

Towards Full Employment? The Idea of the Job Guarantee in Europe and the Solution of Hungary²

Abstract

The growing phenomenon of unemployment is holding back the development and performance of the European Union as a whole, especially long-term unemployment. In view of this, governments are trying to promote employment in various ways, to which the idea of a job guarantee scheme now seems like a holy grail. Both the foreign literature and the social partners see this as a solution, and the paper will therefore present the essence of this concept, its implications and characteristics, particularly with regard to green and sustainable employment policies. It will then be compared with similar Hungarian public employment schemes, which have been in existence for several years, thus highlighting the potential weaknesses and challenges of the 'new' concept.

Keywords: Employment Policy, Job Guarantee, Green Jobs, Sustainable Employment

1. Introduction

Modern economies face a well-known paradox: high unemployment, while untold social and environmental needs remain unmet. The global concept of sustainability addresses both sides of the paradox and has expectations for them. However, the environmental impact of the economy is largely determined by what, how and when we work.³ Making labour market policies more environmentally friendly can facilitate the transition to a sustainable economy. Paradoxically, the climate crisis and the jobs crisis cannot be solved in isolation, so integrated solutions such

1 | PhD associate professor, University of Miskolc, Institute of Civil Law, Department of Agricultural and Labour Law; ORCID: <https://orcid.org/0000-0001-9133-4732>; e-mail: bernadett.solymosi-szekeres@uni-miskolc.hu

2 | The present study was carried out in the framework of the research grant SNN 146842 funded by the National Research Funding Agency for the Promotion of Science and Technology (NKFIH).

3 | The work and human rights are tightly connected. See Orosz 2020.

Bernadett SOLYMOSI-SZEKERES: Towards Full Employment? The Idea of the Job Guarantee in Europe and the Solution of Hungary. *Journal of Agricultural and Environmental Law* ISSN 1788-6171, 2025 Vol. XX No. 39 pp. 489–505



as green labour market policies are needed.⁴ The private sector is unlikely to be able to fill these gaps, mainly for economic reasons. Tcherneva and Lalucq see the reason for the failure of the competitive sector as the lack of sufficient commercial profit or return on the potential capital invested in it. This raises the question of the public sector's duty to act. The question is how this can be done in a way that is both a means of combating long-term unemployment and also serves a more holistic purpose, rather than just artificially eradicating unemployment. In this context, we will examine an emerging international concept, the job guarantee scheme, which has gained momentum in the academic and social partner discourse in recent years. Indeed, Tcherneva and Lalucq argue that the job guarantee links needs with resources and addresses both problems at the same time: creating stable and decent jobs for all job seekers in neglected areas of social and environmental need.⁵ Unti captures it as a policy that decouples employment from economic growth and opens the way to reconciling economic and environmental goals.⁶ The concept is not new, however, and a specific form of it has already been implemented in Hungary. The idea behind the concept can only be shaped by examining the good and bad practices that have been implemented, so it is particularly useful to present the Hungarian national employment system, which would also support full employment. An important question is whether the Hungarian concept is in line with the job guarantee scheme to be presented, and what useful conclusions can be drawn from this practice in Central and Eastern Europe for the international search for solutions.

2. On long-term unemployment in the light of recent economic and environmental sustainability

The past decades have brought many challenges for the labour market and the economy. In the 2000s, several EU countries saw government policies to raise taxes, and EU authorities increasingly scrutinised the financial rules of the Maastricht Treaty. By 2010, these austerity measures were being increasingly imposed on Member States, with wage moderation and tax increases. This process particularly hit those members of society who were most vulnerable, for example, because of the large number of loans taken out. The tightening conditions even had the effect of reducing the economic activity of the legal and natural persons concerned for years, pushing them into economic bankruptcy and unemployment.⁷ In 2020, 96.5 million people in the European Union were at risk of poverty or social exclusion (22% of the EU population). Almost a third of them lived in low labour-intensive

4 | Bohnenberger 2022.

5 | Tcherneva & Lalucq 2022, 8.

6 | Unti 2018.

7 | Antonopoulos 2023.

households. The subsequent COVID period also had an impact on the world of work. Although the national labour market situation improved after COVID, 13.3 million people were still unemployed (6.2 per cent in January 2022), including 2.5 million young people (representing 14 per cent of young people).⁸ Over the past decade, the share of the labour force inactive for more than a year has been between 40% and 55%, according to EU studies. Another sad fact is that the eurozone crisis has led 14 million EU citizens into long-term unemployment.⁹

