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Haim, Daniel

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Daniel HAIM

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Political Aspects of Public Employment Programs: A Theoretical Debate and Insights from Real-World Programs

Daniel Haim¹

Abstract

Public employment programs have become increasingly popular over the past two decades, both in theory and in practice. I revisit Michał Kalecki's influential essay *Political Aspects of Full Employment* and construct a theoretical debate between Kalecki, Hyman P. Minsky and Karl Polanyi. This debate offers a contextualization of full employment policies in the broader context of labor commodification in capitalist societies, the influence of political stakeholders, and the role of social policy. I analyze the political aspects of public employment programs through three case studies in Argentina, India, and Austria. The case studies show that political opposition to public employment programs is still most prevalent among parties and media close to capital. We can also observe the continued relevance of capitalist ethics in the opposition to all projects. The real-world programs demonstrate the positive impacts of providing public employment on the self-worth of participants, female empowerment, as well as the important role of social movements in the creation and implementation of the projects.

JEL: B24, E24, J68, P16

Keywords: Public employment programs, job guarantee, employer of last resort, Kalecki, Polanyi, Minsky

¹ Research Institute Economics of Inequality, Vienna University of Economics and Business (WU Wien). E-Mail: daniel_haim@gmx.at. I thank Ayşe Buğra, Karin Heitzmann, Wilfried Altzinger and the participants of the Chamber of Labour's Young Economists Conference for thoughtful comments and suggestions. The author also thankfully acknowledges funding by the Chamber of Labour Vienna for the project "Public Sector Employment".

1 Introduction

In the last two decades, there has been a resurgence of public employment programs, both in theory and in practice. Many countries around the world have implemented policies with the aim of “providing employment for workers who are unable to support themselves due to a shortage of market-based employment opportunities” (ILO 2020). These programs come in the form of limited subsidized public employment as part of active labor market policies or as broader job guarantee frameworks. However, many of these programs have been discontinued or underfunded. For some political economists, this does not come as a surprise. After all, hasn’t Michał Kalecki told us that business leaders and their experts will oppose the maintenance of full employment in 1943 already in his influential essay *Political Aspects of Full Employment?*

Yet much has happened since the time of Kalecki’s writings. Capitalist countries have introduced minimum wage laws, welfare states have been expanded and shrunk again during the height of neoliberalism and the responses to COVID-19 have signified a comeback of the active role of the state in economic and social policy. It is thus time to revisit Kalecki’s arguments.

After a brief description of the methodological approach taken in this paper, I will present an unconventional literature review. My aim is to reconstruct Kalecki’s arguments and let him enter a debate—figuratively speaking—with two other thinkers of the 20th century: Karl Polanyi brings his thoughts on the ills of market economies to the table, and Hyman P. Minsky joins the debate with his moral and economic arguments for the state acting as employer-of-last-resort. Through the construction of this theoretical debate, I try to approach my research question in the spirit of Kalecki: What are the political aspects of public employment programs in capitalist economies? In the second part of the paper, I apply these theoretical arguments to three real-world public employment programs: *Plan Jefes y Jefas de Hogar Desocupados* in Argentina, *Mahatma Gandhi National Rural Employment Guarantee Act* in India, and *Beschäftigungsaktion 20,000* in Austria.

2 Methodology and Data

The theoretical debate follows a critical appraisal of the writings of Michał Kalecki, Karl Polanyi, and Hyman P. Minsky. Sources used for Kalecki are the *Collected Works of Michał Kalecki*, edited by Jerzy Osiatyński and first published in Polish in 1977, and the book *Michał Kalecki* from the *Great Thinkers in Economics* series (López G. and Assous 2010). Statements from or about Karl

Polanyi are taken from his opus magnum, *The Great Transformation* (Polanyi 2001), first published in 1944, and the book *Karl Polanyi. The Life and Works of an Epochal Thinker* (Aulenbacher et al. 2020). Minsky's writings are collected and publicly available at the Hyman P. Minsky Archive at the Levy Economics Institute of Bard College. In addition, Minsky's recollections in *Recollections of Eminent Economists, Volume 1*, edited by Jan Kregel, offer a first-hand account of his beginnings as an economist (Minsky 1988).

Insights into the real-world public employment programs come from interviews with policymakers, academics, and activists conducted as part of the study "Public Sector Employment" (Haim, forthcoming), combined with an analysis of newspaper articles and policy reports.

3 A Theoretical Debate with Polanyi, Kalecki, and Minsky

I will first introduce our discussants before letting them exchange their views on key political aspects of public employment programs. The main questions posed to the writings of these three thinkers are: What is the ethical dimension of employment and work in capitalism? What is the political opposition to full employment policies? Which actors and institutions are involved in the political economy of public employment policies? What is the relationship of public employment programs and economic well-being? Finally, how do full employment policies fit in the broader political approaches of our panelists?

3.1 Where do our discussants' views about political processes come from?

Before engaging in our debate, I would like to set the stage and introduce our panelists. I will focus on their theoretical and political positions and contextualize these with a few biographical notes to provide a better understanding of where the views of our panelists are coming from.

Karl Polanyi (1886-1964) was born in Vienna and attended high school and college in Budapest. He lived and worked in Vienna during the era of Red Vienna, where he gave public lectures on socialism and challenged Ludwig von Mises' laissez-faire thinking. He left Vienna in 1933 for England before Austro-Fascism took power in Austria. In 1940, he moved to the US. There, he wrote *The Great Transformation*, which he published in 1944. From 1947 to 1953, he taught at Columbia University. The anti-Communist climate of the McCarthy-era led to the US denying his wife a visa, forcing them to settle in Canada, where he eventually retired. Polanyi wrote at the

intersections of history, sociology, anthropology, and economics. His intellectual approach “does not proceed from a single principle” but “from situations, and their possibilities”, as his daughter Kari Polanyi Levitt describes it (Aulenbacher et al. 2020, 49). He was well versed in Marxist thought, but undogmatic, developing his own theory of economic and social change.

Michał Kalecki (1899-1970) joined the Institute for the Study of Business Cycles and Prices in Warsaw in 1929. In 1933, he published his *Essay on the Business Cycle Theory*, anticipating much of Keynes’ revolutionary insights published three years later in the *General Theory*. For most of his academic career, Kalecki studied the internal contradictions of contemporary capitalism, and how to overcome them. In 1938, he moved to Cambridge where he became associated with the Cambridge Circus around Keynes. During World War II he worked at Oxford University on different aspects of the British war economy and full employment in the period after the war. It was there that he published *Political Aspects of Full Employment* in 1943. From 1946 to 1955, he served as assistant director in the economic department of the UN Secretariat in New York. Like Polanyi, Kalecki was confronted with the anti-Communist climate of the time and had to resign his post at the UN. In his later years, he advised different developing economies around the world and focused his work on the problems faced by socialist economies in his home country, Poland. He resigned his post at the Central School of Planning and Statistics in Warsaw (SGPiS) in 1968 after the ruling party purged many of his closest collaborators from their posts as part of an anti-Semitic campaign and died only two years later.

