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How can we solve the social crisis after COVID-19 and before robotization of workplace in the EU and national level – basic income or general minimum wage?¹

Summary

The changes of the labour market have strong characteristics compared to the earlier eras. These changes are primarily the changes happening due to the process of digitalization coming to the foreground which will significantly transform the structure of the labour market². The time shift between the terminating workplaces and the new ones resulting from the application of new technologies and the retraining of the employees will result in an intermediate time interval. The maximal use of this time interval will be typical mainly for the low-educated manpower. However, based on the principle of national social care, these people cannot be left without provision. This problem has become really urgent because of the COVID-19 epidemic reaching Europe on the spring of 2020. More countries have introduced basic income or a similar kind of social benefit. The reason for this step is the significant employment crisis which is the consequence of the lock-down that has been applied in certain countries in order to stop the spread of the virus. But basic income is only one element of the system, so the issue should be examined in terms of minimum wage and minimum income.

Keywords: COVID-19, minimum wage, UBI, minimum income, employment crisis

¹ Written form of my earlier presentation from LLRN 5 conference 2021.

* The described study was carried out in the framework of the “K 120158, K_16” researching theme study called “The position of the more vulnerable party in employment relationships in the light of European and Hungarian regulation” supported by the National Research, Development and Innovation Office.

² M. Vallasek: *Digitalizáció a munkajogban, munkavállalók a közösségi oldalakon – adatvédelem, szabályozás és dilemmák*, *Symbolon*, 2020, XVIII:1, 34, 89–100; M. Vallasek: *Digitális munkahely – a jövő munkahelye?*, *Symbolon* 2020, XIX:1 63–73.

1. Introduction

#stayhome became one of the mottoes of the year 2020. The reason behind it was that one of the attack areas of the new-type coronavirus is human manpower. Lots of people have changed to the method of home office and teleworking in the frames of the #stayhome movement. Over these, the mobility characterizing the earlier period fell back to almost zero. Almost complete industrial sectors (such as tourism, hospitality or performing arts) have stopped because of the employment crisis. In these sectors, but in others as well, lots of people lost their jobs. These are typically such jobs which could not be performed from a home-office or in the frames of teleworking. These effects were especially shocking for the national labour market as well. The crisis primarily affected the ones with no savings. Some people who had lost their jobs were not entitled to unemployment benefits, or if they were, they were entitled to only basic care because of the black or grey employment in the given sector. In 2020, 8.8 per cent of global working hours were lost relative to the fourth quarter of 2019, equivalent to 255 million full-time jobs³. The idea of the introduction of universal basic income has emerged in more European states⁴. The explanation for this is that universality cannot be found in the conception of all the countries dealing with it on an experimental or introduction level. So, it can rather be said that the idea of basic income has emerged, which could be imagined in even a universal form by certain states. Of course, the idea did not originate as a consequence of only the epidemic itself, but the employment crisis caused by it. The basic income has been a topic of public discourse in the recent years in the mirror of the digitalization of the labour market and gig economy as well.

Regarding the digitalization of the labour market, some issues have emerged, such as the necessity of particular connection of benefits in

³ ILO Monitor: COVID-19 and the world of work. Seventh edition Updated estimates and analysis, ILO, https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_767028.pdf, (30.04.2021).

⁴ Havi 1200 euró munka nélkül – Németországban is elindul a nagy kísérlet, <https://www.portfolio.hu/gazdasag/20200820/havi-1200-euro-munka-nelkul-nemetorszagban-is-indul-a-nagy-kiserlet-445568>, (05.09.2020); *Alapjövedelem és koronavírus*, <https://ujegy-enloseg.hu/alapjovedelem-es-koronavirus/>, (05.09.2020).

cash and in kind in the retraining period⁵. Literature raises the issue of introducing basic income for such periods. The question is whether it could be an appropriate tool in the interim period, and whether such a benefit should be extended to the whole society, or not. That is why the issue came to the foreground in the spring of 2020, since a sudden interim period developed due to the pandemic. A new research also shows that the changed life and labour market circumstances demand a new perspective from states and companies. The companies and governments should provide an appropriate social net⁶. One way to develop the social safety net could be to introduce a basic income. There are a number of states that are piloting this on a small or large scale. In May 2021, Gavin Newsom, Governor of California, announced that 35 million dollars would be allocated in the 2022 budget to fund local basic income programmes⁷.

The question is: how should we imagine this social net, and what elements should be included? I cannot answer this question in the frames of this study, but in my opinion, it is important to highlight two concepts which may be determinative elements of the new or renewed systems: one is minimum wage, the other is minimum income.