Tcherneva and Lalucq argue that the European continent is used to high and fluctuating levels of unemployment. At the same time, the pandemic has prompted governments to intervene more in public finances to support society, with the EU Commission joining in, supporting Member States with the SURE programme to the tune of almost €100 billion.¹⁰ The SURE programme is an EU programme to fund short-term employment programmes across the EU and keep people in work during the coronavirus pandemic.¹¹ This intervention served a noble purpose, but it was clear that this support only solved the problems in the short term, a sustainable and resilient EU needed and should have supportive policies focused on citizens. However, the EU is not yet showing strong progress on long-term unemployment. Despite the efforts made by the European Union and its Member States, unemployment and poverty in Europe have become more and more pervasive over the last decades. Unemployment is now a pervasive and dominant force structuring European labour markets. The lack of job opportunities has created a lost generation of young people, while the unemployed find it even harder to find work again. Policies so far have not been able to help significantly. On the social partners' side, the ETUC has come to the conclusion (confirmed by the literature)¹² that the private sector alone cannot generate enough jobs and therefore cannot tackle the problem, just as current national policies are struggling to do so.¹³ These challenges, therefore, make the problem of long-term unemployment significantly more complex.

Long-term unemployment is a challenge in the European Union that has been persistent in the Member States for a long time, and the underlying phenomenon is highly complex. On the one hand, unemployment is a monetary problem, a consequence, in Tcherneva's view, of the dynamics of business cycles and the behaviour of profit-oriented companies, as well as of the inadequate management of the currency and the monetary system by the state.¹⁴ However, the phenomenon has a much wider impact than first thought: it affects the unemployed person, their whole household, their community and, if it spreads, the growth and stability

8 | Tcherneva & Lalucq 2022, 3.

9 | Antonopoulos 2024, 8.

10 | Antonopoulos 2023.

11 | European Commission n.d.

12 | Tcherneva 2018, 2.

13 | European Trade Union Confederation 2023.

14 | Tcherneva 2018, 2.

prospects of the economy.¹⁵ Indeed, long-term unemployment has a number of consequences, ranging from loss of income, increased risk of poverty, social exclusion, loss of image and image, physical and mental ill health, not forgetting, for example, feelings of isolation and despair, loss of confidence in democracy, and even, according to Dréze and Sen's research, a tendency to join radical movements.¹⁶ Moreover, the phenomenon of unemployment is having exponentially increasing adverse effects in the context of the climate crisis: the climate crisis has resulted in hundreds of billions of euros in economic losses, reduced working hours, heat-related illness and injury,¹⁷ and reduced labour productivity.¹⁸ And the climate crisis will, according to Tcherneva and Lalucq, exacerbate the already high levels of decent work inequalities across Europe.¹⁹

3. The job guarantee programme

Addressing these problems will require an innovative policy approach that is uniquely suited to address these ills while providing a number of critical structural macroeconomic benefits. Central to this approach in the current foreign literature is a demand-driven, direct job creation programme, the so-called job guarantee programme.²⁰ This concept is not only found in academic research but is also supported by the major international social dialogue.²¹ However, it is important to understand what is meant by the term job guarantee, which essentially singles out the competitive sector as the solution to the problem outlined above, since, as Tcherneva notes, it actually embodies the responsibility and failure of the public sector.²² This also reflects more than fifty years of opinion, for example Lerner in 1944 and 1951, who argued that the state has a duty to generate jobs when the market fails to do so.²³ In addition, it is not only the responsibility of the state to act on these issues, but also the goals to be achieved that define the state's role. Godin captures this as governments perhaps having a better view of the best direction for the economy, which is to the benefit of all. Climate change is a good example of such a case. What society needs is a government that can both influence the structure of the economy and steer it in a way that would benefit everyone.²⁴

15 | Antonopoulos 2024, 5.

16 | *Ibid.*, 7.

17 | In this regard, the disability policy reforms are needed. See Jakab 2024.

18 | Labour law and the climate crisis are in a tight connection. See Barański, Jaworska and Piszczek, 2022.

19 | Tcherneva & Lalucq 2022, 4.

20 | *Ibid.*, 5.

21 | European Trade Union Confederation 2023.

22 | Tcherneva 2018, 3.

23 | About Lerner, see Lerner 1944; Lerner 1951; Lerner is cited by Godin 2012, 2.

24 | Godin 2012, 7.