Hyman P. Minsky (1919-1996) was born in the US to Socialist emigrants from Belarus. Minsky joined Wassily Leontief for a research project at Harvard before serving in the US Army from 1943 to 1946. Initially an opponent of US involvement in WWII, Minsky was convinced of the importance of defeating Fascism by Oskar Lange who told him that “This was not a war for Socialism, but for the possibility of Socialism” (Minsky 1988, 179). After the war, Minsky completed his Ph.D. at Harvard, writing his thesis under Joseph Schumpeter and, after the formers’ death, Leontief. He joined the University of California at Berkeley from 1957 to 1965, working mainly as labor economist. Minsky’s interest in public employment programs came from his criticism against President Kennedy and President Johnson’s War on Poverty. In his view, poor people in the US needed jobs, not welfare. From 1965 to 1990, Minsky worked as Professor of Economics at the Washington University in St. Louis, where he was also associated with Mark Twain Bank. Having always been interested in the effects of innovations in the financial sectors

on the rest of the economy, he developed one of his main theoretical contributions, the financial instability hypothesis.

What are the differences and similarities between our panelists? All three were radical thinkers, convinced that capitalist economies were unstable and deeply flawed. They published their major theoretical contributions while working in capitalist countries. Polanyi and Kalecki wrote at a time when the economic mainstream was in favor of state interventions and full employment policies as part of the war economies. Both Polanyi and Kalecki were either sympathetic to or actively working for socialist causes.

Minsky's active career came a few years later, during which the political mainstream shifted back to laissez-faire and free market ideology. Minsky tried to salvage Keynes' revolutionary insights from the bastardized interpretations of the economic mainstream of his day. While his economic insights were radical—especially after the advance of monetarism—his policy proposals remained reformist. He wanted to help build a socially just capitalist order as the appeal of socialism vanished in the 1980s and 1990s.

3.2 Political opposition to public employment policies

Kalecki will kick off the debate. In capitalist societies, he states, we should expect political opposition to full employment policies. Prior to explaining the details, Kalecki clarifies that state interventions to reach full employment are in principle *economically* feasible. In this, he holds similar views to Keynes:

If the government undertakes public investment (e.g. builds schools, hospitals, and highways) or subsidizes mass consumption (by family allowances, reduction of indirect taxation, or subsidies to keep down the prices of necessities), and if, moreover, this expenditure is financed by borrowing and not by taxation (which could affect adversely private investment and consumption), the effective demand for goods and services may be increased up to a point where full employment is achieved. (Kalecki 1990 [1943], 347)

The only economically limiting factor of such government policies is the supply of real resources that is available (labor, capital goods, foreign raw materials). Additional government spending will not be inflationary for as long as those real resources are available. Governments can always finance their expenditure with their sovereign currency without crowding out the private sector in the financial market.

Kalecki then moves on from economic to political arguments. He poses the following questions: Why has Big Business opposed increasing employment via government spending? Even if such a policy does not encroach upon profits in theory and helps instigating a boom period beneficial to Big Business? Kalecki illustrates this point with examples from the 1930s: the opposition to President Roosevelt's New Deal in the US (which included broad public employment programs); the opposition to the reforms of Prime Minister Léon Blum in France; and the opposition to government spending in Germany before Hitler came to power.

Kalecki offers us three possible answers:

- (i) dislike of government interference in the problem of employment as such;
- (ii) dislike of the direction of government spending (public investment and subsidizing consumption);
- (iii) dislike of the social and political changes resulting from the maintenance of full employment.

(Kalecki 1990 [1943], 349–50)

The first answer has to do with the extent of (indirect) control capitalists can exert over government policy: If the level of output and employment depends on the state of confidence of private entrepreneurs, government will be extremely careful to avoid shaking this confidence. As soon as governments learn to increase and create employment by their own purchases the influence of Big Business on government policy is greatly diminished.

The second answer builds on the profit motives and ethics of capitalists: Public investment, they believe, should be confined to areas that do not compete with private businesses; otherwise, the positive effects on employment would be offset by a decline in private investment. However, capitalists fear that governments pursuing public investment policies may eventually want to gain new spheres for investment. Kalecki gives us the examples of nationalizing transport or public utilities. In hindsight, we know that large parts of these two areas actually were nationalized in many countries after WWII, but then again privatized starting in the 1980s. Subsidizing mass consumption, which in theory would raise demand for private goods, is opposed on moral grounds: “The fundamentals of capitalist ethics require that ‘you shall earn your bread in sweat’—unless you happen to have private means” (Kalecki 1990 [1943], 351).

The third and last answer refers to the disciplining role of unemployment in capitalism. Without unemployment, capitalists would not be able to discipline workers as effectively by threatening to

fire them. At the same time, class-consciousness of workers could rise, leading to demands for higher wages and better labor standards.

We now turn to our second panelist. Polanyi approaches the issue of political opposition from an ideological point of view. He observes that the 19th century saw the rise and establishment of four institutions: an international balance-of-power, an international gold standard, the liberal state, and the self-regulating market. These are the main tenets of liberal ideology. Polanyi rephrases Kalecki's initial question: Why must an adherent to the liberal creed oppose public employment policies? He elaborates:

Nothing must be allowed to inhibit the formation of markets, nor must incomes be permitted to be formed otherwise than through sales. Neither must there be any interference with the adjustment of prices to changed market conditions—whether the prices are those of goods, labor, land, or money. Hence there must not only be markets for all elements of industry, but no measure or policy must be countenanced that would influence the action of these markets. Neither price, nor supply, nor demand must be fixed or regulated; only such policies and measures are in order which help to ensure the self-regulation of the market by creating conditions which make the market the only organizing power in the economic sphere. (Polanyi 2001 [1944], 72)

Public employment programs clearly interfere with a self-regulating market. The primacy of governing the self-market rests in itself, there can be no political intervention of a government: “A self-regulating market demands nothing less than the institutional separation of society into an economic and a political sphere.” (Polanyi 2001 [1944], 74)

True, Polanyi saw these institutions failing and breaking down in the years leading up to WWII. However, the rise of monetarism in economics and, subsequently, of neoliberal politics in the 1970s onwards have brought back dogmas Polanyi thought to be defeated.