We are faced with questions such as how can the introduction of minimum income influence the rules of minimum wage? The issue is also current because the initiative of the European Union to introduce minimum wage seems to have failed due to several reasons, but the issues of the introduction of (universal?) basic income regularly occurs in its other documents about digitalization and the application of new technologies in the world of labour⁸. Another reason for this examination is that Ursula von der Leyen, the president of the European Com-

⁵ G. Mélypataki, K. Lipták: *Munkajogi és gazdasági kihívások a jövő munkaerőpiacán, International Journal of Engineering and Management Sciences/ Műszaki és Menedzsment Tudományi Közlemények* 2020, (5):1, 120–134.

⁶ Resetting the Future of Work Agenda: Disruption and Renewal in a Post-COVID World – White paper October 2020, http://www3.weforum.org/docs/WEF_NES_Resetting_FOW_Agenda_2020.pdf, (27.10.2020).

⁷ G. Newsom: California State Budget 2021–22, <https://www.ebudget.ca.gov/Full-BudgetSummary.pdf>, (23.11.2021).

⁸ C.A. Pissarides: The Future of Work in Europe, https://ec.europa.eu/economy_finance/bef2019/press/documents/pissarides_tps_speech_en.pdf, (05.09.2020); Report of the Parliament of the European Union with recommendations to the Commission on Civil Law Rules on Robotics (2015/2103(INL)) Point 44.

mission highlighted in her speech on 16 September 2020 that the European Commission intends to submit a proposal for supporting the member states to create the frames of minimum wages. Everybody should have access to the minimum wage by either collective bargaining or minimum wages prescribed by law. She highlighted that she supported collective bargaining, and the proposal would completely respect national competences and traditions⁹.

These two questions should be answered: how the two institutions may influence each other, and which tool would be more efficient even as a universal European minimum standard or in the national law. A further question is whether these solutions could be combined. Both determining minimum wage and basic income suggests a completely different attitude that should not be a problem on its own, but the political overtones and environment behind the certain solutions should always be considered, which is as much important as professional feasibility.

The methodology used in this research is based on a comparison of minimum wage and basic income. The field of this comparison is national and international law in parallel. The study tries to reflect on the most important elements with its toolbox. The distinction between the different levels is not always sharp, but this is also due to the characteristics of the two institutions under study.

1. Minimum wage

Minimum wage is an employment policy legal institution existing for quite a long time, which is usually called mandatory minimum wage or mandatory wage¹⁰. The role of minimum wage is to ensure the employees' right for an appropriate life. On the other hand, as Éva Nyerges highlights, minimum wage is a social intervention to the perfect competition and the natural market mechanisms. She adds that the

⁹ U. Von Leyen: State of the Union, Parliament Plenary Brussels, 16 September 2020, https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_1655, (27.10.2020).

¹⁰ In the frames of the current study, I do not cover the issue of guaranteed minimum wage that could be interpreted as a special form of minimum wage. See: T. Prugberger, Cs. Csák, H. Tóth: *Hungarian legal regulation of workers' guaranteed payments in cases of employer insolvency – A review in the light of EC Directive 80/987, South-East Europe Review for Labour and Social Affairs* 2002, (5):2, 95–100.

institution of minimum wage is probably the most tangible example of the obvious conflict of interest in which labour law tries to create balance¹¹. This duality mentioned above is not a coincidence. The demand for the regulation of minimum wage occurred quite early, precisely in the session of ILO (International Labour Organization) in 1928, where the Convention No. 26 was about the procedure for defining the lowest wages.

The governmental regulation of mandatory minimum wage is one of the most significant steps in the history of labour law in the different countries, and it can be associated with the era of governmental intervention, even if the ILO convention mentioned above were mainly a technical detailing legal document. The following question may rightly arise: why was the government's such deep intervention in the parties' relationship necessary? The reason for this is partly founded by the currently valid thoughts defined by the ILO Convention No. 26. According to the ILO convention, the contracting states should develop or maintain procedures which make the determination of the lowest wages possible for sectors or employees working in such farms and/or industrial sectors (especially in connection with working at home) in which sectors there are not effective procedures for the determination of wages either by labour law rules or working contracts or by other means, and in which economic sectors the wages are especially low¹². The regulation cited earlier was extended to only a part of the industry. The Convention No. 131 of the ILO and the Recommendation No. 135 attached to it prescribes the elaboration of a general minimum wage system extended to every employee¹³. According to Article 2 of the convention, the lowest wages should have the power of laws, they cannot be decreased, and missing their application should entail appropriate punitive or other measures against the responsible person or persons.

Minimum wage exists in most of the European states. Different and country-specific characteristics are included in the determination of its level in every state. It can be exemplified by comparing the amount of

¹¹ É. Nyerges: *Az állam gazdasági jogalkotásának céljai és hatásai a bérszintekre: a minimálbér és garantált bérminimum aktuális kérdései*. In: J. Galvanits (ed.): *A gazdasági jogalkotás aktuális kérdései*. Budapest: Dialóg Campus Kiadó 2019.

¹² ILO Convention No. 26. Article 1.