Antonopoulos defines this phenomenon as a public interventionist policy that interrupts joblessness, finances it and creates opportunities for those who are looking for work but are unable to find paid employment to work and earn a regular income by directly providing jobs.²⁵ Tcherneva conceives it as a permanent, state-funded and locally-managed programme that provides voluntary work opportunities on demand for all those who are ready and willing to work for a living wage. While primarily an employment programme, it is transformative in promoting public goals, improving working conditions, people's daily lives and the economy as a whole.²⁶ Through these impacts, it is also intrinsically linked to sustainability.²⁷ Lalucq and Tcherneva highlight environmental sustainability in this context. They argue that a jobs guarantee would reduce the significant costs and harmful effects of unemployment, while providing the workforce and the public sector with the capacity to immediately address the social and environmental challenges facing communities. This can be achieved by creating jobs in areas of unmet social need, with a particular focus on care and environmental services. As such, job guarantee is a key element of an effective environmental strategy, not to mention its positive impact on a just transition of the workforce.²⁸

Tcherneva and Lalucq stress that unemployment is not an individual problem that can be solved by training alone, but a systemic problem that requires direct job creation. Unemployment has significant economic and social costs, including reduced productivity, increased public expenditure and negative health effects. The solution is a job guarantee scheme that offers stable employment while acting as an automatic economic stabiliser. Unlike traditional policies, which accept unemployment as a means of containing inflation, the job guarantee ensures full employment without inflationary pressures, promotes income equality and enhances community well-being. By redirecting public spending towards job creation rather than alleviating the consequences of unemployment, such a programme would provide long-term economic and social benefits across Europe.²⁹

The concept has historical roots, since its theoretical origins can be traced back to the theories of Keynes and Beveridge.³⁰ This idea has basically taken off from various grassroots work guarantee schemes in the recent past, with international documents stressing its importance, such as the UN 2023 report, but we can also observe EU-level acts. Thus, the European Committee of the Regions of the European Union has proposed the first EU-level policy intention to support European institutions and local solutions to tackle long-term unemployment. This document of May 2023 was followed by a document from the European Parliament

25 | Antonopoulos 2024, 8.

26 | Tcherneva 2018, 2.

27 | Ibid., 4.

28 | Tcherneva & Lalucq 2022, 1.

29 | Ibid., 8.

30 | Antonopoulos 2024, 8.

in November 2023, which sought to achieve the same objective by supporting local pilot schemes, but with explicit reference to existing job guarantee schemes and pilot projects. This was followed in December 2023 by the European Trade Union Confederation (ETUC), which also expressed its support for this intention. It explained the importance of state-built programmes for people who are unable to find opportunities in the open labour market.³¹

3.1. Features of the job guarantee

What is the ideal job guarantee scheme? On this point, we can observe different features in foreign sources. First of all, it should be stressed that the aim of a job guarantee is to provide decent jobs at decent wages, on demand, for all people of working age who want to work, regardless of their labour market status, race, gender, colour, etc.³² According to this approach, the jobs guarantee is an effective tool towards an inclusive labour market³³ and against long-term unemployment, by offering a stable job and wage to those who can't find work on their own. Tcherneva sees this as a kind of employment policy safety net.³⁴ These community-funded jobs could support public needs at the same time, thus realising the need for social responsibility, collective responsibility and fighting social exclusion. These programmes could even be combined with the concept of life-long learning, also based on the Greek model, where 4 days of work and 1 day of training are combined since 2016 to date.³⁵ ETUC also believes that these jobs can be tailored to individual career goals.³⁶ However, unlike previous programmes, this is not a short-term, piecemeal approach to job creation.³⁷

At the same time, it is important that these job opportunities contribute to fair work, with decent wages, job security, respect for work-life balance and access to collective bargaining.³⁸ This employment is also envisaged on a voluntary basis, within which no sanctions would be attached to refusal to participate (for example, access to job-search grants would not be hindered by refusal to participate in the programme).³⁹ Furthermore, the sustainability payoff should be seen in the additional aspects. Firstly, it should be noted that the 2016 Paris Agreement clearly states that climate justice is based on human rights and the need for a just transition of labour and the creation of decent work and quality jobs, in line

31 | European Trade Union Confederation 2023.

32 | Tcherneva 2018, 4.

33 | European Trade Union Confederation 2023.

34 | Tcherneva 2018, 4.

35 | Antonopoulos 2023.

36 | European Trade Union Confederation 2023.

37 | Tcherneva & Lalucq 2022, 10.

38 | European Trade Union Confederation 2023.

39 | Ibid. Godin also points to the voluntary nature. Godin 2012, 2.

with nationally determined priorities.⁴⁰ In this respect, employment policy is closely linked to environmental sustainability, and a new publicly funded programme should take this link into account. In this respect, Antonopoulos makes the connection by suggesting that his job guarantee scheme could serve other purposes besides eliminating unemployment, such as environmental considerations, filling labour shortages in the care sector, or even supporting the digital switchover.⁴¹

