

An Alternative for Combating Unemployment

Andreas N. Lytras¹

Abstract

The main argument of this article is that there is a real and effective proposal on combating unemployment. This isn't an analysis of the problem and the economic causes of unemployment. This is an approach of fast resolution of the problem, when there are "explosive" conditions of unemployment within a national state or a broader region, in which couldn't be implemented any known policy on combating unemployment. The radical approach expresses a synthesis of three elements, which is indisputably new for the social support systems and political analysis. The first element is that the "independent or autonomous" type of worker is the exclusive lever of activation of the unemployed persons in every of the aforementioned conditions. The second element is that the stock holders, who act as investors in this adventure, are not necessary to play simultaneously the role of active entrepreneurs or employers. The third element is the additional but active role of state's assistance, for combating unemployment. The workers in this approach are not wage laborers and the financiers of the endeavor are not true entrepreneurs. However, the private financing is feasible and the unemployed people could be included in employment, within capitalism. The financing of this endeavor is complemented by the contribution of consumers of the offered services. Therefore the social solidarity well balances with the regular transactional ethics in market. One last element it is worth to be mentioned. The local authorities as the representatives of the public space are the coordinators of the impersonal procedure. The proposal is constructed on the idea for the (preferable for the writer) future single status of worker: the autonomous or independent worker or producer. The proposition on combating unemployment has not as prerequisite the generalization of the abovementioned single status. However, the concrete status, in my view, has such virtues, which could and should help for the overcoming of the period of high unemployment in countries with explosive economic problems, while they have not the necessary fiscal sovereignty, like Greece, Spain, Portugal or even Italy.

Keywords: autonomous labor, social policy, stock holders, unemployment, work organization

Combating Unemployment: the problem

The applied policies and special programs on combating unemployment have had some or several virtues and once or over a period demonstrated remarkable achievements. These policies and proposals at the same time had very substantial financial preconditions. When the conditions of public finance are weak, the creation of a torque in employment and a rapid decline in unemployment rate are very dark prospects. The integrated actions to tackle unemployment and poverty had hoped to absorb the unemployed persons in private enterprises and the state, with the type of wage employment. All previous options cannot be applied to national economies, which are embedded within economic integrations with a common (single) currency and a restrictive fiscal policy. In such economies, during the difficult periods or after market's crises, the endurance of active enterprises is problematic. Thus, the creation of new businesses relates to the entrepreneurial mood of a fraction of those, which are leaving from business activity, and therefore the job creation is rather invisible.

¹ Andreas N. Lytras is Professor of the Department of Sociology at Panteion University of Athens (Greece). Email: anlytras@gmail.com. Tel.: (30) 210-9201773.

The purpose of the study

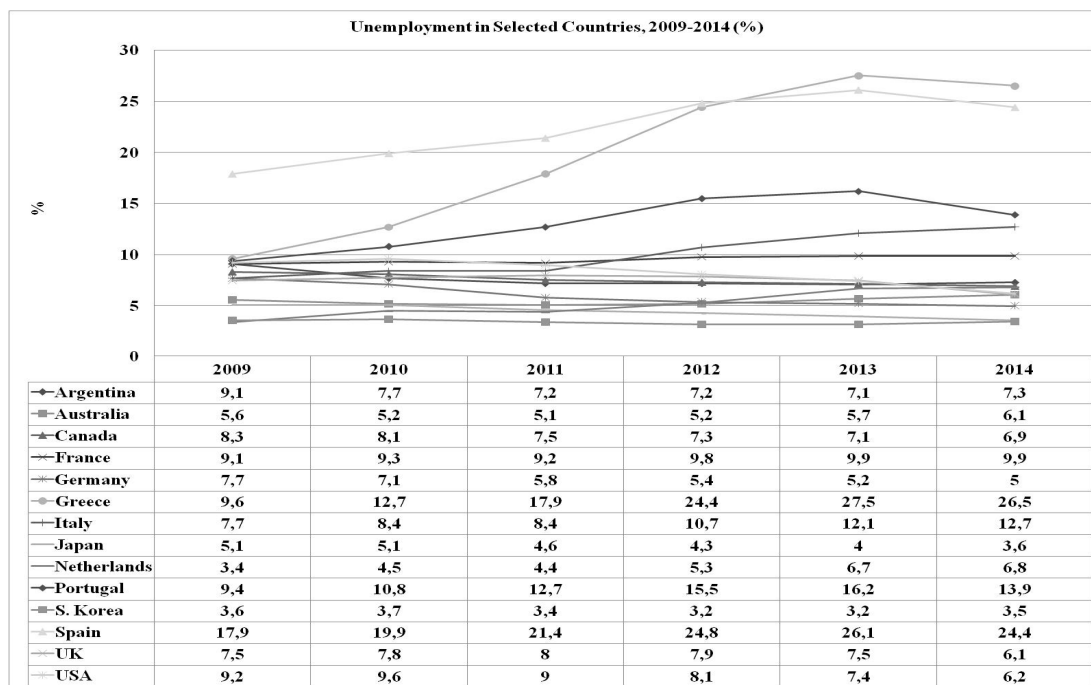
This study is directed to the adaptation of an immediate and general reduction of unemployment in the form of a program, which does not require an extensive public financing. In contrary it is based on the assessment that it is possible the finding of the necessary funds from the market, by ensuring that these funds could carry out remarkable and guaranteed profits, without being obliged that their holders take the risk of entrepreneurial activity and without their immediate action as employers. The initial funding is complemented by the contribution of consumers of services at very low prices. The beneficiaries (from the group of unemployed people) work during the program as independent professionals, who sell services with the instrument of a security (in which is including the contributions to the social security system and the proper income tax). The program is coordinated by the local authorities. This attempt offers employment and income with high flexibility. The project takes full advantage by the established market realities and does not require the changing of transactional behavior and market's ethics. The current organization of work is reflected in the proposed type of work. The program has as a purpose the enhancement of the aggregate demand and the increasing wealth. It offers a fair income to the holders of stock. Consumers contribute financially to the program, while they are enjoying services of known quality and at attractive prices. Banks are benefited by new deposits, and increased turnover of their services, facilities or intermediations. The social security system and the public finances are refreshed from the direct contribution from the program, while they balance their costs for the unemployment policy. This program transforms the rational profitability, within market, in a component of social solidarity. This approach is a political analysis.