Minsky tells us a similar story. Minsky believed that the Keynesian revolution in economic policy and theory had been aborted, which led to policy prescriptions impotent to deal with the problems we face in today's (or his time's) capitalist economies. He differentiates between two approaches by policymakers and economists: a 'Smithian' and a 'Keynesian' view. The 'Smithian' view is characterized by Minsky as a widespread market fundamentalist and laissez-faire view held by many neoclassical and neoliberal economists in the 1980s and 1990s (and less as a classical economic approach influenced by Adam Smith):

This invisible hand proposition of Smith became the foundation not only of the orthodox economic theory of Marshall and Walras and therefore the foundation of the modern mathematical

economics which reached its fulfillment in the now classic demonstration by Arrow and Debreau that a competitive equilibrium exists, that the equilibrium is a Pareto optimum and that it fulfills the Smithies criteria of promoting the public interest. A further inference that is drawn from Arrow Debreau, which is quite unwarranted, is that it is supportive of the ideology of laissez faire. (Minsky 1993, 20–21)

Minsky also adds to the discussion that there would be political backlash by more affluent parts of society, but out of different reasons than Kalecki proposed. A broad public employment program (like a job guarantee) has an equalizing effect on the distribution of income. This income-equalizing effect might be perceived as a threat by people at the upper end of the distribution. The more well-off in society might thus oppose such a program if they believe they will not profit from a public employment program, even if former unemployed workers now “earn their bread through sweat”. This is why, Minsky argues, all public employment programs should produce socially useful output in the form of public goods and services that are beneficial to all members of a society: “Public goods may provide the vehicle by which self-interest [of the well-off] is consistent with income equalization” (Minsky 2013 [1969], 77).

Minsky raises another point. Both the voters and potential participants of public employment programs might be opposed to future policies if promises made by policymakers are not kept: “Hopes raised then dashed are a clear danger to the fabric of society” (Minsky 2013 [1969], 46).

Kalecki wrote his famous essay when the fates in WWII were turning around. Like many other economists of his time, he was not only sympathetic to socialism but also believed that social forces in capitalist countries were pushing towards socialism. However, Kalecki also lived long enough to witness the ‘golden age’ of capitalism, with close to full employment in Western economies between the 1950s and the early 1970s, but no socialist revolution in sight in these countries. He therefore contextualizes his earlier comments with a note, written together with Tadeusz Kowalik shortly before his death:

Let us imagine that the strong pressure of the masses leads to such a radical reform of the system, in spite of the opposition of the ruling class, that, without abolishing existing relations of production, a new valve is opened for the development of forces of production. There will then be a paradoxical situation: a ‘crucial reform’ imposed on the ruling class may stabilize the system, temporarily at least. [...] [W]e have to do with such a situation in contemporary capitalism. (Kalecki 1991 [1971], 467)

Kalecki realizes that even though labor standards had risen after WWII, the underlying existing relations of productions were not threatened by workers. Full employment policies were a reform Big Business initially opposed; however, they did not bring workers closer to revolution. Government purchases allowed Big Business to realize accumulated profits, while full employment provided workers with satisfactory levels of real income, leading to more reformist views in the working class.

3.3 On labor

Before we continue, Polanyi would like to interject and stress a more fundamental relation between labor and the market. Our topic of discussion is full employment and how to provide it in capitalist economies. The provisioning may come either from liberal labor markets, regulated labor markets, or public employment. Polanyi reminds us that “labor and land are no other than the human beings themselves of which every society consists and the natural surroundings in which it exists. To include them in the market mechanism means to subordinate the substance of society itself to the laws of the market” (Polanyi 2001 [1944], 75). He further elaborates:

Labor is only another name for a human activity which goes with life itself, which in its turn is not produced for sale but for entirely different reasons, nor can that activity be detached from the rest of life, be stored or mobilized. [...] The commodity description of labor [...] is entirely fictitious. [...] For the alleged commodity “labor power” cannot be shoved about, used indiscriminately, or even left unused, without affecting also the human individual who happens to be the bearer of this peculiar commodity. In disposing of a man’s labor power the system would, incidentally, dispose of the physical, psychological, and moral entity “man” attached to that tag. Robbed of the protective covering of cultural institutions, human beings would perish from the effects of social exposure; they would die as the victims of acute social dislocation through vice, perversion, crime, and starvation. (Polanyi 2001 [1944], 75)

Market-based capitalist societies dissociate the commodity labor power from humans. The market is void of morality when disposing labor power and does not care about the social consequences of unemployment in a system in which employment gives access to society. The neoliberal surge of the 1980s saw a comeback in capitalist ethics that believed unemployment to be the fault of the unemployed. It is thus no surprise that Minsky makes a remark in the same vein 40 years later, reminding us of the importance of wage labor in a society in which the exchange of labor power for money is such a central institution:

The essential radical view is that work is a good thing, and that chronic mass unemployment is a flaw of the economic order, not a flaw of the unemployed. Work is a public good, for only if work is available does a human achieve the dignity and self-respect that makes a person a good citizen. (Minsky 1986, 4)

3.4 Which actors and institutions are at the center of our political analysis?

We may begin with the broadest scope of analysis: the community of humankind, organized through society. This is Polanyi's starting point, rhetorically positioning society against the institution of the free market. Polanyi warns us that if self-adjusting markets were to work unfettered, the survival of society itself would be at stake:

Our thesis is that the idea of a self-adjusting market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness. (Polanyi 2001 [1944], 3)

In a society in which the economic dogma of liberalism dominates, there is a dialectical relationship between the proponents of a self-regulating market and forces that push against this movement on the principle of social protection. This relationship is what Polanyi coins *double movement*:

Let us return to what we have called the double movement. It can be personified as the action of two organizing principles in society, each of them setting itself specific institutional aims, having the support of definite social forces and using its own distinctive methods. The one was the principle of economic liberalism, aiming at the establishment of a self-regulating market, relying on the support of the trading classes, and using largely laissez-faire and free trade as its methods; the other was the principle of social protection aiming at the conservation of man and nature as well as productive organization, relying on the varying support of those most immediately affected by the deleterious action of the market—primarily, but not exclusively, the working and the landed classes—and using protective legislation, restrictive associations, and other instruments of intervention as its methods. (Polanyi 2001 [1944], 138–39)

While Polanyi bases this description on his analysis of 19th century society, he identifies a similar dynamic in the 1920s to 1930s:

A decade of prosperity in the twenties sufficed to bring on a depression so fierce that in its course the New Deal started to build a moat around labor and land, wider than any ever known in Europe.