¹³ T. Gyulavári (ed.): *Munkajog*. Budapest: ELTE – Eötvös 2013, 328.

minimum wage introduced in the city of Geneva in September 2020¹⁴ and the rules and amount of minimum wage introduced in any Eastern European countries¹⁵. The basis of the regulation of minimum wage is the insurance of the appropriate standard of living for people living of work. Minimum wage provides help and an alignment point for this. The amount of minimum wage is influenced by more phenomena. In recent years in Hungary, labour shortage has meant the buoyancy which also affects the general wage level as well. But this has not the same effect on everyone, so it is necessary to deal with other especially important social phenomena as well.

However, when discussing the rules of minimum wage, not only the validation of classic labour law principles is important, but the examination of its social effects as well. Besides the minimum wage in the Union, one of the subjects of the public discourse related to minimum wage is the phenomenon of in-work poverty. On the one hand, in-work poverty means the issue that is also highlighted by the summary of the Friedrich Ebert Stiftung: how much income should a person/family have monthly to live a life adopting to the European standards of the 21st century?¹⁶ According to the resolution of the European Anti-Poverty Network (EAPN) published in 2013, the definition of in-work poverty is the following: “The share of persons who are at work and have an equivalised disposable income below the risk-of poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers)”¹⁷. The amount

¹⁴ Genfben bevezetik a minimálbért, átszámítva havi 1,3 millió forintot (Geneva introduces minimum wage – 1.3 million HUFT/month converted), <https://24.hu/kulfold/2020/09/28/genf-minimalber-szavazas/>, (27.10.2020); Mise en œuvre de la loi sur le salaire minimum dans le canton de Genève, <https://www.ge.ch/document/mise-oeuvre-loi-salaire-minimum-canton-geneve>, (27.10.2020).

¹⁵ Minimum wages, July 2010 and July 2020, [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Minimum_wages_July_2010_and_July_2020_\(EUR_per_month_and_%25\).png](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Minimum_wages_July_2010_and_July_2020_(EUR_per_month_and_%25).png), (27.10.2020).

¹⁶ Dolgozói szegénységről és a kitörési lehetőségről – Háttéranyag a „Mit lehet tenni a dolgozói szegénység ellen? – a minimálbérkérdés unortodox útja Magyarországon” című konferenciához, Friedrich-Ebert-Stiftung Budapest March 2015, <https://library.fes.de/pdf-files/bueros/budapest/12521.pdf>, (27.10.2020), 3.

¹⁷ Working and Poor – EAPN Position Paper on In-Work Poverty, 2013 November, <https://www.eapn.eu/wp-content/uploads/2016/05/2013-EAPN-in-work-poverty-position-paper-web.pdf>, (27.10.2020), 4.

of the available income should be examined based on the definition of the Eurostat.

But how does in-work poverty come to the picture in the labour market situation caused by Industry 4.0 and COVID-19? On the one hand, the automation of work processes will cause the loss of numerous workplaces in a short term. These changes will affect the lowly paid people employed on minimum wage who are mostly low skilled. The labour market crisis developed due to COVID-19 projects well what can be expected after greater level automation. As it stands out from the common minimum wage proposal of the Parliament and the Commission of the European Union, the role of minimum wage is becoming even more important at the time of economic relapses. COVID-19 crisis especially hit those sectors where the rate of employees with lower salaries is higher, such as retail and tourism, and it had a greater impact on disadvantaged population groups. To support the sustainable and inclusive economic boom, it is indispensable to ensure the access of employees to the employment opportunities and appropriate minimum wage¹⁸. The proposal also highlights that the role of minimum wages becomes more important for the protection of lowly paid employees in case of an economic crisis, such as COVID-19 crisis, and it is indispensable for supporting the sustainable and inclusive economic recovery. The management of minimum wage contributes to the equality between genders, the abolition of differences in wages and pension salaries between genders, and the rescue of women from poverty¹⁹.

Besides that, minimum wages are also important in the light of structural trends transforming the labour market, and they are increasingly characterized by the proportion of non-standard and precarious work. These tendencies have led to the increased polarization of workplaces that has resulted in the increase of the rate of low-paid and low skilled occupations in most of the member states and caused higher

¹⁸ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on adequate minimum wages in the European Union {SEC(2020) 362 final} – {SWD(2020) 245 final} – {SWD(2020) 246 final} 2.

¹⁹ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on adequate minimum wages in the European Union {SEC(2020) 362 final} – {SWD(2020) 245 final} – {SWD(2020) 246 final} 17.

wage differences in some of them²⁰. Minimum wage is a state guarantee to provide an adequate basic-level income for the employees for their work. It could be seen in several member states how the widely-discussed minimum wage ensures workplaces and creates justice for both the employees and the companies really appreciating them²¹. The role of minimum wage is to provide such a minimum standard under which the employer cannot go in legal frames in a complete employment relationship neither in case of performance nor time wage.