The increase of unemployment after the crisis

Unemployment has its importance to the potential of the workforce, during the period 1980-2008 (Lytras, 2016). The evolution of data confirms that unemployment is a circling figure which for most of the countries moves for relative common periods in the same direction. If we distinct the case of Spain, which coincides with the general trend of other states, but gets big amount in terms of size of the rate, in the other cases the developments communicate with the trend. At the peak point and just before the last years the rate ranges from around 8% to about 11%. Greek rate slightly escapes, with a near 12%. At the end of the comparison we can observe that in some countries the unemployment rate fluctuates from 7% and up to 8.5% or to 9%. In the other cases the unemployment rate has formed between 3.5% and 5.5% [ILO, LABORSTA, *Unemployment (General Level)*].

The evolution of unemployment after the onset of the financial crisis of 2007-2008 is very interesting for the social and the political analysis. The really impressive situation described for the countries which have joined in memoranda or implemented austerity programs. Greece (26.5% in 2014) and Spain (24.4% in 2014) mainly, Portugal (13.9% in 2014) and, to a lesser extent, Italy (12.7% in 2014) have experienced a veritable paroxysm of unemployment (see the next graph). It is worth noting the comparison to the EU countries which have established and imposed the fundamentals of the restrictive economic policy in the European context. Germany, in terms of unemployment rate, has been benefited during this period. The conditions were rather normal in France, with limited fluctuations, from 9.1% to 9.9%. In the UK, which has maintained its national currency, unemployment rate moved in upward fluctuations but finally fall to 6.1%. In the U.S., who faced the crisis with a policy of additional public finance of the market, unemployment is significantly reduced in comparison with 2009 (9.2% at the beginning and 6.2% at the end). Japan with a similar public policy, despite its huge public debt, has reduced unemployment from 5.1% to 3.6%. An indicative element on the relationship between public financing of the economy and the unemployment rate is the fact of the larger proportions of unemployment in the EU27 and specifically in the euro area (euro zone). Under the conditions of austerity, unemployment is charged in economies with a single currency (as euro zone), despite the fact that there are countries in the same area which have been benefited from the current crisis.

Graph 1



Source: ILO, ILOSTAT, *Unemployment*, www.ilo.org.

The solutions of the past: From the Keynes' method to new alternatives

The explosive growth and the persistence of the rate of unemployment along with the general economic stagnation, after the crisis of 1929-30, have generated the Keynesian policy, as choice to strengthen public funding of the economy with all the known methods of lending the state and the available techniques of fiscal policy. The Keynesian method after the first impressive achievements has been made popular, worldwide. This method, which was developed by J.M. Keynes [2007 (1936)], had been debated with the established concepts of neoclassical theory (Say, 1971) on the role of labor income in the evolution of the economy and the restoration of market arrhythmias. The main contribution of J.M. Keynes was that inseparably has linked the income support to a restart of the economy after the recession and stagnation. The intervention of the state-driven increase in public revenue, which would come from public loans, could fuel the demand and then the aggregate demand would be liable to fuel the supply. The careful but decisive fiscal policy probably would burden the public debt and the deficit of state budget as it was necessary in order to facilitate the restoration of financial balance.

