



# Backcasting for sustainable employment: a Hungarian experience

Alexandra Köves <sup>1,\*</sup>, Gábor Király <sup>2</sup>, György Pataki<sup>1,3</sup> and Bálint Balázs<sup>3</sup>

- <sup>1</sup> Budapest Corvinus University, Hungary; E-Mails: [koves.alexandra@gmail.com](mailto:koves.alexandra@gmail.com) (A.K.); [gyorgy.pataki@uni-corvinus.hu](mailto:gyorgy.pataki@uni-corvinus.hu) (Gy.P.)
  - <sup>2</sup> Budapest Business School, Hungary; E-Mail: [kiraly.gabor@pszfb.bgf.hu](mailto:kiraly.gabor@pszfb.bgf.hu) (G.K.)
  - <sup>3</sup> Environmental Social Science Research Group, Szent István University, Gödöllő, Hungary; E-Mail: [balazs.balint@essrg.hu](mailto:balazs.balint@essrg.hu) (B.B.)
- \* Author to whom correspondence should be addressed; E-Mail: [koves.alexandra@gmail.com](mailto:koves.alexandra@gmail.com) (A.K.)

## Sustainable employment under the current paradigm: ecological modernisation

- Quick-fix to the triple crisis: the green economy and green jobs resulting in growth, job creation, reduced environmental impact
- Ecological modernisation: through technological advances the economy will become more environmentally friendly and “... *the dirty and ugly industrial caterpillar will transform into an ecological butterfly...*” (Huber)
- Higher eco-efficiency: reduced emissions per unit of production
- Tools: financial incentives pushing economic actors towards ecological modernisation; green taxes making environmentally harmful activities more expensive and labour cheaper (“double-dividend” effect)

## Critical thoughts on ecological modernisation regarding environmental sustainability

- **Weak vs. Strong sustainability:**
  - Weak: natural and man-made capitals can be substituted with each other and the level of consumption can be maintained as long as the utilization of the natural capital goes towards the creation of the man-made capital and not towards profit
  - Strong: does not allow for such substitution and insists that the stock of natural capital remains constant
- **Relative vs. Absolute decoupling:**
  - Relative: Savings in energy costs made by economic actors through greener technology will be spent on further consumption (rebound effect), i.e. pollution per unit of consumption decreases but overall consumption still does not respect the biosphere's carrying capacity
  - Absolute: overall throughput of economic activity would be decreased or at least maintained on its current level
- **Ecological modernisation...**
  - only aims at weak sustainability and relative decoupling
  - requires no major changes in our ways of thinking and living

## Critical thoughts on ecological modernisation regarding social sustainability

- Ecological modernisation...
  - does not touch upon social status quo
  - does not address the problem of social cohesion and uneven distribution
- Employment effects of the technology-based solutions of the green economy are controversial
  - only creates new jobs in the short-term
  - higher demand in labour occurs generally in the investment phase of these innovations only delaying unemployment problems
  - major motivating factor behind these investments by businesses is cost reduction - new technologies will naturally attempt to further reduce costly labour intensity
- Capital intensity of the investment phase also has to be covered partly through savings that are likely to occur by reducing labour-costs

# Sustainable employment under the radical change paradigm

The radical change paradigm...

- disposes of the concepts of the free market economy and believes that new "great transformations" are unavoidable (values must change just as much as institutions)
- refuses to accept its definition of welfare solely in terms of levels of consumption; its characterisation of work as purely paid labour; and its seemingly problematic attachment to the ideal of full-employment
- presumes that same levels of well-being can be maintained even with a fall in consumption levels through the redefinition of human needs and work
- is supported through schemes like
  - the guaranteed basic income that would allow for essential subsistence for all citizens
  - community work, social enterprises (they would no longer be just a haven for those crowded out of the labour market)
  - work time reduction schemes as the means of enhancing well-being
  - eco-localism or bio-regionalism that support environmental sustainability and social cohesion through local production and consumption networks

# Need for policy tools to facilitate alternative approaches

- Sustainable policies should try to deal with the limits of the biosphere's supporting capacities and address the problems of unequal distribution and the widening of the social gap
- Policies seem to be unable to revert to new directions due to the complexity and path dependency of current economic and social systems
- Transition management (TM) is an approach that attempts to determine policies that are able to facilitate such transformations under conditions of uncertainty, complexity, and need for continuous learning and adaptation
- Backcasting is one of the techniques applied by TM

# Backcasting as a technique

- Backcasting...
  - is part of a bigger category of methods called normative scenarios
  - starts with the establishment of a normative vision of the future and designs its way back to the present as opposed to the extrapolation from the present to the future exercised in forecasting
  - works backwards by strategizing and planning the necessary steps to achieve the given set of goals embedded in this future vision
  - supposes that decisions made today do influence our prospects and hence provides opportunities in moving towards a desired future
  - is by nature a participatory and deliberative exercise