According to the document called “Létminimum és társadalmi minimum 2019 Magyarországon” (in English: Subsistence minimum and social minimum 2019 in Hungary), the minimum subsistence level of a typical household consisting of two active-aged persons and two children is 294 055 HUF. The average subsistence level per capita in this household was 73 514 HUF. The values calculated for per capita valid for different household types in 2019 were between 58 500 and 94 800 HUF²². By comparison, minimum wage data have been showing a significant increase for years. However, as it has been already mentioned, the labour market situation has been significantly influenced by labour shortage as well.

The current pandemic situation and the digitalization of the labour market interrupts these processes. The options are narrowing, and, in my opinion, the decrease of the value of work can be expected.

In my opinion, this comes from the manner in which the basics of Industry 4.0 requires gaining new competences. Companies that have been managed from only one centre are transforming to such companies that are managed by the set of the employees, partners, traders and especially the clients. In Industry 4.0, we will manufacture and consume with personalized manufacturers. Based on the above, Indus-

²⁰ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on adequate minimum wages in the European Union {SEC(2020) 362 final} – {SWD(2020) 245 final} – {SWD(2020) 246 final} 17–18.

²¹ Resetting the Future of Work Agenda: Disruption and Renewal in a Post-COVID World – White paper October 2020, http://www3.weforum.org/docs/WEF_NES_Resetting_FOW_Agenda_2020.pdf, (27.10.2020).

²² Létminimum és Társadalmi minimum 2019-ben (előzetes adatok) (Subsistence minimum and Social minimum in 2019 – preliminary data), <https://policyagenda.hu/wp-content/uploads/2020/09/L%C3%A9tminimum-%C3%A9s-t%C3%A1rsadalmi-minimum-el%C5%91zetes-adatok-2019.docx>, (01.11.2020), 2.

try 4.0 is the set of concepts of supply chains and technology. Its basis is the concept of cyber-technological systems, the internet of things and the internet of services. This structure is a great contribution to the creation of the future vision of intelligent factories²³. And the situation caused by the virus will be the indicator of the industrial development. We can see a similar evolutionary leap here in the medium term in the economy and the labour market as the one that took place at the time of the industrial revolution. Industrial revolution has brought freedom, and the devaluation of work with it as well. The psychologist Steve Taylor claims that the 40-hours work week developed due to the industrial revolution as a milder form of slavery. He explains that during the industrial revolution, people were imprisoned in factories and mills during almost the whole time of their wakefulness as the subjects of work, working in terrifying conditions for horrible wages, and usually dying young. Working conditions are much better now, at least in the economically more developed parts of the world, as he adds. But we still have room for improvement, as he points out that we are still not moving in the most positive direction.

We can agree with him more or less in that we are still living with the heritage of the industrial revolution, in the scare of the wrong idea that work determines us, and it has to be the primary aspiration of our lives. We are still living as such economic objects whose main value is what we can produce²⁴. We can say that we are standing before a leap similar to the one when manufactures replaced guilds²⁵.

According to the literature, two main functions of minimum wage can be identified. Minimum wage should fulfil two primary functions on the offer side of the labour market. On the one hand, it must ensure that the income of the employees cannot fall under the generally socially accepted level. This function could be called the socially protecting function of minimum wage. On the other hand, minimum

²³ K. Resul: *Industry 4.0 in Terms of Industrial Relations and Its Impacts on Labour Life*, 3rd World Conference on Technology, Innovation and Entrepreneurship (WOCTINE), 590–601.

²⁴ T. Steve: *The psychological benefits of working less*, The Conversation, <https://theconversation.com/the-psychological-benefits-of-working-less-128038>, (29.10.2020).

²⁵ D.A. Máté: *Magyar munkajogi szabályozás fejlődéstörténeti áttekintése az ipari forradalomtól napjainkig*, *Publicationes Universitatis Miskolcensis Sectio Juridica et Politica* 2019, (XXXVII):2, 64–83.

wage should be motivating enough for the employees to approach productive activities in an active way. However, the positive approach influences the state's involvement as well, since the standard of living provided by the minimum wage should be more favourable than the passive approach based on social insurance benefits. This function of minimum wage could also be called the economic-critical function²⁶.

The legal institution of minimum wage fulfils its two main functions even in the strongly digitalized economy. According to the study carried out by the analyser company called Trexima, minimum wage should be maintained, because it is one of the tools in the fight against in-work poverty.