Tackling unemployment with public funding of the economy is one of the first concerns of Keynesian method. The increase in public spending or the initiatives and interventions, through public investment flows immediately to absorb the groups of labor force, which are unemployed. The functionality of public investment is an essential element of state intervention, which principal objective is the release of the money supply, with maximum speed, broadest terms, and the immediate redirection of income from workers to consumption. The income and the mobilization of consumption widen the interest of entrepreneurship and facilitate its activation to strengthen employment in the private sector. The start of the cycle and the continuous trend of economic expansion, with a steady increase in wealth, create the potential for the almost complete absorption of population of the unemployed and to increase employment. The method of J.M. Keynes yielded particularly in the USA, from 1933 until 1939. The government spending has grown impressively [Baran, Sweezy, 1968 (1966), 146]. Both of its purposes have been achieved, namely the effective tackling of market arrhythmias and the effectual reduce of unemployment (Baran, Sweezy, *ibid*, 232-233). Employment growth has been achieved and thus one of the accompanying or even synergistic policies (which have created the post-war welfare state) launched. This policy has specific requirements. It requires a modern and rational state, which is carrying out this task, with all the necessary institutions and an economy, which operates with the rational terms and rules of the market. A rational networked workforce is needed, which is well developed and has the potential to grow further.

This means that there is an active trend in which the employees are going to be consolidated as the vast majority in employment. There is a major need: the state has full sovereignty on fiscal policy and possesses the ability to use its tools. The trend for employment growth depends entirely on the system of wage labor. In the vast majority, the unemployed and young workers who enter into employment can be included only in wage labor. The small entrepreneurship, in the form of self-employment, has a limited and declining employability. The wage employment, in the large enterprises and the jobs in the state are the levers to increase employment and combat unemployment, in the Keynesian policy model.

On the European continent, after the war, there was a parallel policy to the Keynesian model. The public intervention in the development of a wide net of social protection, which is manifested in the formation of national health systems, the social security for all, the benefit policies for the unemployed and the poor, the public education system and many other expressions, consolidated society prosperity and made tangible the social rights in the postwar period (Esping-Andersen, 1990; Aspalter, 2001). The symbolic and real starting point for this great innovation in the history of capitalism is the publication of the report, which was edited by W. Beveridge (Beveridge, 1942). The real concept of the welfare state is the syneresis of the proposed policies both by J.M. Keynes and W. Beveridge.

The economic and political conditions favor the reality of full employment and limited unemployment for many years, following the high growth rates since the Second World War. The need for full employment accompanied by labeling W. Beveridge, that the unemployment rate must not exceed 3%. The specific rate of unemployment means that the employment rate stands at 97% (Beveridge, 1944, 10-12). The major part of the population was working steadily for long periods. The status of wage labor which prevails is that of full and regular work. Other wage sub-schemes, such as part-time, are real but related to a limited proportion or for certain categories of the population. Stable employment lasts, in foreseeable periods, and ends to a well organized retirement system.

The policy, which has been elaborated by W. Beveridge, has had generally very significant contribution to income levels and employment growth in European countries. The public services, which were made available to the population, were unprecedented for humanity and in particular for the evolution of capitalist society. Public intervention requires the establishment of stable administrative structures and staffing of the numberless masses of public personnel. The cost of these structures and the public staff is covered by a heavy tax system (Galbraith, 1993, 182-183). Possibly, one of the major weaknesses of this intervention system was the fact that the middle income groups received the largest tax burden and the more intense economic pressure, while are not having the corresponding benefits from the development of welfare state. The large fiscal burden and discomfort about the relationship between contribution and benefits, with respect to the different social groups, will also become the objects of very vigorous questioning by the neoliberal critics, in the phase of fatigue.

The methods of social support, which are derived from the analysis of J.M. Keynes and W. Beveridge, were accused very strongly by the representatives of neoclassical theory. The theoretical claim of the reversal of the situation on the conduct of economic policy is the most striking feature of the intervention of the supporters of the neoclassical approach and the neoliberal political parties. F.A. Hayek (2009, 6-8) is a proponent of absolute loyalty to individuality, for which every uncompromising determination by general laws, collective and intermediate bodies is unacceptable (ibid, p. 10). He declares clearly his support to the economic competition which is considered as the fundamental element of freedom (the free choice in market), with no or minimal state interference (ibid, 107). He proposes the reduction of state intervention (Hayek, 2011, 329-333) and the redirection of the state's action to the legislation of the framework of rules which enhance competition and monetary stability (ibid, 451-464).