Thus America offered striking proof, both positive and negative, of our thesis that social protection was the accompaniment of a supposedly self-regulating market. (Polanyi 2001 [1944], 211)

In his analysis of 19th century social dynamics, Polanyi associates trading classes with liberalism, while working classes and landed classes favor theories of social protection. The latter seems like an unlikely alliance, but in his 19th century example (trying to explain protectionism) Polanyi warns us to view class interest as the only determinant of social change:

Mere class interest cannot offer [...] a satisfactory explanation for any long-run social process. First, because the process in question may decide about the existence of the class itself; second, because the interests of given classes determine only the aim and purpose toward which those classes are striving, not also the success or failure of their endeavors. There is no magic in class interest which would secure to members of one class the support of members of other classes. Yet such support is an everyday occurrence. (Polanyi 2001 [1944], 160)

He concludes by warning “against relying too much on the economic interests of given classes in the explanation of history” (Polanyi 2001 [1944], 163).

Kalecki slightly disagrees here. Both Kalecki and Polanyi are well-versed with Marxist political economy and were certainly highly influenced by both dialectical materialism and historical materialism. Kalecki offers us a different idea from the fourth section of *Political Aspects of Full Employment*: The *political* business cycle, in which opposing class interests might shift from opposition to concurrence of interests and back:

In the slump, either under the pressure of the masses, or even without it, public investment financed by borrowing will be undertaken to prevent large-scale unemployment. But if attempts are made to apply this method in order to maintain the high level of employment reached in the subsequent boom, strong opposition by business leaders is likely to be encountered. (Kalecki 1990 [1943], 354–55)

Kalecki observes that business leaders could not afford to oppose all kinds of government intervention at the end of WWII. The war economy had provided full employment, economists had developed an economic doctrine of full employment (the Keynesian revolution), and the Great Depression and the rise of fascism was engrained in the masses’ consciousness. The political opposition to full employment thus fought over what particular policies should be implemented and when, concluding that government intervention should be exclusively used to alleviate economic slumps and not to secure permanent full employment. In essence, he concludes, we will

probably witness political business cycles with full employment at the top of the boom, but with slumps relatively mild and short-lived.

However, Kalecki agrees that he initially underestimated the moderating and transformative effect the ‘golden age’ had on the working classes. As they become much more conformist, the threat they pose to business interests diminishes, reducing capital’s opposition to full employment policies. Here is how Kalecki (and Kowalik) formulates it:

The Second World War accelerated the ‘crucial’ reform process. Government intervention in the expansion of markets became an institution, making it possible to limit unemployment to a few per cent, and hence in practice to accept something similar to the ‘right to work’ slogan advanced by the revolution of 1848 (in some leading capitalist countries there was even legislation to this effect). This state of affairs (along with a considerable expansion of social security) led to a certain transformation of the working class, which on the whole became radically reformist in its attitude toward capitalism. Preserving high employment rates in the leading capitalist countries generally gives the workers a satisfactory level of real income. With high and steady employment, real wages, at least over the long term, rise along with increases in labour productivity, unless a fall in their share in the national income offsets this. As a result, anti-capitalist attitudes have weakened considerably. (Kalecki 1991 [1971], 467)

Minsky shares a similar observation, albeit from a more optimistic and conformist point of view: “[I]f the economy provides basic security and a sense of personal worth for all—because work is available for all—many social problems will recede to manageable proportions” (Minsky 2008b [1986], 3).

This, of course, does not mean that class interests are not inscribed in the actions of (collective) actors. One such group that seems central to our analysis is the profession of economists and policymakers. One might believe that academics do not hold enough influence over society to dictate policy. Yet we may also be reminded of Keynes’ famous quote from the *General Theory* (Keynes 1997 [1936]): “Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist.”

At the time of Kalecki writing *Political Aspects of Full Employment*, the economic mainstream believed that full employment was desirable and attainable via government spending (and, to a degree, through the public creation of employment). There were, however, some economists still believing in the liberal doctrine, and Kalecki helps us understand why:

It should be first stated that, although most economists are now agreed that full employment may be achieved by government spending, this was by no means the case even in the recent past. Among the opposers of this doctrine there were (and still are) prominent so-called 'economic experts' closely connected with banking and industry. This suggests that there is a political background in the opposition to the full employment doctrine, even though the arguments advanced are economic. That is not to say that people who advance them do not believe in their economics, poor though this is. But obstinate ignorance is usually a manifestation of underlying political motives. (Kalecki 1990 [1943], 349)

Polanyi expands this argument of underlying political motives. Economists and policymakers following the liberal creed are "[f]ired by an emotional faith in spontaneity", discarding common-sense attitudes toward change "in favor of a mystical readiness to accept the social consequences of economic improvement, whatever they might be" (Polanyi 2001 [1944], 35).

As mentioned earlier, Minsky observed that the Keynesian revolution had been aborted after WWII, reversing the majority opinion in the economic profession from a favorable view of full employment policies back to a majority in favor of market liberalism, with growth as sole policy objective. This was a turn he believes leads to worse economic outcomes:

The emphasis on investment and 'economic growth' rather than on employment as a policy objective is a mistake. A full-employment economy is bound to expand, whereas an economy that aims at accelerating growth through devices that induce capital-intensive private investment not only may not grow, but may be increasingly inequitable in its income distribution, inefficient in its choices of techniques, and unstable in its overall performance. (Minsky 2008b [1986], 325)

A last group to consider are the target groups of welfare schemes and public employment programs, the recipients themselves. Even the 'golden age' did not eliminate poverty. In the US of the 1960s, the Kennedy and Johnson administrations announced a War on Poverty, which set the stage for Minsky's interest in public employment programs as an alternative policy route not taken. He stresses to also look at the broader impacts of social policy:

Part of the poverty problem in the United States centers around the social and personal reaction to how income is received. The welfare recipient can be poor, even if welfare standards are adequate, if cash income derived from welfare is personally and socially demeaning. (Minsky 2013 [1969], 63)

Minsky states that an antipoverty strategy based on unemployment benefits will be socially unsustainable, as those receiving it are dependent on the dole: "[T]he creation of a large class of social remittance men and women is not conducive to either social cohesion or domestic

tranquility” (Minsky 2013 [1968], 29–30). This is why, Minsky closes, public employment programs must “hold out a promise of a useful and productive life for our high school dropouts” (Minsky 2013 [1965], 20).