At the same time, the function of minimum wage is the inhibition of decreasing wage levels on the side of the employers, to avoid the phenomenon when employers offer below one another. With the introduction of new and subsequently cheaper technologies, there is a risk of this, so it is necessary to define such guarantees, because, looking at the Hungarian data only, the Hungarian government is going to create additional hundred thousand of workplaces in the last wave of the three-stage digitalization of the labour market. However, although the document does not say it, a significant part of this is employment on minimum wage. Automation and AI will affect mainly skilled workers and unskilled labour; these jobs are expected to transform completely in the third, autonomous wave. The character of the work of every third skilled or unskilled worker is going to change²⁷. But if data are viewed in global terms, about 85 million jobs will disappear: "The 85 million disappearing jobs will affect the following occupations: data recording administrators, administrative and executive secretaries, mechanics and factory workers, customer service workers, business and administrative service workers. And among others, there will be the 97 million new jobs: data analysts and scientists, information safety analysts, process automation specialists, specialists of 'the network of

²⁶ A role of minimum wage in the 4th industrial revolution – Increasing a level of minimum wage as a tool in a fight against employment polarization, precarious work and increasing poverty, https://www.digitalfastrack.eu/sites/default/files/public/20181127_Prague_Study_2_The_minimum_wage_and_the_4th_industrial_revolution.pdf, (30.10.2020).

²⁷ Hungary's Artificial Intelligence Strategy 2020–2030, <https://ai-hungary.com/files/e8/dd/e8dd79bd380a40c9890dd2fb01dd771b.pdf>, (23.11.2021).

things”²⁸. The pressure on higher wages (partly because of the increase of minimum wage) leads to the faster implementation of digitalization and the automation of production.

However, minimum wage can help only in the cases when we are talking about an existing or transforming, but not disappearing employment relationship. Its main characteristic is also included in the name “minimum wage”: it is the price of work. A price below which you officially cannot be paid in a full-time employment in the certain state. Minimum wage is an active tool, as it has been mentioned before, which is multifunctional, and its value should be protected besides the definition of the prohibition of withdrawal.

But it should be seen that not only active, but also passive benefits are also needed. Nowadays, these are classically still the social insurance and aid benefits, or employment policy allowances defined in the frames of social security systems.

2. Minimum income

If the thought above is continued, it should be seen that wage, and so minimum wage is a contractual allowance paid for active working activity. Income is a much wider concept based on which we can meet its concept in the mirror of tax- and social law provisions. Income is a revenue from a kind of source. In this term, wage and wage-like allowances are also the elements of the definition of income. But how can minimum income be connected to the above? According to Prinz, minimum income is a level below which no one can earn money in a certain geographical area²⁹. He primarily sees the conceptual accuracy in its demarcation from universal basic income. It is really important, but it is necessary to view its relationship with minimum wage. Minimum wage is the lowest amount below which you cannot earn money in the form of an income from an 8-hour employment a day. Even if it is a time wage and even if it is performance pay. Minimum

²⁸ Euroológus: Szociális háló nélkül nagy baj lehet a munkaerőpiac átalakulásából, https://hvg.hu/gazdasag/20201027_Radikalisan_atalakul_a_munkaeropiac_uj_foglalkozasok_jonnek?fbclid=IwAR3eT5ZyM-nGhm0nQAltzL2HsWWQT6WkE0ZHipCW-mDmUE3NtIrp1vMtzMak, (30.10.2020).

²⁹ D. Prinz: *Miért nem jó ötlet a feltétel nélküli alapjövedelem*, <https://qubit.hu/2019/06/13/miert-nem-jo-otlet-a-feltetel-nelkuli-alapjovedelem>, (30.10.2020).

income can mainly be described by the conceptual range of guaranteed income, which is the thought that also occurred in Martin Luther King's speeches. The relationship between the two pieces of legislation needs to be nuanced, as the Governor of California Gavin Newsroom pointed out: "What I saw on COVID-19 was not that people didn't want to work. People were putting their health at risk by working during the pandemic. People like to work and contribute to public values, but they also know that work doesn't cost money. Nowhere in the state do minimum wage jobs pay enough to pay the rent. We expect the guaranteed income to be an effective tool to give people autonomy to decide what kind of work they want to do"³⁰.

The crisis caused by the pandemic has brought the topic to the foreground in the certain countries, so as in Hungary as well. The representatives of the Párbeszéd Mozgalom submitted a proposal for decision in the Parliament³¹ which defined that the government should introduce basic income to balance the crisis-caused income loss, and it should guarantee at least 100 000 HUF income monthly for every Hungarian citizen. But other examples could also be seen from earlier solutions: the municipality of Zugló (Budapest) applied a basic income construction that complemented the income of households to 26 000 HUF where it was lower. By the way, the issue is continuously on schedule in the European Union as well. During 2012, the Commission presented a Communication providing a detailed assessment of the implementation of active inclusion strategies at national level, including the effectiveness of minimum income schemes, and outlining how EU programmes can be used to support active inclusion³². Over these, a novel movement was also started because of a novel European civil initiative³³. Previous attempts have failed, but the issue is still on the

³⁰ Michael Tubbs talks about Gov. Newsom's basic income proposal, https://californianewstimes.com/michael-tubbs-talks-about-gov-newsoms-basic-income-proposal/349583/?fbclid=IwAR1xca8yLV6CDkwfiwnf86G2wabumHDAHfD0e7iiv7c_OUrZjONRAa1B0, (20.05.2021).

³¹ Iromány száma (Number of Paper): H/9792. (Hungarian Parliament).

³² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion.

³³ Start Unconditional Basic Incomes throughout the EU, <https://eci-ubi.eu>, (30.10.2020).

agenda. In March 2020, EU citizens will be able to express their views through another citizens' initiative³⁴.

It is clear that minimum income primarily means guaranteed income. However, we are talking about a conditional benefit in this form. This shows the main difference compared to minimum wage. I would like to explain this by an article of www.merce.hu about the Spanish basic income. The Spanish government found out the following system for managing the social crisis caused by the new-type coronavirus pandemic. The Spanish citizens can require basic income from 15 June 2020 that is 472 Euro (163 000 HUF) in the case of a household with one person. The claimant receives the total sum if he/she does not have any other incomes. But if somebody works in a part-time job for a salary lower than this, he receives the difference from the state. In multi-personal households, the threshold value of basic income increases by 139 Euro per capita, its maximum amount is 1015 Euro (350 000 HUF).³⁵ Only those can require it whose property – not counting residential properties – does not reach 16 614 Euro (5.7 million HUF). In case of multi-personal households, its amount is 46 146 Euro.

It is important to understand that minimum wage tries to solve the problem by a legal law and employment policy tool, while minimum or guaranteed income does this on a pan-social level in connection with the minimum standard of living determined in the society. The renewed basic income program of the Párbeszéd can also be fit to this list.³⁶ According to their program, their Basic Income Program gives 50 000 HUF for children under the age of 18, and complements the income of people who currently do not reach the level to 100 000 HUF, it ensures minimum 150 000 HUF for pregnant women, and it would give 50 000 HUF working basic income besides 200 000 HUF basic income for workers which increases, because of the slow discharge, the income of low-paid and medium-paid employers up to 510 000 HUF gross. As I have mentioned, the Hungarian proposal would follow the Spanish version. Based on the above, minimum income would be

³⁴ Start Unconditional Basic Incomes (UBI) throughout the EU, https://europa.eu/citizens-initiative/initiatives/details/2020/000003_en, (27.05.2021).

³⁵ B. Bogantin: Tegnaptól igényelhetik a spanyolok az alapjövedelmet, <https://merce.hu/2020/06/16/tegnaptol-igenyelhetik-a-spanyolok-az-alapjovedelmet/>, (30.10.2020).

³⁶ See: Alapjövedelem 2021: Út a biztonságba – Alapjövedelem-program Magyarország számára – vitairat, <https://mindenkiszamit.hu/alapjovedelem/>, (23.11.2021).

a program affecting a significant part of the population that could be extended further if it was universal. The question is as follows: should it be defined as a totally subject-based benefit?

3. Universal basic income³⁷

In his book titled *Alternatives to Full Employment*, Vobruba writes in detail about the crisis of the contract work society and the need to abandon full employment previously expected. He divides the development of contract work into three phases: (1) era from industrialization to the middle of the 20th century when income in cash came into the foreground instead of income in kind, (2) contract work and wages from World War II to the 21st century, and (3) the members of the society will mainly cover their needs by more, complementing income resources in the future. Vobruba gave an alternative for the crisis of contract work; in the '90s the thought of basic income combined with working activity came to the foreground, which means the so-called dual economy. According to the representatives of dual economy, people with weak performance or remaining without a job may be reintegrated to the labour market, and they hope that this could reduce the segregation effect of poverty. In Vobruba's work, "in the unfolding novel economy with mixed incomes, own work gets a greater space in the income structure, while the social supply system's role in guaranteeing basic income is gradually decreased". But basic income is definitely a part of the image created about the development of future's economy. It is in the middle of one of the most vivid arguments which is one of the possible tools of the challenges created by digitalization and robotization³⁸. The European Parliament deals with the possibility of this construction in Point 44 of the proposal for the European Commission about civil law rules for robotics. The European Parliament asks the Commission to analyse the different possible scripts and their consequences regarding the viability of the member states' social

³⁷ The basic lines of this chapter could be found in more details in G. Mélypataki, K. Lipták op. cit.

³⁸ S. Paba, G. Solinas: *In Favour of Machines (But Not Forgetting the Workers): Some Considerations on the Fourth Industrial Revolution*. In: E. Ales et. al. (eds): *Working in Digital and Smart Organizations*. Cham: Palgrave MacMillan 2018, 39–64; A. Artner: *A technológiai változások és a munka, Munkaiügyi Szemle* 2019, (62):4, 6–13.

security systems. The document holds the view that an inclusive discussion should be initiated about the new employment models and the sustainability of our tax- and social insurance systems besides an adequate income level, including the possible introduction of a general basic wage. Several experiments have been performed recently, such as in Finland as well³⁹, but more Dutch cities have also tried with the implementation earlier. Now, with COVID-19 creating additional economic risks – especially for already-vulnerable groups – questions about how best to support people living on low incomes are bound to become even more important⁴⁰. As typically conceived, basic-income programs are meant to provide a financial safety net, with no obligations and without the bureaucracy and associated administrative costs of means-tested benefits. The effects of robotization and pandemics are the same. They lead to loss of working time and income for some workers. There is a need for a general solution to reintegrate those who have lost their jobs back into the labour market.