He questions the role of trade unions and their relationship with the spirit of freedom (ibid, 384-404). He considers as ineffective the measures of wealth redistribution and considers that sumptuary institutions of the welfare state could find satisfactory integral or combined alternatives, with support from market forces (ibid, 405-450, 466). Combating unemployment follows the logic and the grid of managements of neoclassical theory. In essence unemployment is treated, according to the consequences on the individual status of workers. In essence the approach on this issue is part of the general logic on competition, the drastic reduction of state interventions or benefits and the expectation of the policy to strengthen the supply flows to the enhancement of employment. His perception works with the main choice the propensity to the competitiveness of labor and therefore an expectation: the (generally lower) wage levels should shape the new ability for expanding entrepreneurship and employment.

The trend of drastically social cuts prevails and then the return to employment is a forced choice for the poor people and the beneficiaries of the mechanisms of social support. The most famous and popular option, which is used as a measure of social support by the end of the 60s, is the lower or basic guaranteed income. The origin of lower guaranteed income is attributed to the contribution of M. Friedman's "negative income tax" (NIT), in order with this method could be replaced the services and benefits of the welfare state (Friedman, 2002, 192-195). The abovementioned contributions are affected the proposal of R. Nixon (Lampman, 1969) who started the political attempts for the "reform" of poverty policy. The proposal for the Project of Family Assistance (Family Assistance Plan-FAP) was submitted in 1969. It never converted into law, after the reactions which met both by the conservatives and the supporters of an extensive welfare state. This plan was comprised the provision of social welfare benefits with the method of the "negative income tax", and by obliging beneficiaries to provide work as a counterweight to allowances. The policy and the plan of J. Carter, on the improvement of income and jobs (Program for Better Jobs and Income-PBJI), combined the logic of lower guaranteed income, with H.P. Minsky's proposals (Minsky, 1965, 1973). In this context the plan provides the establishment by the state jobs with low remunerations, in order to strengthen with the propensity to employment the policy on enhancement of income. The program ultimately was not implemented (The Congress of the United States-Joint Economic Committee, 1978; The Congress of the United States-Congressional Budget Office, 1978) and the basic trend in the next phase was determined by a unilateral attempt by governments to reduce the extension of welfare state (Danziger, 1999, 12).

H.P. Minsky is considered as the rapporteur of the concept of "state as employer of last resort" (ELR). In 1986 this proposal is crystallized [Minsky, 2008 (1986), 333-336, 344-349]. The state acts as employer capable of workers from the official group of the unemployed, when there is no perceived ability in private sector to absorb the unemployed people. There is no requirement on the state of a particular status or level of work specialization. In fact H.P. Minsky believes that the workforce is hired by the state to the situation of expertise that they are, in employees jobs. The remuneration of new employees in public structures is determined within the limit of the regular basic salary, with the additional costs for all the relevant burdens or the operational costs for employment. In terms of funding, in essence, he suggests the public financing of the procedure, issuing new currency mass, in the countries which have full sovereignty in the control of monetary and fiscal policy.

According to the H.P. Minsky's view, the currency mass, which is required to be published, could be an extremely limited percentage of GDP. His approaches, of course, have been the subject of important critics on the previous issue, which give the indications that the funding requirements of the proposal are much greater than to initial estimations (Gordon, 1997; Mitchell, Watts, 1997; Wray, 1998, 129; Sawyer, 2003). The H.P. Minsky's proposal is considered that there was a policy tool for combating unemployment in Argentina after the explosive crisis of public debt. The estimation by the analysts is that this test was marked by success and helped the country to restore the rate of unemployment to levels similar to those before the crisis (Tcherneva, 2012, 6-12). The program of B. Clinton, which regards to a radical revision of the welfare state (Haveman, Scholz, 1994), in order to reorganize the social support for the inactive workers and the unemployed were one of the main positions of his governmental planning. B. Clinton in his election campaign used especially the next slogan: "to end welfare as we know it" (Béland, Vergniolle de Chantal, Waddan, 2002, 25). The correlation of political forces in Congress forced to slide from the original specifications and a blunted version of the early declarations, namely to the system of "workfare" (welfare-to-work). The law which was passed in 1996 had an emblematic title: Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

After the adoption of the concrete policy then a new program of social support has created, namely the Temporary Assistance for Needy Families (TANF). The conceptual essence of the program concerns the state obligation to pay an allowance similar of the lower guaranteed income for the unemployed and the poor people. The provision, with the accompaniment of the vocational training regards to a limited period and ultimately linked to the obligation of beneficiaries to participate in work programs, to continue to be included in the aid scheme (Patterson, 2012). This form of social support policy has been undertaken, in its implementation, by the individual States. The effectiveness is judged, ultimately, on the ability to achieve the specific objectives, by the local diversities (ibid, 383-387). The policy which was manifested in this program after several years of implementation is treated with strong criticism, despite the various positive signs, and hardly is recognized its positive contribution to alleviating of social problems and especially of the problem of poverty (Cancian, Ybarra, 2008, 18-21; Brodtkin, Fuqua, Waxman, 2005; Hunger Action Network of New York State, 2001, 26-30; Gregory, 1999; Dulchin, 1999).