# The Hungarian backcasting experiment on sustainable employment

- The research project was financed by the National Sustainability Development Council of Hungary
- Thematic choice of sustainable employment: a sufficiently complex policy field with fundamental importance that incorporates the technological elements, social patterns and cultural factors and requires the deliberation of people with many different viewpoints
- 16 participants from varied backgrounds and from different sectors (business, civil, academic and public) but were all in some ways related to employment issues
- 2-day backcasting workshop on what sustainable employment in Hungary in the year 2050 would look like and back cast from that vision what policy recommendations the participants may have for decision-makers



## The vision I.

- Work in Hungary in 2050...
  - is not merely a tool for basic subsistence but also a “source of well-being” and prime motivation is no longer subsistence but self-actualization, self-development and the feeling of social usefulness
  - does not consist only of a paid job
  - means that one can engage flexibly in many different work activities, in many different legal forms and hence retain more control over one’s life
  - does not only exist in institutionalized forms
  - is not purely part of the economy as people also do work that is “*not necessarily monetized*” (the non-monetized forms of employment such as barter or LETS become legally acknowledged)
  - is meaningful and useful in many different segments of life
  - Includes learning as a recognized form of employment
  - is performed predominantly locally, or even from home but so-called “office café” solutions also exist where people can work outside their homes
  - Is no longer arduous and monotonous as technology transform these jobs (“*There is nobody digging trenches in 2050.*”) - However, if someone still needs to perform such demanding jobs, society fully appreciates them both morally and financially

## The vision II.

- In Hungarian society of the 2050s...
  - the role of communities is of rising importance and builds on values of cooperation, trust and solidarity
  - society operates as a network of many smaller communities
  - both working in the community and working for the community becomes important
  - community ties of individuals are strong and communal events are frequent
  - the network of trust is operational and trust itself is treated as a prime social asset

## The vision III.

- In the Hungarian economy of 2050...
  - economic actors are not merely for-profit or non-profit organizations as for-profit actors are sensitized (or coerced) being environmentally and socially responsible organizations that build these aspects into their everyday decision-making and represent unambiguous community values
  - management culture embraces empowerment, where employees have certain degrees of self-determination
  - bonuses include solutions that facilitate the new, diverse types of employment such as sabbaticals or work-time allowances for volunteering activities
  - consultations with workers' associations are based on trust and dialogue, where both parties are present as partners
  - in the case of inevitable downsizing, outplacement services are provided on a wide basis to employees

## The vision IV.

- In the Hungarian economy of 2050...
  - different co-ownership schemes for workers are common
  - cooperatives are rediscovered and many work in the predominantly non-profit social economy
  - as in the for-profit sector social corporate responsibility becomes the norm, at the same time corporate governance becomes widespread among non-profit organizations
  - overall, non-profit approaches are built into the operations of for-profit companies, while non-profit organizations internalize the essentials of economic operations

## The vision V.

- Technology in the 2050s...
  - supports flexible working arrangements, improvements in quality of living, substitution of arduous and monotonous jobs, equal access to work and public services and participative decision-making
  - means less work is available but this does not imply higher unemployment but rather more opportunities for redefining work
  - does not just cover technological advancement but also social innovations
  - must also aim at preserving traditional cultural values, and safeguarding those who work with traditional technologies. (This way besides modern technology, traditional knowledge has a legitimized role in society)

## The vision VI.

- In the knowledge-based Hungarian society of the 2050s...
  - education and training in many different forms play an outstanding role in all ages
  - in case of children, the frontal, class-based school system is replaced by education that respects individual talents, is tailor-made, and involves parental guidance as well
  - young people have the chance to try themselves in different jobs and get experience under protected circumstances
  - adults train themselves regularly but not necessarily in formal institutions
  - both formal and informal education and self-development is acknowledged and regarded as standard part of working life
  - a number of career changes in a person's life is considered the norm

## The vision VII.

- The relationship of employment and environmental sustainability in Hungary in 2050 means that...
  - individuals as well as economic actors are environmentally conscious both due to their inner values as well as due to the regulatory environment
  - environmentally friendly workplaces involve energy efficiency as well as aspects of occupational health including ergonomic perspectives and the increased consciousness of the detrimental effects of work overload
  - the ecological aspects are taken seriously especially in the agricultural sector, that builds a lot more on human labor than chemicals (hence, more people are employed in agriculture)
  - the redefinition of work implies a rise in the appreciation of human skills and labor and this leads to “*mending things rather than scrapping*” as “*we do not ditch other people’s work*”
  - the new approaches to working lives also enable people to take more responsibility for and better care of their own environment

