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# Work-based Welfare as a Ritual: Understanding Marginalization in Post-Independence Lithuania

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*The paper analyzes the functioning of the newly created labor exchange in post-Soviet Lithuania. It is argued that the labor exchange in post-Soviet Lithuania operates under the conditions of a structural contradiction: welfare services are designed to reintegrate unemployed into the labor force under the conditions of (a) increasing competitiveness of the labor markets and (b) a rapid decline of employment within the Lithuanian economy. As a result, labor redundancy is produced which consists predominantly of low skill/education individuals. Because the economy is unable to generate employment, job searches for this segment of the population are transformed into a highly bureaucratized and ritualized activities directed and supervised by the labor exchange. The purpose of the activities is to impose social order and control over those marginalized from the labor force via the creation of the divisions between deserving and undeserving poor. Foucault's theory of governmentality is used to examine two types of rituals employed by the labor exchange: individual and group based. The effectiveness of the labor exchange as a mechanism of social control and the impact the labor exchange has on the marginalization of some categories of the unemployed are discussed.*

Key words: *work-based welfare, marginalization, Lithuania, ritual*

## Introduction

In the former Soviet Union social policy was a part of the industrial policy. Work was not only guaranteed by the constitution but also was an obligation. Universal social insurance was implemented by the state and a wide range of social services and fringe benefits were provided by state-owned enterprises.

While the system had numerous drawbacks and inefficiencies, it functioned reasonably well in providing basic social security of the population (Emigh and Szelényi 2001; Rein et al. 1997; Standing 1996).

Post-independence reforms, driven by neo-liberal ideological commitments and fiscal constraints imposed by international organizations (International Monetary Fund, World Bank, European Union) introduced a competitive labor market in the region. In addition, privatized enterprises ceased to provide social services to employees. Unemployment, poverty and mortality rates increased alarmingly (United Nations Development Program 1999; Grinspun 2001). In response welfare reforms were initiated. While not identical, all post-socialist countries restructured their universalistic social insurance systems into "residual social nets" providing varying degrees of coverage. The goals of the reform were to (a) provide temporary relief during the economic transition and (b) support the development of a competitive labor market (Collier 1999; Esping-Andersen 1996; Genov 1998; Pestoff 1995).

Especially representative of this trend was the creation of unemployment benefits, which did not exist during the Soviet period. By the late 1990's newly created unemployment services increasingly resembled *workfare*, which required conducting both means tests and behavioral tests for eligibility. Critics asserted that instead of integrating the unemployed into the workforce, the newly created restrictive welfare provisions themselves were becoming a tool for controlling the lives of the poor by creating new social divisions. Of these, the division of deserving and undeserving poor was most prominent (Lorenz 1999; Scherr 1999; Standing 1996).

In this paper we argue that the labor exchange in post-socialist Lithuania, in addition to integrating some unemployed into the labor force, is also increasingly used as a means to control the excluded and/or marginalized individuals from the labor force. This is done by subjecting the labor exchange clients to a variety of disciplinary mechanisms, which differentiates clients into the social categories of the deserving and undeserving poor. Unemployed males with low skills and limited education are especially targeted for surveillance. Declining employment and increasing

competitiveness of the labor markets in Lithuania have made many individuals in this socio-demographic group "redundant". Because the economy is unable to generate employment, the search for non-existing jobs for low skills and education individuals is transformed into a highly bureaucratized and ritualized activities directed and supervised by the labor exchange.

For the purpose of analysis we will use the notion of a bureaucratic ritual derived from Foucault's theory of governmentality (Foucault 1991; also see Burchell et al. 1991) to examine how those excluded or withdrawn from the labor market, an economic characterization, are classified by the labor exchange into deserving or undeserving poor, a moral characterization. This translation of economic characteristics into moral distinctions requires an individual to engage, for long periods of time, in high intensity ritualistic activities mandated by the labor exchange. Unsatisfactory performances in rituals, scripted by the labor exchange, in terms of intensity and kind of activities prescribed such as not showing/being late for verification of unemployment status, unsatisfactory levels of activism in searching for job, declining jobs or training that is being offered relegates individuals to the status of undeserving poor.