3.5 Income policies: Public employment or social welfare transfer payments?

Minsky’s statement directs our discussions to the question: How do we choose between public employment and social welfare payments?

Kalecki begins by claiming that raising economic well-being should mainly be done through subsidizing consumption:

The government spending programme should be devoted to public investment only to the extent to which such investment is actually needed. The rest of government spending necessary to maintain full employment should be used to subsidize consumption (through family allowances, old-age pensions, reduction in indirect taxation, and subsidizing necessities). (Kalecki 1990 [1943], 355-6)

Minsky interjects, having a much more critical stance on welfare. The state, he argues, chooses welfare over other policies because it appears cheaper:

Welfare, in the form of aid to families with dependent children, exists because it is the cheapest way, short of a policy to let them die, of taking care of the population in want. Foster homes, orphanages, and guaranteed work for parents are all more expensive. Full employment is the civilized and humane way of getting rid of welfare as we have known it. (Minsky 1996, 365)

We might interrupt here and state that Minsky wrote the above words in the 1990s, at a time in which years of neoliberal welfare reforms had put enormous pressure on poor families. Yet, as stated previously, he held similar views throughout his life. In the 1960s he wrote that “the single most important step toward ending poverty in America would be the achieving and sustaining of tight full employment. [...] [T]here is no better cure for poverty than family income, especially family income earned on a job.” (Minsky 2013 [1965], 3)

He returned to this line of thinking in his book *Stabilizing an Unstable Economy* in the 1980s:

Compensation for work performed should be the major source of income for all. Permanent dependence on expanding systems of transfer payments that have not been earned is demeaning to the recipient and destructive of the social fabric. Social justice and individual liberty demand interventions to create an economy of opportunity in which everyone, except the severely

handicapped, earns his or her way through the exchange of income for work. Full employment is a social as well as an economic good. (Minsky 2008b [1986], 10)

Might there be a misunderstanding then between Kalecki and Minsky? One point to note is the question how much public investment “is actually needed”, as Kalecki put it. To Minsky, public investment in infrastructure is as important to raise economic well-being as money income:

Our standard of life depends only partly on our private incomes, for we “consume” the services of parks, schools, safe streets, and a wealth of other amenities. [...] [Public employment programs] should make it possible to improve the amenities in communities throughout the country and to protect and improve our common heritage. Poverty in the United States stems as much if not more from shortcomings in communal services, what [John Kenneth] Galbraith once called public squalor, as from shortfalls in private income. If we make adequate communal consumption available to all, much of the burden of poverty can be eased. (Minsky 1987)

Kalecki might have thought about similar public investments—but he also stresses that his policy proposal will lead to full employment. Minsky is unsure though how tight Kalecki’s concept of full employment really is, and how many people will be left behind.

3.6 Public employment policies in the broader context

Our last point to discuss is also our closing round of the panel. How do our panelists situate public employment policies in their broader agendas? All our discussants were, at least during parts of their lives, very sympathetic to socialism. At the same time, they also formulated short to medium-run reform programs for capitalism.

To Polanyi, de-commodifying labor is a matter of survival for society:

To take labor out of the market means a transformation as radical as was the establishment of a competitive labor market. The wage contract ceases to be a private contract except on subordinate and accessory points. Not only conditions in the factory, hours of work, and modalities of contract, but the basic wage itself, are determined outside the market; what role accrues thereby to trade unions, state, and other public bodies depends not only on the character of these institutions but also on the actual organization of the management of production. (Polanyi 2001 [1944], 259)

Polanyi does not specify how this transformation must come about in terms of concrete policies. He does, however, stress the need to make the enforcement of rights effective:

No mere declaration of rights can suffice: institutions are required to make the rights effective. [...] Rights of the citizen hitherto unacknowledged must be added to the Bill of Rights. They must

be made to prevail against all authorities, whether state, municipal, or professional. The list should be headed by the right of the individual to a job under approved conditions, irrespective of his or her political or religious views, or of color and race. This implies guarantees against victimization however subtle it be. (Polanyi 2001 [1944], 264)

This comes as close to an endorsement of permanent public employment programs in capitalism as we will get from Polanyi. Polanyi is also still sympathetic to a socialist alternative:

Socialism is, essentially, the tendency inherent in an industrial civilization to transcend the self-regulating market by consciously subordinating it to a democratic society. It is the solution natural to industrial workers who see no reason why production should not be regulated directly and why markets should be more than a useful but subordinate trait in a free society. From the point of view of the community as a whole, socialism is merely the continuation of that endeavor to make society a distinctively human relationship of persons which in Western Europe was always associated with Christian traditions. (Polanyi 2001 [1944], 242)

Polanyi did of course write at a time when socialism still looked like to become a viable and realistic alternative in the foreseeable future. The fall of the Soviet Union combined with neoliberal globalization established a ‘There is No Alternative’ doctrine in many countries throughout the 1980s and 1990s. We can therefore also imagine Polanyi criticizing concepts like the Non-Accelerating Inflation Rate of Unemployment (NAIRU) as the gold standard of the neoliberal era: a tenet of a dogma, adhered to by many Central Banks and economists before the Great Recession and having a creeping comeback now with higher inflation rates; an institution, used for introducing and supporting austerity measures that have wreaked havoc in societies across the globe.

Kalecki not only wrote on socialism but actively worked to help establish and develop it later in his life in Poland. In the following statement, he shares his views on reforming the economy before he went to the US, when he was still writing about economic reform in England after the war:

In practice, income tax-financed expenditure—which has the advantage not only of securing more employment but also of reducing the inequality in the distribution of incomes (after taxation)—should be pushed as far as politically possible, and, if this is not enough to secure full employment, expenditure should be expanded as much as is necessary by means of borrowing. Cutting profit margins—either in the form of price reduction of consumer goods or wage increases with constant prices—undertaken within the framework of price control will also increase effective demand and thus make the task of government expenditure to secure full employment easier. (Kalecki 1990 [1944], 376)

Minsky adds similar thoughts on both full employment and taxation to reduce income inequality:

An economy in which leading sectors are socialized, in which communal consumption satisfies a large proportion of private needs, in which taxation of income and wealth is designed to decrease inequality, and in which speculation in liability structures is limited by laws that determine permissible liability structures might well achieve a close approximation to sustained full employment without the tensions and instabilities that are inherent in the current policy strategy. (Minsky 2008a [1975], 164)

To this policy mix, he also explicitly adds a permanent job guarantee policy:

The policy problem is to develop a strategy for full employment that does not lead to instability, inflation, and unemployment. The main instrument of such a policy is the creation of an infinitely elastic demand for labor at a floor or minimum wage that does not depend upon long- and short-run profit expectations of business. Since only government can divorce the offering of employment from the profitability of hiring workers, the infinitely elastic demand for labor must be created by government. [...] [T]he employment programs are to be permanent, operating at a base level during good times and expanding during recession [...]. (Minsky 2008b [1986], 343)

Polanyi's key concept in the last chapter of *The Great Transformation* is freedom. Our discussants agree that any emancipatory public employment policy should be voluntary and preserve the freedom of participants. We should rigorously evaluate new social and economic policy proposals to guarantee freedom. Kalecki gives us an example of the time he criticized the Beveridge Plan:

The Beveridge Plan abolishes the means test. It introduces, on the other hand, compulsory attendance at a work or training centre after six months of unemployment. While facilities for retraining may be welcomed, the rigid rule of compulsory attendance at a work or training centre seems to constitute a step backwards as compared with the present system. If handled ruthlessly it may amount to penalizing people who happen to be unemployed longer than six months by compelling them to do uncongenial work to earn their dole. (Kalecki 1997 [1943], 225)

Polanyi highlights this freedom as the right to nonconformity:

In an established society the right to nonconformity must be institutionally protected. The individual must be free to follow his conscience without fear of the powers that happen to be entrusted with administrative tasks in some of the fields of social life. (Polanyi 2001 [1944], 264)

Minsky’s idea for a job guarantee—the state acting as an employer-of-last-resort—is presented by him as an opportunity to work, not as coercion to work. Such a policy offers jobs

of the right kind, at the right place, and with sufficiently high incomes so that all who are willing and able to work can earn enough from jobs to maintain themselves and those for whom they are responsible at a level above some poverty line. (Minsky 2013 [1965], 3)

Minsky will close our debate with a final observation: “[S]ane adults should be free to choose poverty, but no one should have poverty thrust upon him” (Minsky 2013 [1965], 3).

4 Insights from Real-World Programs

Our theoretical discussion allowed us to revisit central political arguments about full employment policies. How do these deliberations relate to the context of public employment programs that have been introduced in the last 20 years? This section presents three case studies from Argentina, India, and Austria to further investigate the political aspects of public employment programs.

4.1 Plan Jefes y Jefas de Hogar Desocupados in Argentina

Argentina faced a steep economic and social crisis from 1998 to 2002, which originated in the financial sector after years of neoliberal structural adjustment programs (Kregel 2003). In 2001, protesters from different social backgrounds took to the streets, culminating in riots in December. The protests united under the slogan “¡Que se vayan todos!” (Everybody out), highlighting the complete disillusionment with the political system. In 2002, the unemployment rate rose to 25 percent. More than 42 percent of households fell underneath the poverty line, compared to less than 18 percent only five years earlier (Kostzer 2008).

Interim President Duhalde’s government introduced the *Plan Jefes y Jefas de Hogar Desocupados* program (PJJH, Unemployed Heads of Household Program) as an emergency measure and “social pacifier” (Daniel Kostzer, personal interview) in the spring of 2002. Participants were allowed to work in community projects, microenterprises, in municipalities performing administrative work, or to a small degree also in private employment. Participants could also finish basic education or engage in job training. To participate, persons had to apply and state they were unemployed (self-targeting). They had to be from a household with children under the age of 18 who attended school, or with people with disabilities. The implementation and administration of projects was done

locally, while the federal government conducted oversight and the payments of wages. The Argentinian government introduced community councils as a new form of participatory planning. Daniel Kostzer, the economist who wrote the initial draft for the program, mentioned that they originally expected around 500,000-600,000 participants (Daniel Kostzer, personal interview). However, due to the volatile economic situation, participation skyrocketed to around 2 million in 2003. The program offered 150 pesos per month (around $\frac{3}{4}$ of the minimum wage at the time). The wage of the program remained unchanged over the years. Kostzer argues this was due to the detrimental role of right-wing media and the middle classes in later years, who started to exit the program when the economy began to recover and began to complain about the recipients left in PJJH. By 2005, the discourse about the undeserving poor returned.

The policy was introduced as a reaction to the protests and riots at the end of 2001. The first draft for the program was already presented to policymakers in 2000, but was met with criticism at the time:

We brought it to the parliament. And to discuss with parliamentarian, but of course, there emerged all the ideological and political concerns. I remember the first time that we discussed with the secretary of finance, that was the guy in charge of getting the money. [It] was a meeting with the president and the vice-president of the budget commission, and these guys at the parliament. And these guys say, well, but if we start this type of program, this is going to last forever. Yeah, I said, well, it lasts as long as it has to last. But unfortunately, that government was very weak politically.
(Daniel Kostzer, personal interview)

PJJH stabilized the labor market and provided desperately needed income to large parts of the population. In 2004, 16 percent of all households in Argentina benefitted from PJJH. In some provinces the share was up to 40 percent of all households (Roca et al. 2005). Over time, the composition of participants changed. More women entered the program, some of which had no previous attachment to the formal labor market, while men found other employment sources in both the informal and formal labor market. In later years, women comprised three quarters of the PJJH workforce. In many local communities, social groups and neighborhood councils that formed during the years of protest began to apply for and manage municipal PJJH projects. This process led to criticism and protest by right-wing politicians and part of the media, as Kostzer describes:

And the media started to complain [...]. [For] the first time grassroots organizations, left-wing organizations, have a tool of social development. So, many leftist parties, they gather a number of beneficiaries, they would go to the Minister of Labor, complain that they didn't have programs

and they would start their own programs. So, you know, the establishment, they hate it when the poor get organized. (Daniel Kostzer, personal interview)

At the same time, the participants themselves reported the many latent benefits that PJJH offered them. The following account is from Tcherneva and Wray, who visited several project sites in Argentina:

During our site visits, we spoke with nearly one hundred individuals who were Jefes workers. When asked “would you prefer to receive the benefit of the Jefes program but stay at home,” every single one, without exception, said that they would not want to sit at home and that they preferred to go to work. When asked why, the most common responses were that: 1) they felt (or would feel) useless sitting at home; 2) they felt like they were helping the community when they were working; 3) there is dignity in working; 4) they were meeting their neighbors; and 5) they were learning new skills. (Tcherneva and Wray 2007, 22)

The government phased out the program starting in 2008. Tcherneva and Wray (2007) report that many politicians and policymakers viewed PJJH as a temporary program that needed substantial reforms. The politicians also argued that it lost political support. In addition, government officials thought that PJJH was inefficient and inferior to the market in providing goods and services:

There was a strong bias toward market evaluation of efficiency. For example, officials agreed that the bread provided by Jefes workers to poor neighbors was meeting a real need; however, they believed that modern private-sector bakeries could meet this need much more “efficiently” with fewer and more skilled workers. (Tcherneva and Wray 2007, 25)

Kostzer and Marta Tepepa, a researcher on PJJH, also stress the gender dimension of ending the program (Marta Tepepa, personal interview). The official unemployment rate was low, but there was still a layer of structural employment mainly comprising of women with kids. When the program was eventually ceased, it was replaced for parts of the target groups by a universal child allowance called *Plan Familias*. This cash transfer was more successful in bringing down absolute poverty among families with children, but also deprived poor women of access to paid formal employment (Tcherneva 2012).