## The vision VIII.

- Globalization in Hungary in 2050 means that...
  - globalization is more of a global network of local economies and societies
  - local production and consumption, and hence local employment play a significant role
  - there is no limitation on goods and services imported from the global arena, only that local products and services enjoy certain advantages
  - employees are free to choose whether they work locally or globally (as this adds to the desired diversity of working arrangements) but the pressure on mobility eases
  - individuals may have strong ties to a locality but this rather indicates solidarity with a given community than the lack of mobility



## The vision IX.

- The Hungarian state in 2050...
  - is a democracy but significantly more decentralized both in terms of decision-making and financial resources than today
  - ensures that individual, community, and state responsibilities are clearly distinguished and decisions are taken on the levels where responsibility lies
  - covers a wide range of institutions with different authorities and the link between the citizens and the “central” state is therefore only indirect
  - still has redistributive tasks centrally through the guaranteed basic income ensuring the basic subsistence of citizens
  - changes the role of the public employment service from the administration of unemployment benefits and the assistance of the unemployed (due to basic income, this concept becomes outdated) to supporting and brokering services for all employees

## Summary of the vision

- The vision...
  - contains mixed elements of the ecological modernization and radical change paradigms
  - abandons the ideal of full employment
  - makes way for a life where people are free to work not because they are forced by their subsistence but because work is an activity that serves the well-being of both their community and their own
  - defines well-being not only in material terms but also in terms of self-development; self-fulfillment; sufficient time for nurturing family and community relationships and access to a healthy environment
  - enriches the forms of employment and disposes of the idea that employment generally means a 40-hour paid labor week
  - encourages local production and consumption, but believes that the varied nature of employment would also cover the open opportunities for globalised employment and labor mobility
  - is technology-optimist

# Policy recommendations I.

- Policy goal: to recognise work done beyond the economic sphere (such as community, family, self-development) in order to provide people with the choice to work in many different employment forms doing diverse, meaningful and acclaimed jobs
  - the legal and social system should embrace and encourage employment forms besides paid labour (such as self-employment, household employment, LETS, barter and all atypical employment forms)
  - local employment should be supported but barriers to global employment should also be eased at the same time, leaving the individuals the option to decide
- Policy tools:
  - abolishment of administrative obstacles
  - introduction of new legislative frameworks for those elements that are currently not available
  - communication campaigns and financial incentives
  - introduction of the guaranteed basic income that facilitates the redefinition of work

## Policy recommendations II.

- **Policy goal:** to support non-profit organizations to become an integrated part of the economy, while at the same time encouraging for-profit companies to take on board social values in order to ensure that people work in an environment that is based on cooperation and trust and embraces true social dialogue
- **Policy tools:**
  - awareness-raising campaigns and financial incentives
  - introducing trust-building elements into public administration, for example by encouraging real participative social dialogue
  - legal sanctions (later on)

## Policy recommendations III.

- **Policy goal:** to keep the detrimental effects of work and the harming of the environment at a minimum level (The notion of sustainable employment must include that neither the work environment, nor other elements of employment - e.g. overwork, stress - lead to any damages of health.)
- **Policy tools:**
  - awareness-raising and legal establishments to ensure healthy and environmentally friendly working environments, proper work-life balance, and food safety

## Policy recommendations IV.

- **Policy goal:** to provide opportunities for people to realize and develop their own potentials both in education and training and on-the-job
- **Policy tools:**
  - introduction of new, innovative forms of learning and new types of learning infrastructure
  - legally acknowledge training as employment

## Policy recommendations V.

- Policy goal: to establish the role of technology in supporting sustainable employment
- Policy tools:
  - financial incentives encouraging targeted technological and social innovations including a wide-range of potential applications from the introduction of trust-building, participative community decision-making; through boosting the creative industry, until facilitating equal access to employment, locations and services
  - prevent the disappearance of traditional professions

## Conclusions

- Current paradigms have significant limitations on achieving strong sustainability
- “Thinking out of the box” may be considered illusory in current policy making as the complexity and path dependencies of our social and economic systems disable decision-makers to leave known grounds behind
- Post-normal science acknowledges the fact that no clear-cut answers exist to questions like sustainability but the quest itself to find some solutions beyond our comfort zones may lead us in the right direction
- The technique of backcasting can be one of the tools as it allows for a multi-levelled and trans-disciplinary approach of complex problems when current trends are obstacles of systematic and major changes
- The experimental application of the backcasting approach in Hungary for sustainable employment showed that it is indeed possible to design feasible policy recommendations with an alternative future vision in mind when dealing with path-dependent systems burdened with lock-in effects



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