The differentiation into deserving and undeserving poor is a very complex and highly contested process. The labor exchange practices are only one of the factors implicated in the differentiation. Nevertheless, a critical analysis of the labor exchange policies and practices are crucial since post-socialist societies are beginning to confront problems associated with a post-socialist "underclass" (Emigh and Szelényi 2001; Gassmann 2000; Genov 1998; Warzywoda-Kruszynska 1999).

The paper is based on ethnographic data collected during the summer of 2001 to investigate the workings of the Klaipeda labor exchange in Lithuania. A series of interviews with the personnel of the Klaipeda social services department and the labor exchange officers were conducted to investigate their decision-making process concerning unemployment benefits. Special attention was paid to young males, 18–35 years of age, since this demographic group has disproportionate rates of unemployment and socially disruptive behavior. Job-training sessions for young individuals organized by the labor exchange were also observed. In addition

the members of the Klaipeda police force were interviewed to investigate the links between male unemployment and criminal behavior. Finally, in depth interviews with 20 long-term unemployed and semi-homeless males were conducted. This social group was selected in order to investigate the social trajectory leading to the marginalization and exclusion of individuals, i.e., to the formation of the "undeserving poor."

### Theoretical Considerations: Social Differentiation and Classification of the Poor

From a theoretical point of view the emerging divisions between poor/underclass, deserving/undeserving poor, employed/unemployed constitute a problem of the relationship between social stratification and social categorization. Leaving "culture of poverty" explanations that focus on behavioral deficiencies of the poor aside (Lewis 1969), two types of approaches to the relationship between social stratification and classifications can be discerned. Social stratification can be viewed as independent from the classifications used in defining unemployment, poverty, and the poor. This assumes poverty to be an objective category produced by a combination of economic deprivation (Wilson 1978; 1987; Wright 1994) and exclusion resulting from disintegration of social relations within primary or secondary social groups (Andersen and Kempen 2001; Strobel 1996; Tosi 1996).

Alternatively, it can be argued that classifications used to characterize the poor are directly implicated in the production of social groups. Such an approach falls within the social constructivist perspective and interprets emerging divisions among the poor as an outcome of classificatory struggles within a society.

This paper draws upon the social construction of poverty approaches and contends that social differences among the poor emerge in a process of "classificatory struggles in shaping the nature, experience, and trajectory of poverty" (Stewart 2001, p. 191). These struggles result in the creation, imposition, maintenance, and change of divisions and distinctions between employed/unemployed, deserving/undeserving poor, rich/poor, etc. (see Bauman 1998; Handler and Hasenfeld 1991). If deserving and undeserving poor are interpreted as relational categories, their

definitions are bound to change and shift. These shifts can occur for a variety of reasons, such as formation or decline of different coalitions interested in policies regarding the poor, changes in economic situation in the country, dissemination of media reports on spectacular crimes being committed by the poor, or popularization of stories on heartbreaking injustices befall on people living in poverty. The pressure of international organizations to adopt or modify various policies also influences definitions of social categories.

Two approaches within social constructivist perspective concerning classifications of the poor can be discerned. The first is derived from the work of Pierre Bourdieu (Bourdieu 1984; Bourdieu and Passeron 1977). Bourdieu argues that class stratification in contemporary societies is reproduced in a process of classificatory struggles occurring within multiple and relatively independent "fields," such as politics, education, culture, etc. Classificatory struggles have as their ultimate target the formation, reproduction and change of what Bourdieu identifies as a "habitus" of an individual, i.e., the internalized set of predispositions that operate at a subconscious level. For Bourdieu classificatory struggles simultaneously reproduce and legitimate patterns of class stratification. Once internalized into habitus, class based classifications are perceived by individuals as "natural." Bourdieu's approach was especially influential in contributing to a critique of racialization and/or feminization of poverty, i.e., in critiquing the understanding of poverty as produced by biological or inherent characteristics of minority individuals such as low intelligence and high fertility rates (Emigh and Szelenyi 2001; Omi and Winant 1994).

Despite important contribution to understanding the relationships between classificatory struggles and social stratification, there are significant problems with Bourdieu's theory and its derivatives. The most important among them is the failure to spell out the workings of the mechanisms by which some of the classifications are internalized into habitus and become perceived as "natural", while others are not (see Jenkins 1992).