Tcherneva and Lalucq provide more detailed arguments for the former, starting with ‘green jobs’.⁴² Green jobs are a priority in the fight against unemployment and the environment. Green jobs reduce the environmental impact of businesses and economic sectors, ultimately to sustainable levels.⁴³ There is a lot of ‘invisible’ environmental work that is labour-intensive and can be done by people with different skills. This work needs to be done on an ongoing basis and could provide the jobs needed without competing with the private sector.⁴⁴ According to Tcherneva and Lalucq, environmental protection, remediation, restoration and preparation are areas where the job guarantee works well. The job guarantee is therefore inherently a green policy, not only because it is integrally linked to the climate movement, but also because it addresses the neglect and waste associated with economic hardship, unemployment and precarious work. In addition, local environmental sustainability concerns can be pursued, as the jobs guarantee would focus on the co-creation process, allowing local and community stakeholders to create employment opportunities that are tailored to the skills of the participants and the needs of the area where the project is located.⁴⁵ In Australia, the concept of job guarantee is also promoted through its carbon negative function,⁴⁶ as in China, ecological goals are emphasised.⁴⁷

Tcherneva sees three strategic objectives of caring in the context of the job guarantee: caring for the environment, caring for the community and caring for people. The first is explained in more detail above. Caring for the community can also be interpreted in many ways: cleaning up community areas, restoring community spaces, creating school gardens, but also in the context of reforestation, food rescue and other community interest activities. Finally, caring for people is the third identified objective. This includes the issue of long-term care, which is facing a serious shortage of professionals and systemic fragmentation across Europe, but can also include care and awareness-raising for people with disabilities

40 | United Nations 2015.

41 | Antonopoulos 2023.

42 | Tcherneva & Lalucq 2022, 8–10.

43 | Godin 2012, 2.

44 | Tcherneva 2018, 17.

45 | Tcherneva & Lalucq 2022, 8–10.

46 | Sustainable Prosperity Action Group 2022, 2.

47 | Huang 2024.

through the organisation of education programmes and active participation at work level.⁴⁸

4. The job guarantee as an ideologised concept and Hungarian public employment

The problems outlined in the first part of the paper were already present in the Hungarian labour market with relatively high intensity before the Job Guarantee was formulated. One reason for this is that the full employment bubble burst after the change of regime.

Prior to the change of regime, everyone had a job, and anyone who did not was punished by the criminal law as a public nuisance.⁴⁹ The then state socialist model developed a protectionist model that created unemployment within the factory gates. The number of people in employment grew steadily until it reached the natural limits of a closed national labour market, after which chronic labour shortages set in. As a result, more and more additional labour and working time had to be brought in to meet the needs of farms and households outside the main working hours and outside the jobs in large firms. In these circumstances, open unemployment was an unknown concept until the late 1980s.⁵⁰ The state has completely subordinated the labour market and employment policy to political-ideological goals. But this unemployed mass only came into the sunlight as a result of the transition to capitalist production. With the collapse of the heavy industry of the past, an employment and social crisis emerged. The result of this crisis was that a significant working-age but inactive group was permanently excluded from the labour market. Many of them live in areas where industry has not been rebuilt since the change of regime, but where the market for services has not really developed and agriculture is not well organised. Social welfare systems have tried to compensate for this, but this has made them even more incapitalised. If we look at these groups excluded from the labour market, we can often detect generations of inactivity since the change of regime. From 2010 onwards, the legislator saw the solution to this problem in the reorganisation of the public employment system. As Csehné explains, the design of the public employment system was aimed at ensuring that those excluded from the labour market could acquire a work career through socially useful, value-creating forms of employment that would help their subsequent reintegration into the labour market.⁵¹ The idea is that public employment will be the bridge between the current situation of people excluded from the labour market and their access to the primary labour market. Public employment,

48 | For the goals, see: Tcherneva 2018, 19.

49 | Vavró 1984.

50 | Csehné 2020.

51 | Ibid.

under different names, has been a constant feature of Hungarian employment policy since 1987. But it has been more prominent since 2010, when the change of government brought a paradigm shift in the employment issue.⁵² This change is the image of a work-based society.⁵³ This brings with it the ambition of full employment, which is a relevant goal, as it is also the aim of EU employment policy. The question in this case is how the state intends to achieve this goal. The legislator has tried to address this through a number of employment policies and social benefits until it arrived at the current form of public employment. The EU has also gone a long way in creating the Job Guarantee Scheme. But the issue is the same for both schemes. How much public intervention can be allowed to achieve employment policy goals? To what extent are individual interest and social mobilisation linked?

For this type of public employment programme, the aim is to create a win-win situation. After all, if it actively helps a passive group in the labour market and successfully activates it, new revenues are generated at the social level. The benefits paid so far are replaced by contributions and taxes. Presumably, this work pays a higher wage than the amount of benefits paid, so it also stimulates consumption. The positive effect at the level of the individual can also be assumed, as it is better for the individual to receive a wage instead of a benefit. However, at the level of the individual, there are also several issues that will be discussed when comparing the two schemes. One question is what is the appropriate wage for such a scheme, and whether public intervention in the public interest can override the fundamental constitutional right to free choice of work and occupation?

