobs. Thereby, individual skills become more important in public policies than structural problems of the economy (cf. *Peck–Theodore*, 2000), reproducing neoliberal capitalism on the individual, the local and the national scale. Entrance and exit chances in relation to the programme are highly differentiated (*Cseres-Gergely–Molnár*, 2014) and social inequalities are reproduced. These trends are covered in other chapters of *In focus* in detail.

Conclusion

Public works employment broadened at the culmination of the 2008 crisis, and re-shaped in 2011, reproducing socio-spatial inequalities of labour. Public works employment is, however, not a single public policy intervention which might be analysed independently from other labour market policies (such as flexibilisation of the labour force) or social policies (shift from welfare to workfare). The public works programme is an important element in (and a symptom of) not only reproducing social inequalities, but also marginalising spaces and places. In spite of the legislation that resources should be concentrated on areas with more severe unemployment, data from 2011–2013 shows that this goal was not achieved – in fact, the allocation of the financial resources has become spatially more uneven. One critical reason for this unevenness is the nature of the legislation which does not provide a clear structure concerning how to deconcentrate funding and employment numbers to counties and municipalities. How allocation proceeds directly at certain spatial scales of public administration was not analysed in this paper; the main goal was to describe unevenness at different geographical scales. What follows from the analysis of the data is that public works employment seems to be a public policy tool in which public money is spent less efficiently. For example, re-allocating money from the programme to provide unemployment benefits for a longer period of time would mean a more just allocation of the funding, probably also needing less administrative capacities. However, it is certainly clear that public works employment is ‘effective’ in several other regards: in reproducing and increasing socio-spatial inequalities and effectively supporting subsequent governments’ class politics.

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