Most recently, there has been an increased interest in Foucault's theory of governmentality (a neologism for governmental rationality) in analyzing poverty (Foucault 1991; also see Burchell

et al. 1991). Numerous studies of poverty, policy and discourses on poverty were conducted using Foucault's notion of governmentality (Dean 1999; Donzelot and Hurley 1997; Knowles 1999; Procacci 1998). This occurred, in part, because Foucault, unlike Bourdieu, outlined the workings of the mechanisms by which classificatory systems are translated into social distinctions. He refers to these mechanisms as "disciplines" and/or "professional gaze."

Foucault argued that in contemporary societies control and order are produced not by repression or exclusion, but by focusing on the governing of whole populations. Instead of repression, governing the self-government of individuals, i.e. managing their "conduct of the conduct" increasingly creates order in the modern societies. From this perspective divisions between deserving/undeserving poor are produced to shape or discipline the behavior of the poor and unemployed.

Governmentality of the poor is realized by a set of micro mechanisms of power that are simultaneously totalizing and individualizing. In *Discipline and Punish* (1979) Foucault used the metaphor of the panopticon to suggest how various forms of deviance are controlled through surveillance. Foucault borrowed the notion of panopticon (from Greek, *pan-* all and *optikon* for seeing) from English philosopher Jeremy Bentham who proposed a design for a new type of prison allowing the inspector to see each of the prisoners at all times, without himself being seen (Foucault 1979, pp. 200–228).

On a societal level the disciplinary panopticon acts as a normalizing mechanism of whole populations. Normality may be defined by divides between obese/not obese, sane/insane (Foucault 1973), homosexual/heterosexual (Foucault 1978), deviant/normal, healthy/sick (Foucault 1975), and deserving/undeserving poor.

Panopticon functions through what Foucault calls "the power-knowledge" nexus. Knowledge on deviation of an individual from the norm is produced through surveillance and observation. It is then used in various medical, pedagogical, psychological, penal, or social work interventions to make individual "normal" (sane, slim, healthy, deserving social welfare, etc.) The outcome of the normalization process is the production of a social order through the imposition of social control over the populations in

question by the creation, maintaining, imposing and negotiating, legitimizing and de-legitimizing old and new social divides.

### The Labor Exchange as a Disciplinary Institution

Following Foucault's perspective the newly established labor exchange can be seen as a disciplinary institution regulating behavior of its clients by distinguishing between the deserving and undeserving unemployed. The emphasis on categorization and differentiation of the unemployed by the labor exchange has increased since the early 1990s when The Law on the Employment of Population was adopted. In 1993 unemployment in Lithuania was 4.4% with 30% of the unemployed receiving unemployment benefits (Statistikos Departamentas 2000, p. 21). By January 2002 unemployment in Lithuania increased to 13.1% with only 13% of the unemployed receiving unemployment compensation (Respublikine Darbo Birza 2002a).

Especially hard hit were low and unskilled workers who during Soviet times were employed in manufacturing industries. In 1999 their unemployment rate reached 34.1% (Statistikos Departamentas 2000, p. 20). Simultaneously their eligibility for already meager unemployment benefits which varied from 135 to 259 *Litas* a month (1 Lt = \$.25) continued to decline as the number of long term unemployed among them continued to rise. By 2001 the proportion of long term unemployed among those registered at the labor exchange reached 33.3% (Respublikine Darbo Birza 2002b, p. 4). The situation for the low skill and unskilled workers will continue to deteriorate since the demand for their labor is continuing to decline. In 1999 the country's labor exchange on any particular day had identified about 2,000 job openings. Approximately 5% of these jobs were for unskilled and elementary occupations. The rest, 95%, required vocational education (Statistikos Departamentas 2000, p. 22).

The restructuring of the Lithuanian economy continues to generate labor redundancies. In 1989, 1.9 million or 91% of those of employment age (18–65) were employed. By 2000 employment declined to 1.6 million, about 74% of the labor force. Despite growing labor redundancies, the activities the labor exchange remain almost exclusively focused on re-integrating the unemployed into the labor force. Given the current conditions, integrating all



unemployed, especially those with low education and limited skills, into the labor force is unrealizable. It is estimated that by balancing the labor demand and supply the labor exchange can reduce unemployment in the country by about 1% (Respublikine Darbo Birza 2002b, p.7). Given the conditions of growing labor redundancies, the search for non-existing jobs, as directed and supervised by the labor exchange, acquires a highly ritualized bureaucratic character.