4.2 Mahatma Gandhi National Rural Employment Guarantee Act in India

The *Mahatma Gandhi National Rural Employment Guarantee Act* (NREGA) passed into law in 2005. The following account of the political context of the creation of NREGA is based on an interview with Rajendran Narayanan, researcher on NREGA and member of *NREGA Sangharsh*

Morcha (NREGA struggle front), an umbrella organization for civil society organizations associated with the program.

India has a history of famine relief programs, including food for work programs and the public distribution system (PDS), which uses ration shops with subsidized grain to distribute food to the population in need. In the late 1990s and early 2000s, droughts led the *People's Union for Civil Liberties* (PUCL) to petition the Supreme Court of India about the right to food, which the Supreme Court confirmed as corollary to the fundamental right to life, leading to stricter rules for the PDS. At the same time, corruption in public works program was a widespread issue, leading to the formation of a broad social movement for the right to information. The debates about constitutional rights—right to life as a fundamental, right to food as corollary right, right to work as a corollary right, right to information—led the *United Progressive Alliance* (UPA, led by the *Indian National Congress*) to include several rights-based policies in their election manifesto for the 2004 Indian general election. After UPA's election victory, both the Right to Information Act and NREGA (addressing the right to work in rural areas) were passed in 2005.

In theory, NREGA grants rural household access to 100 days of paid manual labor. Projects must be in a category of currently 265 permissible works producing durable assets, mainly in fields of water management, irrigation, and rural development. Participants apply for a job card (self-targeting). Wages are set by the implementing states, mostly ranging 2 to 33 percent below agricultural minimum wages (Aggarwal 2020). The program suffers from widespread delayed wage payments (Narayanan, Dhorajiwala, and Golani 2019).

NREGA is by far the largest public employment program in the world, yet it is also supply constrained. Active households worked on average 50 days of paid employment per year in recent years. NREGA also played an important role as income stabilizer during the COVID-19 crisis. Participation skyrocketed from 79 million beneficiaries in 2019 to 112 million beneficiaries in 2020. Currently there are over 300 million registered rural workers in the program. As NREGA employs rural worker there are seasonal peaks from January to July, and a dip in participation during the Monsoon. More than fifty percent of participants are women, and NREGA is the only sector in India in which there is almost no gender wage gap. The program supports women's empowerment as female participants can work close to home, and women working in NREGA were significantly more likely to have control over household decisions (de Mattos and Dasgupta 2017).

In theory, the municipal level plays a central role in both annual planning and implementation of NREGA. In practice, the responsible local body Gram Sabha (general assembly of all people of a village, which should meet twice a year) does not convene regularly enough in many places. Project shelves developed by the Gram Panchayat (village council) are often ignored by the technical staff on the state and national level (Rajendran Narayanan, personal interview).

The program was one of the flagship social policies of the Congress-led government. The change in government after the 2014 general election, in which the *Bharatiya Janata Party (BJP)* under now Prime Minister Narendra Modi won, let many people wonder if the program would continue. Nine months after taking power, Modi famously addressed the opposition party in the Indian parliament on why he would continue the program:

Do you think I will disband the scheme? My political wisdom does not allow me to do it. This is a living monument of your failure to tackle poverty in 60 years. You had to send people to dig ditches and pay them. With song and dance and drum beat, I will continue with the scheme.
(Outlook 2020)

Over time, the BJP has embraced the program and is now using it for own political purposes. For example, the flagship rural housing scheme *Pradhan Mantri Awas Yojana (Gramin)* is partly implemented via NREGA by including building houses for private households as part of the permissible works.

4.3 Beschäftigungsaktion 20,000 in Austria

Austria witnessed an increase in unemployment rates from 2011 to a peak in 2015-16, with men experiencing an unemployment rate of 9.8 percent and women experiencing an unemployment rate of 8.3 percent by national definition in 2015. Slow economic growth and an increase in labor supply were the main reasons for the increase and consolidation of unemployment in the aftermath of the Great Recession. Older employees had stayed longer in the labor force due to reforms of retirement policies, more women had joined the labor force, and there had been a large influx of migrant workers due to the opening of the Austrian labor market to citizens of new member states of the European Union. Certain groups of unemployed persons (unemployed persons with low qualifications, unemployed persons from traditional migrant worker countries, i.e. Turkey and former Yugoslavia) experienced more difficulties in finding employment as employers shifted

their hiring practices (Eppel et al. 2018). 63 percent of persons in households with long-term unemployed people were at risk of poverty or social deprivation in 2017 (Statistik Austria 2019). The *Beschäftigungsaktion 20,000* (Action 20,000) was first announced as part of the updated work program of the Social Democrat-led federal government in January 2017 (Österreichische Bundesregierung 2017). Chancellor Kern promoted the idea as part of an updated policy platform of his party a few weeks earlier. The original idea was to create 40,000 new jobs for long-term unemployed people age 50 or older as part of an employment guarantee for this age cohort (Sozialdemokratische Partei Österreichs 2017). Negotiations with the conservative coalition partner ÖVP led to a downscaling to 20,000 new jobs per year. The policy was implemented through the expansion of already existing active labor market legislation. The project was limited to a two-year trial period from 2017 to 2019. Participants were paid the prevailing collective bargaining wage of the sector they were used in.