As I have written above, the aim of the construction of basic income or minimum income is the termination of in-work poverty and the society's vulnerability. In the case of basic income, one of the most important questions nowadays is not its necessity but its universal or conditional form. Its most avid followers, including Parijs, emphasize that basic income should be universal because only this could provide the possibility which would grant the individual's freedom and reduce his/her vulnerability on the labour market⁴¹. Basic income is defined as a subject-based benefit which would be given on citizenship basis. If we transpose this to the present analysis, the construction comes up in connection with the bridging of those interim life situations that would mean helping people who lose their jobs due to digitalization. But the following question could arise: why could universal basic income not be extended to everyone if every employee is potentially endangered

³⁹ See it in detail: Z. Pogátsa: *A feltétel nélküli alapjövedelem értelme és a finn kísérlet haszontalansága, Észak*, <https://www.eszak.org/2019/02/17/pogatsa-zoltan-a-feltetel-nelkuli-alapjovedelem-ertelme-es-a-finn-kiserlet-haszontalansaga/>, (31.10.2020).

⁴⁰ T. Allas, J. Maksimainen, J. Manyika, N. Singh: *An experiment to inform universal basic income*, <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/an-experiment-to-inform-universal-basic-income>, (27.06.2021).

⁴¹ P. Van Parijs: *Alapjövedelem: egy egyszerű és erőteljes gondolat a huszonegyedik század számára*. "Esély" 2010, (21):5, 9–41.

because of the possibility of losing their jobs? Technological change will require gaining new competencies, but a movement in this direction will also be detectable in case of a long-lasting pandemic. The question which raised the basic income issue, and mainly the issue of universal basic income, is that states are unable to answer the question how the new technology should manage the social crisis caused by the pandemic?

The question may be legitimate considering that not everyone will be included in the training programs at first. And there will be people who will need more time to get back to the labour market. Typically, we should talk about the duality of high- and low-qualified manpower here. People who do not possess even the basic competences may need more time. So, it could be especially important for them to ensure their living. The construction is definitely worth thinking about, because it is futile to highlight that the triplet of corporate social responsibility (CSR), personal social responsibility (PSR)⁴² and life-long learning (LLL) should be complemented on a new subject basis, if the private sector and mainly the governmental load capacity will not be able to implement it.

But how is universal basic income actually defined? Basic income is such an income which is provided by a political community for all of its members on personal basis, independently from financial situation and without work obligations⁴³. In this case, income means the form of the allowance. It is such a financial support in which the time of consumption and its aim are not prescribed. In most versions it does not replace but complement benefits such as free education or basic health insurance. The form of such allowances can only be money, and it cannot decrease the quality of benefits in kind. The aim of the paid income is to give greater freedom for the members of the society by the income. Freedom that does not force them into decisions which they would not take.

The supporters of basic income see the system is funded by consumption-type taxes. This arises more and additional questions. If masses of people lose their jobs due to digital technology, consump-

⁴² N. Jakab, Zs. Rácz: *Issues of Public Social Responsibility in Great Britain and Hungary*. "Zbornik Radova Pravni Fakultet (Novi Sad)" 2019, (LIII):2, 603–617.

⁴³ Van Parijs: op cit 5.

tion will probably decrease as well. The foundation of the whole system should be performed from the suddenly decreasing taxes. It is sure that universal basic income will not be implemented as an independent social system in its own. But it should be added that it is especially important to highlight the social thought hiding in it. In the supply system of the future, in an appropriately balanced system, the rate of benefits may need to be moved to the direction of subject-based benefits applied for temporary, interim periods. It is not necessary to give the main characteristic of the supply system, but the employees and work-seekers of the future will need these solutions to find their places in the new labour market structure.

The universal basic income, as opposed to the minimum wage, can therefore be seen as a passive employment policy instrument. Both aim to provide a minimum level of welfare. The minimum wage aims to provide this primarily for workers, while the basic income aims to provide it for all citizens. Both instruments are two sides of the same coin when it comes to in-work poverty, but they operate according to completely different logics. That is why there is a West–East divide in the acceptance of one and the other. The concept of a basic income is primarily an idea that is emerging in Western European countries. The strength of the minimum wage and the work-based society is more widely believed in by governments in Eastern Europe.