The labor exchange attempts to supervise and control individuals marginalized from the laboring population by a combination of two types of measures. One is the provision of incentives to the unemployed to participate in ritualistic search of jobs, i.e., welfare benefits. The other is punishment via stigmatization and removal of welfare benefits for those who avoid engaging in such activities. The legitimacy of the moral screening and categorizing of unemployed individuals by the labor exchange is based on the occurrence that a majority of individuals registered at the exchange do find an employment, though many of them only temporary. In 2001 the labor exchange registered 224 thousand unemployed and offered them 135 thousand jobs. Of these, 35% were temporary positions (Respublikine Darbo Birza 2002a, p. 4–5). This leaves tens of thousands of unemployed with very little chance of obtaining, within the near future, full-time employment in the formal economy.

Such a ritualistic social service model in which individuals need to continuously demonstrate engagement in a search for non-existing jobs de-politicizes and individualizes what is essentially a societal problem. What starts as a structural issue, fitting workers to available positions, almost unnoticeably is re-framed into the “moral screening” of the clients. From the point of view of the labor exchange, finding or failing to find a job becomes a criteria for sorting individuals into deserving and undeserving unemployed.

### Classifying Unemployed:

#### Active, Passive and Formal Joblessness

The labor exchange officials interviewed agreed on the types of clients they served. They can be called ‘active’, ‘passive’, and

'formally unemployed' (*aktyvūs, pasyvūs, ir formalūs bedarbiai* in Lith.; also see Pocius 2002; Sabajevaite 1999, pp. 131–132). The active are deserving, the passive undeserving, and the formally unemployed have qualities of both the deserving and undeserving. The classification is informal and implicit. The criteria for assigning individuals to one or another category may not coincide with the legal or administrative definitions.

The active unemployed were those who "really want to find a job and who usually do not have much trouble in finding it" (Interview June 5, 2001). They have lost their jobs through no fault of their own or by circumstances over which the individual has no control. Estimates of the active unemployed ranged from 25% to about 35% of those registered at the labor exchange (see also Pocius 2002, p. 8). These are individuals who were willing to work any type of job as well as participate in professional and educational training offered by the labor exchange. Active unemployed treated the job search as primarily their personal responsibility. For them the labor exchange was one among several resources that were used in the search for employment.

In comparison the category of passive unemployed was constituted from individuals who failed to find employment either because of a chronic deficit of interest or inappropriate behavior. To be categorized as 'passive' at the labor exchange also meant to be a 'freeloader' (*išlaikytinis* Lith.). According to some estimates the passive unemployed constitute about 40% of those registered at the labor exchange. Unlike active unemployed, passive ones often refused to be employed in public works projects because of very low wages and unsatisfactory working conditions. They also expressed little interest in educational or professional training programs offered through the labor exchange.

At the same time, passive unemployed rejected claims that they are jobless because of their moral failures, lack of initiative, or "choosiness." They also tended to have more confrontational attitudes toward the labor exchange authorities. They asserted that it is the responsibility of the labor exchange officers to find employment for them and often blamed their unemployment on the lousy job the labor exchange is doing. As one of our respondents asserted, "What are they (the labor exchange officers) doing in these offices and why are they being paid if they cannot

find jobs for us?" In response, the labor exchange officers were complaining, "Some of them are coming to the labor exchange and demanding jobs. Where could we get jobs for them? Can't they see that we don't own factories or shops! . . . Those who shout most are usually the first to decline the jobs offered to them." According to the officials interviewed, about one in three refuses a job offer due to low wages or poor working conditions and therefore becomes ineligible for unemployment benefits.

Being a "freeloader" had gender specific connotations. Passive unemployed males tended to contribute significantly less to the maintenance of their households than did women. In addition unemployed males were more often supported by the other family members and tended to engage more frequently in various kinds of asocial behavior than other unemployed groups. Alcohol and drug abuse, violence, and association with the marginal populations such as vagabonds, alcoholics, homeless, etc. was more common for passive unemployed. Younger unemployed males were very often included in this category:

Sometimes I talk to the mothers who bring their sons to the labor exchange and ask or even demand that we find jobs for their sons. These women are very frustrated. They are fed up with supporting their grown up and healthy sons who do not work for months and months and are spending their days drinking, hanging in the streets, or watching TV. Some of women are in tears. They simply don't know what to do with their sons. These so called "boys" would stand behind their mothers silently with their heads turned down. . . . What we could offer if they don't have education or vocational skills? Even if we send them to the employees, many of them don't show up for the interviews or refuse our offers because they consider wages to be very low or working conditions bad. (Interview with the labor exchange officer, June 13th, 2001).