Participation in the program was restricted to registered unemployed people aged 50 years or older. Counselors of the Public Employment Service reached out to fitting clients, and regional Public Employment Service offices looked for suitable projects locally. Sven Hergovich, then member of the cabinet of the Labor Ministry, recalls that while good projects were found on the local level in municipalities and NGOs, many mayors were also hesitant in the beginning in providing ideas:

The problems were really to be found in the political sphere. [...] What we probably underestimated and what I think is the main problem in the implementation of such job guarantee models, is the difficulty of creating meaningful jobs, so to speak. And that's not difficult because there aren't any meaningful jobs. On the contrary. Rather, it is difficult because the active political players in the communities are concerned about implementing useful things if they cannot be guaranteed that the projects will remain permanently. Well, a lot of mayors told us that [the program] was a great idea, they would like that. But they don't want to implement the best ideas. Because they say that what they get in terms of additional approval for offering great services here is much less than what their risk is if, for example, this policy is abolished again in three years. And this great service, which is then also available in the community, will be abolished again. The danger that the mayor will get hurt and be voted out of office because of something like this. (Sven Hergovich, personal interview, own translation)

After a change in government in 2017, the program was suspended prematurely. The new right-wing government had no political will to continue with a public employment program. Initially, cost arguments were used to justify ceasing the program. Later, Social Minister Hartinger-Klein

of the far right FPÖ argued it was not costs that led to halting the program but lacking efficiency (ORF Steiermark 2018).

By the time the program was ceased, 661 different institutions (municipalities, NGOs, associations) offered jobs through the policy (Bundesministerium für Arbeit, Soziales, Gesundheit und Konsumentenschutz 2018). The Public Employment Service still honored applications that were submitted before the suspension came into effect, and the program continued running without new entrants until 2019. Overall, 3,824 people benefitted from the program (Hausegger and Krüse 2019).

Action 20,000 provided paid employment without strings attached. Wolfgang Schmidt, board member of AMSEL, a local lobby group for the unemployed and beneficiary of Action 20,000, stresses that policies like Action 20,000 signified a qualitative change in active labor market policies. Previously, many labor market policies were much more focused on raising the employability of people in long-term unemployment, assuming there was something wrong or deficient with the unemployed:

We take a very strong stand against the view that long-term unemployed people, so to speak, have deficiencies and are in need of help. And that also means that if you acknowledge the need for help, you don't enslave and whip these people in any way but support them. Nevertheless, there is also no special need for support. If you run a program like Action 20,000, with 100 percent reimbursement of wage costs, then suddenly all the long-term unemployed who know of the program, or the employers who know of the program and who approach the long-term unemployed, are ready and able to work and fit for the labor market. So there's absolutely no reason to assume that all the long-term unemployed are lazy or addicted to drugs or anything. In our opinion—and this has been the case for decades [...]—there is simply not enough paid work. (Wolfgang Schmidt, personal interview, own translation)

Schmidt also stressed in the interview that long-term unemployed people are not well-represented by unions or political organizations, making it hard for their views to be heard when designing active labor market policies.

5 Concluding Thoughts

The three thinkers featured in this paper—Polanyi, Kalecki, Minsky—all share a storied biography. Both Polanyi and Kalecki fled or emigrated from Central Europe and published their most influential writings about full employment at approximately the same time in the 1940s. The

economies of the US and UK operated at full employment due to war production in the last years of WWII, and economists at the time believed full employment to be desirable and attainable in the future as well. Minsky's contributions to the full employment debate came later, starting in the 1960s. He continued writing on the topic until the 1990s, at which point the economic policy mainstream had shifted significantly under the influence of neoliberalism. The analyses of all three writers were influenced by and targeted at what they viewed as the leading current of economic and political thought at the time of their writings.

Our starting point was Kalecki's 1943 essay on political aspects of full employment. His essay provides poignant arguments of why the maintenance of full employment will be fiercely opposed by capital. However, I have also contextualized Kalecki's findings. The possibility of socialism, a threat to Big Business, had almost completely vanished in Western capitalist societies in the golden age in the 1960s. This was because of a 'crucial reform' that led to maintained full employment policies supported by public investment, a reform that appeased the working class. Yet these full employment policies did not include wide-spread public employment programs, and they did not effectively abolish poverty, as Minsky has told us.

The 1970s saw the breakdown of the crucial reform and a neoliberal turn. Polanyi's main insights no longer remain a historical analysis of market relations that broke down in the 1930s but a useful guide to analyze the resurrection of the liberal creed. We can read his investigation of the self-regulating market and the liberal state and compare it with Minsky's assessment how not only capitalism has evolved but also how economists and policymakers have returned to laissez-faire policy proposals. The theoretical debate in this paper provides the insight that public employment programs should be voluntary and freedom-enhancing, offering the participants wage labor outside the market. They should be part of a public investment strategy that aims at producing public goods and services available to society, thereby raising economic well-being for everyone.

In the last two decades, public employment programs have become more popular. In principle, the case studies show a traditional political divide. Center or left-leaning governments introduced the three public employment programs discussed in this paper. Political opposition against the *Plan Jefes y Jefas de Hogar Desocupados* in Argentina mainly came from right-wing media and parties, particularly after middle class participants exited the program when the economy started to recover in 2005. The Hindu-Nationalist BJP in India kept the *Mahatma Gandhi National Rural Employment Guarantee Act* after a change in government in 2014 but criticized it as failed social

policy of the party bloc that initiated it. The program has been underfunded and is also being used for other policy initiative by the BJP. In Austria, the short-lived program *Beschäftigungsaktion 20,000* was prematurely suspended after right-wing parties won snap elections in 2017.

All three programs were introduced against the backdrop of widespread unemployment and poverty among the target groups. In Argentina, there was widespread consensus that the program needed to be implemented to address a social crisis and recession. When the initial crisis subsided, political opposition grew, in line with Kalecki's idea of a political business cycle. The Argentinian case study is also a good illustration of Polanyi's double movement: Neoliberal structural adjustment programs led to a crisis, which instigated a broad social movement which demanded social protection, initially unifying different classes.

We see the continued relevance of capitalist ethics and the liberal creed in the opposition to all projects. The socially useful work done in the projects, including providing public goods, is viewed by opponents as inefficient and inferior to market provisioning. Interestingly, Minsky's idea that public goods are the lever to convince affluent parts of the society to support public employment programs is turned on its head in the Austrian case: One policymaker remembers the hesitancy of mayors to provide the best ideas for projects in fear of suffering at the polls if the program is only temporary.

For the participants the programs offer employment, and thus both social participation and income. In both Argentina and India there is a strong gender impact as well, as these programs have allowed poor women to enter the labor force without wage penalties. However, wages are also low and raises in wages have been heavily contested in both Argentina and India. Social movements and collective organizations have played an important role in the creation and implementation of public employment programs. However, most target groups also lack political representation to effectively influence the development and guarantee sufficient funding of the programs once they are created.

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