One of the major criticisms since the preparatory work of adopting this policy relates to the obligation for the beneficiaries to perform work. The mandatory provision for workers, according to these views, functions as a compulsion for work, namely a practice which is totally mismatched to the free labor market in a modern and democratic state (Bailey, 1995, 321). The conferral of management of the program, which is incorporated by the policy of “workfare”, to private companies by the States is typical of the neoliberal perception. This concept emphasizes on the lack of appropriateness of state structures and certainly favors the strengthening of entrepreneurship, which theoretically departs from the defects of public services (Gaebler, Osborn, 1993, 30-34). The experience of the implementation, however, indicated that there were too many problems in the management of funds and several phenomena of failures, inefficiencies or signs of squandering of public money (DeParle, 2004). The United Kingdom following the victory of New Labourers (Labour Party) introduced a revised system of welfare policy, which looks like provocatively with “workfare” (welfare-to-work) (Hulme, 2006), in 1997 (Jarvis, 1997). The general plan was a set of smaller scale interventions, with the focuses on different groups of the population, as an effort for the limitation of the wastage of resources.

One of the most essential dimensions of the measures is to subsidize the enterprises, which employ the beneficiaries of the program (Zaidi, 2009; De Giorgi, 2008; Van Reenen, 2004). This plan had some contribution in tackling the problems of unemployment of younger age categories of the population. It is doubtful its contribution to halting poverty, as it has favored the further dissemination of the flexible forms of work and particularly the part-time jobs. The precarious character of the concrete jobs of part-time and the flexible employment is clearer than the success of the program. The shift in social policy, from the general and strong social support to a lower coverage, was a serious event in EU (The Council of the European Communities, 1992). After the reforms in U.S.A and U.K., this shift was a reality in the Scandinavian countries, the last decade of the twentieth century. The Scandinavian countries were the most representative cases of the social democratic model of welfare state, with the broad coverage and provisions during the postwar period. The policy shift was simply spectacular. The adoption of the logic of “workfare” in Denmark, Sweden and Norway is marked by the obligation of beneficiaries to work and the transfer of the programs from the central government to local government structures (Lødemel, 2005, 13-17; Kildal, 2000).

The impressive aspect of aforementioned projects, after the Keynesian method, for the revision of social support is that state policies, given the current correlation of power, impose on the poor and the unemployed people to become employees and even in underpaid employment schemes in order to receive any benefit. The interpretation of this policy is likely to be in the reproduction of domination-subordination framework for the workers. The modern state with its settings cuts the social support, ensuring in this way for the redistribution of burdens and benefits of public policies, and also ensures the safeguarding of the dominant position of entrepreneurs in economic relations, and especially of the control of labor. The result of these policies is to sink the weakest in terrible insecurity and powerful business groups use the most disadvantaged workers with an impulsive way.

The radical proposal

i) The autonomous workers

The “autonomous” or “independent” work will form the desirable (for the writer) and future single employment status, which is involved in transactional relations (c.f., Lytras, 2016; Gorz, 1999; Centre des Jeunes Dirigeants d’Entreprise, 1996). The exclusivity of the autonomous work has as a result the removal of the subordination and therefore the wage labor, from the field of transactional relationships. The institutional shift is setting the overall transformation of workers in autonomous or independent workers rewrites the context of production and labor.

The free transactional relationship comprises the exchange of the capital with, material or immaterial, goods or services. In contracts independent workers may contribute either individually or, if it is positively receptive, collectively, with the participation to consortia.

The need for collective contribution to a lasting production of a project may be covered by the relevant contracts, which regulate conditions and dimensions on the cooperation between the enterprises and the autonomous workers. The institutional recognition of the “potential capital”, against of the stock or the “formed” capital, permits to be confronted and exchanged the two types of capital. The “potential capital” essentially represents the value of the available work. The concept of the “potential capital” should not make a surprise to the readers. The capital of enterprises in this legitimacy can be made, as share’s capital, from the “formed capital” and the “future capital”, which is synthesized of the available, on the stock market, securities.

The “future capital” of the exchangeable securities is a form of “potential capital”. After the exchange (and the realization of capital), the “future capital” is transformed into an integral part of the new composition of capital. The proposal on work autonomy builds on this real and active form of enterprises’ financing. The recognition of the “potential capital”, the details of properties, and the procedures of the exchange can be configured by the law. The “potential capital” must be inalienable, because it represents the ability of the independent capacity of worker to survive with dignity. The institutional construction of the “potential capital” essentially equates for the first time in the capitalist development and the history of bourgeois society the private property with work.