Unlike passive unemployed, the majority of formally unemployed did not come to the labor exchange asking officers to help them to find jobs. Most of them were already employed in an informal economy. Even more importantly, most were not considered 'freeloaders' since they used their income to support their families. They were also less inclined to engage in asocial patterns of behavior. Instead, the formally unemployed registered at the labor exchange primarily to receive written certifications (Lith.

*pažymas*) that made them eligible for supplemental wages, utility payments, and health insurance.

They (formal unemployed) are here mostly for the certificates. They do not need jobs. Most of them are working few jobs already or are engaging in a small business on the side—in construction, house and office cleaning, re-selling wares in the country market (*turgus* Lith.) Who could blame them? Most of what we can offer are minimal pay jobs. How one could feed the family on 420 Litas per month? Times are very hard now, good jobs are very scarce and hard to come by (Interview with the labor exchange officer, June 13th, 2001).

The labor exchange officials suggested that from 20 to 40% of those receiving unemployment benefits are simultaneously working without a labor agreement and, therefore, not paying taxes (see Pilypiene 2001; Serafinas 2002).

Although the formally unemployed were abusing the welfare system, the labor exchange officials did not harshly judge them. Several factors may explain this. First, unlike passive ones, formally unemployed did not represent a threat to the social order. They remained integrated within mainstream society. Second, abusing the welfare system in post-independence Lithuania has not yet acquired a connotation of being morally or ethically antithetical despite growing reports in mass media about actual and/or alleged abuses of welfare clients. During the Soviet era cheating the state, mostly through various forms of pilfering, was common. Those who managed to use their positions and connections to improve their material well-being were even admired for their capacities to wangle the state (*kombinuoti*). The attitude that cheating the state is a semi-legitimate activity remains widespread. At the same time, the Soviet state did provide, almost as an inborn right of a citizenship, all the social services that the formal unemployed were signing to receive. The Soviet state also ensured full employment. It is not surprising that the unemployed continued demand the provisions to which they were accustomed.

#### *Principles of Classification of Unemployed: Social Control versus Integration into the Labor Market*

The issue is how these three categories of unemployed (active, formal and passive) are derived. According to the labor exchange

officials this type of classification characterizes attitudes and behavior regarding employment in the formal labor market:

How do we evaluate them? By what they are doing to find an employment. Many of those who lost their jobs instead of doing something about it tend only to complain and to seek welfare provisions and compensations. Of course it is easier to complain than to persistently search for a new job or to change one's vocational qualifications. Increasingly I am encountering clients who refuse to get involved in any of our programs, be it educational or professional or any other type. They simply don't want to be bothered or do anything. I am skeptical when I hear my long term unemployed clients saying that they want jobs, because many of them refuse to take them when jobs are offered. Do they really want to have a job? Some of them even get disappointed when the job offer is made" (Interview June 20, 2002).

However, we see such classifications as only partially derived from the relationship of the unemployed with the formal labor market. Perhaps even more important in the production of such classifications is the function of imposing social control and order on those marginalized from the labor force. In other words, the classifications differentiate the unemployed according to the degree of dangerousness to the social order, or the degree to which they accepted the legitimacy of the new system.

For example, our interviews with semi-homeless unemployed men suggest that they are as likely to work and earn money, in the informal economy, as those described by the labor officials as formal unemployed. Income claimed in the interview by this group was close to and often very exceeded the maximum unemployment compensation of 215 Lt. Similar levels of income among the long term unemployed were also found by the other studies carried out in Lithuania (see Pajuodiene 2002). It seems there is little empirical evidence to categorize passive unemployed as "freeloaders," while categorizing formally employed as "providers." Instead, those characterized as passive had more characteristics of "socially marginal" individuals (*paribio žmonės* Lith.) and more frequent contact with other socially marginal individuals such as homeless, vagabonds, or addicts. In other words, the formal unemployed differed from the passive unemployed according to the degree of marginalization from mainstream

society. This marginalization was viewed as indicating a greater probability of engaging in asocial behaviors.