5. Is Hungarian public employment a job guarantee scheme?

Open questions and risks

As explained above, the job guarantee scheme is a demand-driven direct employment policy programme. This means that the aim is to meet labour needs, i.e. to bring supply and demand together. In principle, this scheme would serve real labour market needs. Looking at the issue from this perspective, this programme can be good for the public good without significantly reducing the individual's right to work. They are free to choose from the existing supply. The right to work guarantees the constitutional protection of freedom of choice and not the right to actually hold a particular occupation. In this context, the main objective is not to cosmeticise employment rates. Public employment, by comparison, is not a demand-driven employment policy instrument, but a (plan) programme-driven employment policy instrument. Municipalities could/may apply for public employment support. But often for pre-defined projects and related forms of work.

52 | Lipták 2023.

53 | Ferge 2017.

However, some of the applicants do not apply because there is a real need to do so in the municipality, but in order to be able to provide public works for the people. This means that work organised in this way does not always lead to value-added work. In this system, 'patyonkim' programmes are often implemented. In the case of public employment, free choice of work within the programme is not realised. Applicants win a framework for a specific activity and employ public workers for the tasks related to it. These jobs typically involve manual work. According to the report of the Hungarian Anti-Poverty Network, most of the participants in the public employment programme consider their life situation hopeless, public work, which is nothing but a hopeless forced labour, does not offer them any opportunities and is far from lifting them out of poverty.⁵⁴ The interviewees interviewed by the authors know that they have no other choice if they do not want to take home the 'aid' that is transferred to the social projection fund. More importantly, they do not want to be 'excluded' from the benefit and public employment system. This is linked to the fact that, especially in smaller municipalities, feudal or semi-feudal ties and relationships are being formed in public employment. Public employment is reported to lead very few people back into the primary labour market.⁵⁵ It prevents the majority from looking for work and other income-generating activities. This, in part, carries with it the answer to the question on social mobilisation, which is that public employment does not address the issue of actually promoting social mobilisation. Public employment is a stigmatising form of employment, the performance of which is generally associated with the Roma population. This is the case even if public employment does not only involve physical work and is not only carried out by Roma. And a significant proportion of those in public employment are stuck in the cycle of public employment and the payment of employment substitution allowance (ESA). As long as there is enough work, people are in public employment; if there is not enough work, say in the winter, the majority of people receive ESA. This is a trap situation that must be avoided when implementing the job guarantee scheme. But in any programme where we talk about a state-guaranteed wage, we always talk about a lower wage level. In this respect, public employment is a job guarantee scheme. But in our view, within that, it is also a good example of how to set the wage policy for such a programme. The peculiarity of the definition of wages in public employment is that the legislator does not consider this form of employment as an employment relationship. Rather, the legislator considers it a special form of social benefit. The public employment wage is 50% of the minimum wage according to the relevant government decree. In these cases, work that can be done without qualifications is remunerated. The guaranteed wage for public employment is 50% of the guaranteed minimum wage under the above-mentioned

54 | Farkas, Molnár & Molnár 2014.

55 | Ibid.

regulation. This is paid work requiring at least a secondary education.⁵⁶ Considering that the minimum wage in a given society is a minimum amount sufficient to cover basic needs, the public employment wage is well below this. To summarise all these issues, the following points summarise the prospective relationship between the two instruments. The Hungarian solution, the public employment is similar to the European Job Guarantee scheme, as this instrument also starts from the artificial generation of jobs. If such a programme were to be implemented in Hungary, a significant part of it would probably be through public employment. But public employment is not a real employment instrument in the classical sense of the word. Public employment is therefore halfway between unemployment and employment in the primary labour market. It imitates employment in several dimensions, but offers less favourable conditions.⁵⁷ It is likely that the job guarantee scheme, when implemented, will also have a lower wage floor, but it will not be below the wage floor of the country and will most likely favour employment contracts. Important is, that the unfavourable conditions are used to encourage public employees to work on the market.⁵⁸ Furthermore, public employment has become a universal public policy tool for tackling unemployment and poverty.⁵⁹ In addition to the employment objective, it is also part of a benefit policy. Only people of working age who cannot be employed through public employment can receive benefits (again, a significant departure from the concept). In comparison, the job guarantee scheme is likely to remain a purely employment policy instrument. Finally, public employment – as initially envisaged – is seen by the Government as a temporary form of employment, providing work and pay for jobseekers instead of benefits.⁶⁰ By all that, employment has actually increased in many places and in many places this has resulted in a process whereby people in public employment are trapped in their own life situation within the confines of public employment and employment support.⁶¹ The job guarantee scheme will also be a temporary help, combined with other forms of assistance to help people remain in the primary labour market.

6. Efficiency and financing

In light of the above, an important question is: how effective have these programmes been? One thing is certain: Hungary has spent the most on direct job creation through public employment programmes compared to the OECD.⁶²

56 | Hatályos közfoglalkoztatási bér 2025.