The economic relationship between capital and labor represents an exchange relationship. The actual transaction looks like, if it is not absolutely identical, with the purchase of securities by capital. The securities have a particular value at the time of the exchange, which is imprinted directly on their price. They represent, in parallel, the expectation of profit for the holder of stock, which determines the future added value of the application of materialized work on the existed dimensions of capital or from the sale of the immaterial result of work. In these cases the value of the product of worker represents both the value of subsistence and of the profit of stock holder (c.f., Smith, 1887, 48-49). At the end of the contractual relationship, the mandatory procedure of results’ measuring, with the correlation of remuneration accordingly the “fair value”, follows (Holt, 2011). These procedures are complement of the stage of final payment.

The new model of employment has the possibility of limiting of the unpaid work, with exclusive economic conditions. A dynamic of limitation of exploitation in this form, does not in any way mean its elimination. But it is a huge improvement from the past and the present economic reality, because it allows the direct intervention of the worker during the phase of the exchange of commodities, not only during the phase of the exchange of “labor power”. This economic shift, which is absolutely present and clear, institutionally, today for a part of workers, is taking its importance by the future generalization.

The autonomous work, according to the present perception fully meets the modern achievements of production and work evolution. The profitability, by the use of the concrete status, corresponds to the highest standards of adaptability, production innovation and work flexibility in economy. In the new areas of production and use of the technology the autonomous work is the most appropriate type of participation of human labor. According to some approaches a new type of self-employed (the e-lancer), in the IT and the internet era, is going to prevail (Malone, Laubacher, 1998). The specific form of the workers is compatible not only in the technologically advanced sectors, but in the whole range of services too. It is suitable for the small industry (Benz, Frey, 2003, 2, 6-12) and for the big unities (Hammer, Champy, 1993, 65-68), with the modification of the working groups or teams. The autonomous labor is, in our opinion, the proper working status for the social economy (Gorz, *ibid*).

The idea of autonomous worker or producer could be absolutely useful as the one part of the solution for combating unemployment. The general implementation of this model of labor and work organization has, of course, major political and institutional preconditions. It is a major target. Nevertheless, there are capacities for the partial implementation of autonomous work without simultaneously the automatic overcoming of wage labor. The next proposal shows a view, in which the autonomous work and laborer add with the resolving of the one side of the problem of unemployment, namely the problem of creation of new enterprises and new jobs in these private institutions. Possibly, the availability of the concrete form of laborers could make easier the invention of a new form of investors, who are not truly entrepreneurs but they are financiers of the new procedure for combating unemployment. Let’s follow the words.

ii) Labor autonomy for combating unemployment

The enlargement of unemployment to the above mentioned rates, which are huge and unprecedented for modern social and labor progress, makes vague the escaping from the present situation. The fiscal situation of any country in crisis does not allow the financing of the economy through absolutely state’s resources, which would be proportional to the extent of the issue. Additionally the known and trivial methods are doubtful to reduce the problem of underemployment of labor and unemployment, or can deal reasonably and at a humanly tolerable time from the present condition. The economic climate, which instructed by the given fiscal and therefore budgetary situation in combination with high unemployment rate, feeds the pessimism of the holders of stock. After these conditions they would not welcome at any cost any risky or dark entrepreneurial attempt.

The long investment apnea, with its appurtenances, such as heavy taxation, the fall in rates of consumption and the banking weakness to lending (all these prevent the activation), add to the bleak economic situation and are guaranteeing a further problem. We mean firmly something which looks like a long punishment of workers. The absence from the employment looks like a necessary purification of those who are capable for work. The additional financial difficulties (like the Cypriot and Greek “capital controls” and the lack of physical monetary mass) are burdening the conditions of active entrepreneurship and create once again more halting to the employment of labor force.

The creation of an alternative, outside the known and common practice, is a debt. The alternative would have to be released by the absolute financial capabilities of the state. Needed by the carrier of the activation, at the same time, to initiate the available funds on the basis of their efficiency, namely according to their profitability. The need for profitability, however, had to face the economic pessimism and the stated detachment of holders of the stock from the entrepreneurial risks. So, it is necessary that the expectation of profitability be followed by the absence of obvious business and employers’ commitment. This framework characterized the terms of performance of available or joint funds, with the investments in securities with guaranteed yields. However this option is, so far, indiscernible. The creation of a similar performance from the known interventions, solely private or public, seemed darkling.