### *Job Search Rituals*

For analytical purposes the bureaucratic rituals used at the labor exchange to classify unemployed can be subdivided into two types: formal and informal. Informal rituals consist mostly of face-to-face interactions occurring between a labor exchange officer and his/her client. As the client is surveyed and questioned by an officer, the instrumental characteristics of the labor search activities such as intensity and level of engagement are transformed into statements about the moral worth of the individual. Passivity, idleness of an unemployed individual within an institutional setting such as the labor exchange offices or in the other public places became indications of the moral failure.

From the moment the client enters the labor exchange s/he must be active, moving, and engaged. The labor exchange offices and halls represent "resources" and the unemployed need to be active in searching for employment. Individuals need to read all the announcements posted on the billboards, search computer listings, knock on officers' doors, inquire about availability of jobs, etc. These activities can be accomplished rather quickly. Therefore the labor exchange officers are constantly looking for the new kinds of ritualized activities to provide 'opportunities' to actively seek employment.

For example, during the fieldwork a new billboard was installed in the labor exchange where clients could post their own job advertisements. The usefulness of the billboard in terms of job searching was marginal. Employee listings with extensive descriptions of clients were available electronically via the web, or by contacting the labor exchange. Nevertheless, in training sessions officers would continuously ask their audiences if they had noticed a new billboard in the labor exchange lobby and if, perhaps, anyone had actually posted their advertisement on it. Very few did. The officers interpreted this as a silent indication that the audience itself was in part to blame for their unemployment.

After checking most of the possible sources at the labor exchange for information about employment, clients still had time that needed to be filled with some kind of activities. Just to show

up at the labor exchange and then to immediately leave meant that the individual had little interest in employment. Having little to do and being morally obligated not to leave the building, individuals would inevitably become idle and passive. This contrasted sharply with the overworked, and always busy labor exchange officials. In the Klaipėda labor exchange one full time employee had a caseload of 700.

The passivity of clients within the free, state provided and "resource" infused environment was indicative of moral deficiencies. Passivity implicitly suggested that they, the unemployed, deserve to be unemployed if they did not even have the motivation to use the resources. The phrase "free of charge" (*naudotis nemokamai* Lith.) was emphasized during all the training sessions for unemployed. The labor exchange officers viewed the resources as gifts that were provided by the taxpayers. This morally obligated the unemployed to use them. Not using the resources, the billboards, a computer, phone lines, was interpreted as a failure to keep up the reciprocal obligation; a failure to repay society. This, in turn, suggested that the unemployed should blame themselves for their lack of employment.

The second feature of the informal rituals is their highly individualistic or atomizing character. Informal rituals are intended to break up the groups and isolate individuals because any group of unemployed outside bureaucratic supervision is viewed with suspicion, as a threat to public safety and order. Very often small groups of unemployed men were observed congregating in or near the labor exchange office building. Welfare officials were compassionate and genuinely willing to help professionals, however, as soon as they saw a group of unemployed males congregating in public spaces their reactions tended to change to suspicion. Attitudes of the passers by were much more hostile with often noticeable undertones of scorn to congregating unemployed. Groups of unemployed males were seen as the "other," the "them," a potential subversion and threat to the social order. Sensing, that they are scorned and, at the same time, feared, these men flaunted "proper" behavior required in public places by sitting or even laying on the lawn in front of the labor exchange building. Thus, the divide between "us" and the marginalized was evolving.

The supervision of job search rituals occurred not only in institutional settings. Clients were also monitored by direct contact, usually over the phone. The most important feature of the surveillance is that the client is provided no information regarding when the labor exchange will seek contact. It can be the same day, the next day, a week, two weeks or even later. S/he can be called any time during the day. The labor exchange assumes that since the individual is unemployed he/she can be contacted anytime. They should be available immediately upon being called for interviews or work. This mode of communication has the character of an unannounced check-up. It was used not only to convey information to the client, but also as a mechanism of control. Failing to be on the spot when called was interpreted as a moral failure and this failure accounts for his or her inability to find a job.