57 | Mélypataki 2017, 85.

58 | Koós 2016, 48.

59 | Váradi 2015, 16.

60 | A közfoglalkoztatás aktuális kihívásai – Javasolt fejlesztési irányok, 4.

61 | Fabók 2024.

62 | Szabó 2022, 1115.

Despite its many problems and design flaws, the public works programme has undeniable positive benefits, but there are some features that are distinctly negative. These negative features predominate. Public employment programmes are generally inflexible. This inflexibility can hinder the main objective of finding a job and entering the primary labour market.⁶³ Judit Kálmán specifically mentions that the substitution effect can have such a specifically negative effect. This means when an existing job is filled by a public worker or when an existing job is reclassified as a public worker. In this case, it is not an inactive person who enters the labour market, but an already employed person who starts working in a different status. A crowding-out effect occurs when people do not apply for jobs in the primary labour market because of public work.⁶⁴ To compensate for this, the public worker wage is set lower than the market wage, so if there is a job available on the market, it is the jobseeker's choice. However, it should be seen that there are many areas where there are not many primary labour market jobs available. Again, this goes against the EU concept of a walking wage. Avoiding the substitution effect will be a key challenge for the job guarantee scheme. This is true even if the job guarantee scheme is likely to put jobseekers straight into the primary labour market.

Szabó also explains that the job placement rate for public workers was 15 percent at the start of the program, and by 2018, that rate had approached 25 percent.⁶⁵ In addition, it is more difficult for public workers to find market jobs compared to those in the primary labour market. This is compounded by the fact that public workers stay in a job for less time and change jobs more often, which may be a consequence of the cyclical nature of public employment.

However, it is also necessary to mention the risks associated with the objectives and benefits. In Hungarian public employment, we have seen the extent to which the wage framework has become ossified. This is a risk for all programmes that rely on direct job creation with public support. One reason for this is that the amount of public funds available is, of course, finite. As a result, wages may be set at levels that are not in line with market conditions. By their nature, these wages would be similar to pensions, which do not follow market changes. This in itself is not so much of a problem for a public job guarantee scheme, but in any case it requires a public correction that does not allow these wage levels to fall completely. A related threat needs to be mentioned. This has already been felt in the case of public employment programmes, but will also be an important dimension of the job guarantee programme. This threat lies in migration and will perhaps primarily affect the countries of Central and Eastern Europe. This is the employment of workers brought in from third countries, typically from South-East Asia, on a temporary basis. In the case of public employment, we see that companies prefer

63 | Kálmán 2015.

64 | Ibid.

65 | Szabó 2022, 1115.

to invest in temporary agency work, with state and legal support, rather than to choose workers from the public employment layer. One reason for this is that firms need a short-term solution, and bringing public workers into the primary labour market is at least a medium-term project. The job guarantee scheme will also need to be seen in relation to this practice. The question is to what extent it helps to strengthen the employment of EU nationals. This is also an important question, because Hungarian practice has shown that the employment of foreigners has led to the downsizing of Hungarian workers in several cases.

Tcherneva and Lalucq envisage funding the job guarantee scheme through a new or even existing EU programme, such as the SURE mechanism mentioned above.⁶⁶ The nature of public funding would not be such a burden on the public purse, at most 2.2% of GDP, but up to 0.6% depending on the size of the programme. Hungary spent 0.6% of GDP on the Hungarian public employment programme, which, as mentioned above, was the highest in OECD comparison. Therefore, it can be seen that the assumed lower funding amount is sufficient. This is largely a projection of the size of the job guarantee scheme, which is needed in any case in view of the challenges. The question is how efficiently (how bureaucratically) this programme can be organised and under what conditions.

7. Conclusion

Antonoupolos argues that short-term employment programmes have been able to prevent unemployment during the pandemic, but that the next step to long-term employment is the job guarantee. A job guarantee could end the long period of unemployment for millions of people in the EU and signal that a 'social Europe' is possible. But the idea should be accompanied by practice. It is difficult to imagine a uniform implementation of this programme at the EU level in the current situation. The trickle-down of this programme at the national level will be largely implemented through local public employment and public work programmes. The experience of these programmes is already available, and it would be worthwhile to use it in the current planning, in order to identify risks. In addition to this, as mentioned earlier, the programme faces another difficulty, especially in the Eastern European Member States. This difficulty is that third-country workers have started to arrive in these states in large numbers. This means that we also have to look at the replacement effect from the point of view that these workers are displacing the workers that we want to reintegrate into the labour market through the job guarantee scheme.⁶⁷

66 | Tcherneva & Lalucq 2022, 1.

67 | Mélypataki 2024.