The alternative had to mobilize the workforce, without a declared business intervention in wage employment and without the next solution: the state should become an alternative employer. This means the existence of the “independent” labor activation of the unemployed persons and the appearance of the “independent or autonomous worker”. In this case, it would be required funds to pay the people and certainly a good coordination of the new type of independent workers to adequately communicate the offered services with the consumers. That would be completely possible at the local level with the appropriate institutional interventions. The initiative of the local authorities could certainly create the conditions of activation of the labor force. It contributes to the communication of the available funds with the unemployed persons, the coordination of the new type of workers with the market, and the reinforcement of aggregate demand.

The former unemployed persons are going to be autonomous workers and therefore the beneficiaries of the proposed policy. The beneficiaries are those of the registered unemployed persons, who in their agreement and after an application are going to contract with the program, for ten months, during its implementation. The contractual relationship with the Program means the automatic removal from the lists of unemployed (and thus from the related benefits) for the period of the Program (with the personal right to return if the procedure is not satisfactory or effectual). The possibility of reintegration in the program is unlimited, as long as it is active. The beneficiaries are supplied at the beginning of the first month with the securities issued under the responsibility of the competent institution.

The securities (either printed or electronic) are divided into two separate amounts: the contribution of stock holders and an equal contribution of the buyers of services. The proposed total amount of each security is equal to 23.4 or 11.7 USD (in the cases in which there is not a planned participation of the deposited capital). In the securities of 23.4 USD, 11.7 USD are the contribution of the deposited capital and 11.7 USD the contribution of the buyer of services. The gross total amount includes the insurance contribution (recommended as equal to 10% of the total amount, with an institutional regulation) and the amount of tax (at the single rate of 20%, after an institutional provision). In the case of securities of or 11.7 USD, the amount represents only the contribution of consumers and therefore security, beyond the net value, sub-includes two additional elements too: the insurance contribution and the tax.

Local authorities and the Employment Office inform the beneficiaries about the possibilities that exist in the local economy, in the relevant requested services. Local authorities announces publicly to the citizens of the community, the list of beneficiaries in the program, their declared professional interests, the kind of services in market and the process of their personal contribution in the services’ transaction (11.7 USD). The local authorities and their partners continuously monitor and regularly review the progress of the program, advice, and redirect participants, such as they inform regularly the local consumers of the delivered services. Each security relates in each working day only. It is, therefore, integral and inseparable. The beneficiary performs his service using the security fully in a single action, regardless of the hours of use of his work and the mode of the realization of the ongoing service. Therefore services, with different nature and specialization, can represent a single service, regardless of the time of its duration, or duration of an hour of work or even a full working day.

iii) The stock holders

The holders of the stock are selected following a call for proposals (by designated bodies for the implementing the program and) in accordance with the terms and conditions, which are contained in the relevant and necessary institutions. The holders of the stock deposit for twelve months their capital in a concrete account of the commercial banks. They are the initial financiers of the project. For this financing are entitled to the agreed special rate of bank interest, under which collect the respective amount from the banks at the end of the agreed (contractual) period and the agreed dividend from the yields of the program process, in ten months (after a twelve months period).

iv) The state's interference

The state regulates the whole procedure, with the proper institutions and rules. The nation-state co-finances with the monthly replacement of the withdrawals of deposited capitals, which fund (initially but partly) the aforementioned securities. Practically, the total public financing is equal to the value of the deposited capital, during the period of the program. This total value of public grants and therefore public spending is partly returnable. The value of taxes and the contributions to the social security system replaces the major part of public spending.

v) The consumers

The consumers are the basic financiers of the program, because they contribute with the major part of its budget. Consumers are benefited from this process and enjoy a large variety of services. They buy these services with great flexibility depending on their needs or their tastes. The purchase of services from the program is clearly for the consumers an act of social and community solidarity. But the trend for solidarity synergizes with the active and realistic economic relationship, namely without claiming the complete change of economic behavior. The drive to solidarity, through the regular market behavior, alters the social and community solidarity in an economically effective reality.

vi) The local authorities

Local authorities are the competent body to perform and report on the Program. They make the selection of the unemployed in the local context. The local authorities select the commercial banks and realize the contractual relation. They select the stock holders, following the related calls for proposals. The local authorities monitor continuously the procedure and inform all the factors of the program. They are responsible for the monthly reviews and the final review. They report the final results to governmental offices. They have the responsibility for the beginning and the end of contractual relations.