4. Summary

All the three tools explained above are able to manage in-work poverty or the challenges caused by the pandemic or technological development somehow. However, these tools will not achieve success separately, only in an adequate combination. Scott Galloway explains in a BBC report that “beyond the world of business, the pandemic revealed and accelerated stark disparities in income, lifestyle and opportunity. Working class people got laid off, or – if they were deemed ‘essential workers’ – were forced to risk their lives for minimum wage. While office workers relocated to their suburban homes and kept on collecting their \$100,000 incomes. Will the generation that came of age into such a world reject the system that produced it, push for reform or decide that ruthless competition is their only hope?” Although this

quote is a bit generalizing, it presents well that we are talking about a process which starts with economic crisis, continues in an employment- and social crisis, and which finally changes the spatial structure of the society. The principle of solidarity is needed more strongly than before. In my opinion, the adequate combination of these tools is needed, but it is important to learn. Not only on a personal, but on society's level as well. Life situations caused by the pandemic and, later, technology, require novel solutions based on classic principles. At this time, however, not instead of the current social network, but besides it. The key question is how the social gap left by minimum wage could be reduced by the measures of minimum income, with measures which make it similar rather to aid benefits based on need, if the main frame system is examined. A further question follows: what does the principle of equality dictate? Do we serve it if we try to provide a basic living level for everyone, but we provide a monetary tool for only those who do not have enough? Will these persons be equal to the other members of the society by this, or we can talk about equality only if all the members of the society get the same amount of money?

Not just the social legal side of the issue should be examined, but the cost side as well. What is the carrying capacity of the state? However, this can be interpreted less in the case of the regulation of minimum wage, since the financing subject is not the government. So, the cheapest form for the state is to promote the regulation of minimum wage by active tools. The other two solutions have cost aspects, since while minimum wage is rather a lonely legal law – employment policy tool, the conception of minimum income is rather a complex system or system element. Let us look at the numbers of the Spanish basic income: the costs of the system affecting 850 000 households, the annual cost of the measure is evaluated for 3 billion Euro⁴⁴. The introduction of universal basic income would be a multiple of this. The states' preferences will be affected by the cost effects as well, which will influence the method of the developed social crisis management that is closely related to economic policy.

⁴⁴ Bogantin: without page number.

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Comment pouvons-nous résoudre la crise sociale après le COVID 19 et avant la robotisation des emplois au niveau européen et national – revenu de base universel ou salaire minimum général ?

Résumé

Les changements qui s'opèrent actuellement sur le marché du travail diffèrent sensiblement des périodes précédentes. Avant tout, ils sont liés à la mise en avant du processus de numérisation, qui modifiera considérablement la structure du marché du travail. Le décalage temporel entre les emplois supprimés et les nouveaux emplois résultant de l'utilisation des nouvelles technologies et de la reconversion des salariés entraînera une période de transition. L'utilisation maximale de cette période s'appliquera principalement aux ouvriers peu scolarisés. Cependant, selon le principe de la protection sociale au niveau national, ces personnes ne devraient pas être privées d'aide. Ce problème a pris une importance particulière en raison de l'épidémie de COVID-19, qui a atteint l'Europe au printemps 2020. De nombreux pays ont introduit un revenu de base ou un type similaire de prestations sociales. La raison de cette mesure est la grave crise de l'emploi causée par des confinements mis en place dans certains pays pour limiter la propagation du virus. Toutefois, un revenu de base n'est qu'une partie du système et la question doit donc être examinée en termes de salaire minimum et de revenu minimum.

Mots-clés: COVID-19, salaire minimum, RUB, revenu minimum, crise de l'emploi

Jak możemy rozwiązać kryzys społeczny po COVID 19 i przed robotyzacją miejsc pracy na poziomie unijnym i krajowym – powszechny dochód podstawowy czy ogólna płaca minimalna?

Streszczenie

Zachodzące obecnie zmiany na rynku pracy znacznie różnią się w porównaniu z wcześniejszymi okresami. Są one przede wszystkim związane z wysuwającym się na pierwszy plan procesem cyfryzacji, który znacząco zmieni strukturę rynku pracy. Przesunięcie czasowe pomiędzy likwidowanymi stanowiskami pracy i nowymi, które wynikają z zastosowania nowych technologii i przekwalifikowania pracowników, będzie skutkowało powstaniem okresu przejściowego. Maksymalne wykorzystanie tego okresu będzie głównie dotyczyło słabo wykształconej siły roboczej. Jednak w oparciu o zasadę narodowej opieki społecznej, osoby te nie powinny być pozbawione pomocy. Problem ten nabrał szczególnego znaczenia z powodu epidemii COVID-19, która dotarła do Europy wiosną 2020 roku. Wiele krajów wprowadziło dochód podstawowy lub podobny rodzaj świadczeń społecznych. Powodem tego kroku jest poważny kryzys zatrudnienia, będący konsekwencją blokady zastosowanej w niektórych krajach

w celu powstrzymania rozprzestrzeniania się wirusa. Ale dochód podstawowy jest tylko jednym z elementów systemu, a zatem kwestia wymaga zbadania pod kątem płacy minimalnej i dochodu minimalnego.

Słowa kluczowe: COVID-19, płaca minimalna, UBI, dochód minimalny, kryzys zatrudnienia