Looking at the Hungarian public employment programme alongside the proposed European Job Guarantee highlights some important differences—not just in how they operate, but in what they aim to achieve. Hungary’s public works scheme has become a catch-all solution, trying to tackle unemployment, poverty, and welfare dependency all at once. But in doing so, it has lost its way as a proper labour market tool. The work it offers is often inflexible, poorly paid, and disconnected from real market needs. In many cases, it has created a cycle where people move between low-paid public jobs and basic social assistance, without real chances of moving into stable employment. Local power structures and social stigma only reinforce this trap. But the European job guarantee takes a different approach. It is designed to respond to real labour market demand and offer meaningful jobs that meet public needs – while protecting people’s right to choose what work they do. Even if it starts with relatively low wages, it aims to operate in decent work conditions and respect labour standards. Unlike the Hungarian model, this is not a substitute or replacement for benefits, but a stepping stone to sustainable decent work.

Regarding financial issues, while Hungary’s public employment programmes – most notably the public works scheme – have achieved notable visibility due to their scale and cost, their overall effectiveness remains highly contested. Despite certain measurable benefits, including short-term income support and marginal improvements in employment outcomes over time, the systemic design flaws, such as inflexibility, substitution effects, and the ossification of wage structures, raise substantial concerns about their long-term utility and alignment with labour market goals. The persistence of low market integration rates, particularly when compared to direct transitions from inactivity to the primary labour market, underscores the programmes’ structural limitations. Moreover, the rise of migrant labour and reliance on temporary agency work reveals a deeper issue: the failure of public employment to serve as a credible pathway into sustainable, market-based employment. As Hungary considers transitioning from traditional public employment schemes to more ambitious models such as the job guarantee programme, it must confront the same systemic challenges – particularly substitution risks, wage calibration, and regional disparities in job availability – within a broader EU framework. While the projected costs appear manageable relative to GDP and precedent, the programme’s success will ultimately hinge not on financial viability alone, but on its institutional capacity to deliver flexible, non-bureaucratic, and market-relevant employment pathways. Legal and policy architecture must thus ensure that the programme avoids entrenching structural precarity under the guise of public support, while reinforcing the European social objective of decent work and fair remuneration for all.

Reference list

1. Antonopoulos R (2023) *Time for a job guarantee in Europe?*, 14 December, <https://www.socialeurope.eu/time-for-a-job-guarantee-in-europe> [10.05.2025].
2. Antonopoulos R (2024) *Towards a European Job Guarantee*, Report, 01 January, <https://www.etui.org/publications/towards-european-job-guarantee> [10.05.2025].
3. Barański M, Jaworska K & Piszczek A (2022) Labour law in the era of climate transformation, *Labour and Social Security Journal* 63(8), pp. 15–21. DOI: 10.33226/0032-6186.2022.8.3.
4. Belügyi Tudományos Tanács (2016) A közfoglalkoztatás aktuális kihívásai – Javasolt fejlesztési irányok, in: Belügyi Tudományos Tanács (ed.) *A közfoglalkoztatás aktuális kihívásai – javasolt fejlesztési irányok*, Belügyminisztérium, Budapest, pp. 3–6.
5. Bohnenberger K (2022) *Workdays for future? How labour market policies can promote a climate-friendly world of employment*, 01 June, UNESCO Inclusive Policy Lab, <https://en.unesco.org/inclusivepolicylab/analytics/workdays-future-how-labour-market-policies-can-promote-climate-friendly-world-employment> [10.05.2025].
6. Csehné P I (2020) A közfoglalkoztatás átalakulásai Magyarországon harminc év tükrében, in: Csehné P I & Kraiciné Sz M (eds.) *Felnőttkori tanulás • Fókuszban a szakképzés és a munkaerőpiac*, Akadémiai Kiadó, Budapest, pp. 5–12. DOI: 10.1556/9789634545903.
7. European Commission (no date) *SURE*, https://commission.europa.eu/strategy-and-policy/eu-budget/eu-borrower-investor-relations/sure_en?prefLang=hu&etrans=hu [10.05.2025].
8. European Trade Union Confederation (2023) *ETUC Resolution on the European Job Guarantee*, 06 December, <https://www.etuc.org/en/document/etuc-resolution-european-job-guarantee> [10.05.2025].
9. Fabók B (2024) *Valóban fontos összetevőnek tűnik a Fidesz sikerességében a munkaalapú társadalom*, 19 March, <https://g7.hu/kozelet/20240319/valoban-fontos-osszetevonek-tunik-a-fidesz-sikeressegeben-a-munkalapu-tarsadalom/> [10.05.2025].
10. Farkas Zs, Molnár Gy & Molnár Zs (2014) *A közfoglalkoztatási csapda*, Budapest, Magyar Szegényellenes Hálózat.