Conclusion

The projection of the alternative proposal has its pillars on three very strong bases: a) the broad changes in the division of labor and especially the movement from wage dependency to work autonomy, according to the productive organization of the most effective and profitable enterprises of the new age, b) the potential for the productive activation of a great social power, which comes from the unemployed people, and its contribution to the expansion of wealth, and c) the need and potential of the moderation of profits by stock holders, who are not regular entrepreneurs. All the above situations make an enough starting point for the reconsideration of unemployment and the solution of the difficult problem beyond the known limits of policies, technical methods and tools. The new trends in work division are well covered by the invention of the future single labor status of autonomous or independent workers (or producers). The autonomous workers operate like the independent partners with the regular enterprises or producers in front of common consumers. They use as a tool of all transactions a security, which adequate the "potential capital", namely the value of working time (which concludes the cost of social security and the taxes), with the possible profit of the orderers (in the case of partnership with another entrepreneur or an enterprise). The full proposal could not be used, without major political decisions and institutional regulations. Meanwhile, the explosive character of unemployment in some countries of EU and Euro-zone, after the recent economic crisis, permits the partial implementation of the above proposal, with the necessary modifications. The concept is that the officially unemployed people could be energized in the form of autonomous workers or producers.

In this minimal case, the security/coupon (of 23.4, or 11.7 USD) concludes the daily remuneration of the beneficiaries of the program (with the contribution to the social security system and the relative tax). The security of the concrete model includes either the synthesis of contributions of stock holders and consumers or only the contribution of consumers. The initial funding of the alternative procedure for combating unemployment is going to be produced by a special kind of capitals. These capitals are deposited in accounts of collaborated private banks, under the conditions of public calls of interest. The concrete capitals and then the deposits are the source of the necessary financing of the unemployed and then, during the next phase, the beneficiaries of the proposed policy. The stock holders are benefited by the interest of the banks and the dividends by the yield of the procedure. The yield of the policy is going to be come by the contribution of the citizens/consumers, who will buy the services of beneficiaries. The increase of values permits the added dividends and its distribution to the rest factors of this procedure, namely to the beneficiaries and the stock holders. The nation-state adds the procedure, with regulations and co-financing. In fact, the state shares the burdens of a great social problem. Its financing is partly returnable (see Appendix).

The whole process looks like a big private enterprise and its profitable results, with public support. There are the stock holders, who do not risk their capitals in an entrepreneurial adventure and achieve valuable but reasonable profits. There are the workers, namely the beneficiaries as ex-unemployed persons, who are not wage workers but autonomous workers (very similar to own-account workers). Finally, there are the citizens/consumers, who participate to the transactions and especially buy services they need at low prices (a fact which adds the increase of transactions). This attempt unifies the elements of entrepreneurship, in a way of effective co-operation, when they are divided and ineffective. The idea of this proposal is innovative but there are intellectual loans from the previous policies. The J.M. Keynes's model contributes by two ways in this proposition. The first element regards the role of aggregate demand for combating unemployment and the creation of jobs.

In the new proposal the concrete attempt is based on the creation of jobs and the sureness of the further mobilization by the incomes, which are expected to be created, for the necessary development. The second element is the conception of the single and coordinated method of financing of the policy for combating unemployment. The state and the specialized public institutions, in our proposition, have the power and the means to co-finance and coordinate the future policy, in a new form of combination between private and public sector. The W. Beveridge's method has its role in the formation of the proposal. There is the need for a full set of laws and institutional regulations for the arrangement of the steps and conditions for the implementation of the future policy. Nevertheless, the public policy has not, in this case, the prerequisite of the imposition of taxes and the precondition of the broad and permanent public structures and public employment.

The model of Employer of Last Resort (H.P. Minsky) gives the idea of a single mechanism of intervention for effective combating unemployment and a framework of the total amounts of needed funds for this policy, while it has the guarantee of an achievement in the case of Argentina. The proposed policy respects the above characteristics, but rearranges the problem of public funding, with a new synthesis. We repeat that the needed capitals are in a major part private and in minimal part public grants. Therefore, there is no need for using the typical fiscal tools for the extensive public funding of the process. Meanwhile, the state is not the future employer of last resort, but a useful coordinator from the first to the last minute.

The workfare (welfare-to-work) system contributes equally to the conception of the proposal. The synthesis of benefits with the obligation of work gave some ideas to our critical perception. In fact the concrete model gave some useful limits for the content of the difficult solutions, in a society and a political system, with negative correlations and strict doubts to any expensive measure and any tolerance to "laziness" of the beneficiaries by public policies. Additionally, the regional organization of the implementation of the system with flexibility, directs the proposed alternative policy. We have to accept firmly, that the title of the program, namely the *Reconciliation of the Holding of Stock with the Employment and New Activation in Regions* (Re.Ho.St.E.N.A.R.) has been influenced by the name of the B. Clinton's policy. In our approach utopia is not a vision. Simply, it is the desirable and, therefore, the next reality.

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Appendix: The simulation of the implementation

We expose a simulation of the implementation of the proposal, with the different mixtures of the number of beneficiaries, the necessary budgets and the yields of the procedure.

Graph 2

**Quantitative Versions of the Proposal
Number of Persons and Budgets (in USD)**