11. Ferge Zs (2017) Foglalkoztatáspolitikai – Munkanélküliség, in Ferge Zs (ed.) *Magyar társadalom- és szociálpolitika 1990-2015*, Osiris Kiadó, Budapest, <https://www.szaktars.hu/osiris/view/ferge-zsuzsa-magyar-tarsadalom-es-szocialpolitika-1990-2015-a-mai-magyarorszag-2017/?pg=0&layout=s> [10.05.2025].
12. Godin A (2012) Guaranteed Green Jobs: Sustainable Full Employment, Working Paper No. 722, *Levy Economics Institute Working Paper Collection*.
13. Hatályos közfoglalkoztatási bér (2025), <https://kozfoglalkoztatasi.kormany.hu/download/4/05/53000/közfoglalkoztatási%20bér%202025.pdf> [10.05.2025].
14. Huang Y (2024) Job Guarantee as sustainable development policy: balancing China's economic development and ecological civilization, in: Nersisyan Y & Wray L R (eds.) *The Elgar Companion to Modern Money Theory*, Edward Elgar Publishing, pp. 342–350.
15. Jakab N (2024) Disability policy reforms in the light of sustainability of the social security system in the Czech Republic, Poland and Hungary, *Journal of Agricultural and Environmental Law* 19(37), pp. 207–225, <https://doi.org/10.21029/JAEL.2024.37.207>.
16. Kálmán J (2015) A közfoglalkoztatási programok háttere és nemzetközi tapasztalatai, in: Fazekas K & Varga J (eds.) *Munkaerőpiaci tükrök, 2014*, MTA KRTK KTI, Budapest, pp. 42–58.
17. Koós B (2016) Közfoglalkoztatás a mezőgazdaságban, *Tér és Társadalom* 30(3), pp. 40–62. DOI: 10.17649/TET.30.3.2793.
18. Lerner A P (1944) *The Economics of Control: Principles of Welfare Economics*, Macmillan, New York.
19. Lerner A P (1951) *Economics of Employment*, McGraw-Hill, Columbus.
20. Lipták K (2023) Fenntartható és zöld munkaerőpiac, in: Veresné S M & Sikos T T (eds.) *A fenntarthatóság holisztikus megközelítésben*, Akadémiai Kiadó, Budapest, https://mersz.hu/dokumentum/m1099fhm__49 [10.05.2025].
21. Mélypataki G (2017) A mezőgazdasághoz kapcsoló idényjellegű és közfoglalkoztatási jogviszonyok jellemzői, *Agrár- és Környezetjog* 12(23), pp. 64–90, DOI: 10.21029/JAEL.2017.23.64.
22. Mélypataki G (2024) A külföldi vendégmunkások Magyarországon megszerzett szolgálati idejének hazájukban történő elismertetésének általános kérdései, *Advocat* 27(1), pp. 13–21.

23. Orosz F (2020) The protection of human rights in connection with working possibilities of special group of employees, *Journal of Agricultural and Environmental Law* 15 (29), pp. 185–098, <https://doi.org/10.21029/JAEL.2020.29.184>.
24. Sustainable Prosperity Action Group (2022) *The Case for a Job Guarantee*, Report, August, <https://sustainable-prosperity.net.au/job-guarantee/> [10.05.2025].
25. Szabó L T (2022) A közfoglalkoztatottak jellemzői, *Közgazdasági Szemle* 69(10), pp. 1114–1156. DOI:10.18414/KSZ.2022.10.1114.
26. Tcherneva P R & Lalucq A (2022) A Job Guarantee for Europe, *Foundation for European Progressive Studies*, Policy Brief, September, <https://feps-europe.eu/wp-content/uploads/2022/09/A-Job-Guarantee-For-Europe.pdf> [10.05.2025].
27. Tcherneva P R (2018) The Job Guarantee: Design, Jobs, and Implementation, Working Paper No. 902, *Levy Economics Institute Working Paper Collection*.
28. United Nations (2015) *Paris Agreement*, https://unfccc.int/sites/default/files/english_paris_agreement.pdf [10.05.2025].
29. Unti B J (2018) The Job Guarantee and Transformational Degrowth, Binzagr Institute for Sustainable Prosperity, in: Murray M J & Forstater M (eds.) *Full Employment and Social Justice*, Palgrave Macmillan, pp. 63–82. https://doi.org/10.1007/978-3-319-66376-0_3.
30. Váradi M M (2015) A közfoglalkoztatás, mint a szegénypolitika eszköze, in: Belügyi Tudományos Tanács (ed.) *A közfoglalkoztatás aktuális kihívásai – javasolt fejlesztési irányok*, Belügyminisztérium, Budapest, pp. 16–19.
31. Vavró I (1984) A közveszélyes munkakerülésről, *Jogpolitika* 4(4), pp. 13–14.