The power to check clients at any time without prior arrangements indicates a highly asymmetrical relationship between the labor exchange office and its clients. All the individuals interviewed, without exception, deeply resented and resisted this type of dependency. In addition, such supervision had an atomizing effect. Being put into position of wait without knowing when the contact will be made precluded individuals from engaging in other types of social interactions thus contributing to a growing social isolation. The following is a typical story:

I was sent by the labor exchange to a seaport where they were looking for workers to clean hulls of the ships. When I arrive the next morning to the seaport, the foreman sees me and is surprised as if I fell from the sky. "Who sent you? We do not need people to clean the hulls. We need welders and painters right now." I went back to the labor exchange and asked the inspector what should I do? The inspector told me he will need to clarify the situation and that he will call me. A whole week gone by, but no one called. I took a bus to the countryside to look for jobs on farms. When I returned back, my father said that someone from the labor exchange and from the shipping company had called me. I arrived at the shipping company and they said to me "We will not hire you. You are not a reliable person on whom we can depend." I said, "Wait a minute. I can't just sit on the phone and wait for your call. I need to feed myself. During previous week you were giving me rounds as if I was the dog and I still did not get a job. I even went to the polyclinic and



paid to get my health certificate to be eligible to work inside ships." I went back to the labor exchange. The clerk said that in order to receive unemployment payment, I need to bring the labor contract. I went back to the shipping company and asked them giving me a labor contract so I could get an unemployment payment. At the shipping company they said to me, "What kind of a labor contract do you want from us if you have not worked even for a day?" (31 years old)

In sum, institutionally supervised waiting can be considered as a mechanism of control as well as a surrogate job that unemployed should perform in order to qualify for the unemployment benefits. How long does one need to wait? According to the labor exchange report, the goal, by the end of 2002, is "to offer to all newly registered unemployed the appropriate labor market development measures within 1 year, while for young unemployed (25 years of age or younger) within 6 months" (Respublikine Darbo Birza 2002b, p.7)

#### *Formalized Job Search Rituals*

Unlike informal rituals, the final result of the formal rituals was an official evaluation or "the sentence." The evaluation assigned the individual to the category of eligible or non-eligible for assistance. Foucault (Foucault 1979) called these formal rituals 'examinations'. During examinations the rank or status was officially conferred, i.e., of continued support, discontinued support, or change in the form of support. Unlike informal rituals that were primarily personalized performances in public spaces, formal rituals tended to be a mixture of individual and group activities directly supervised by the labor exchange officers.

Group-training sessions, which were designed to hone the job search skills of the unemployed, had distinct features of a ritual. Participants expressed little interest in the content of the training sessions. Instead, participation represented a public procedure conferring upon the trainees a status of legitimately unemployed and therefore eligible for unemployment benefits.

In one group-training session an author found himself in the curious situation of being the only one in the classroom taking notes. During a 45-minute long session not even one of the sixteen individuals present wrote down any information provided by

the officer regarding resources, contacts or procedures that could potentially increase the likelihood of finding an employment. By the end of the presentation young males who were sitting in the back of the classroom started to talk to each other almost completely ignoring the presenter. The presentation was followed by brief interviews by the labor exchange officers.

After the training session the officer explained that this is a typical reaction of her clients. The majority of them were present in the training session not so much to acquire information or develop job search skills but to get official paperwork processed so that they would be eligible for welfare benefits. "You know, most of them are here for certificates anyway, therefore they are not much interested in what I have to say. They just want me to sign on in their files and to leave." (Interview June 20th, 2002).

### Conclusions

In this paper we argued that we should pay closer attention to the impact that welfare reforms have on the production of social distinctions and divisions in post-socialist Lithuania. There is growing evidence that unemployment services are increasingly implicated in the creation, reproduction and legitimization of an infamous division so familiar to the Western societies, deserving and undeserving poor. We argue that an analytical distinction needs to be made between two functions that the labor exchange currently performs. First, the labor exchange is engaged in a vital and urgently needed mediation between the demands of the labor market and individuals seeking employment. It trains, facilitates, and supports job searches for tens of thousands of people and in this way contributes significantly to the country's economic development.

The second function, which we see as a very problematic, refers to the disciplining and controlling of what economists call "redundant labor." Market reforms in post-independence Lithuania led to the decline in employment and especially in the demand for low skill and minimally educated labor. Wages paid for such labor also decreased dramatically as the state withdrew significant food and housing subsidies provided during the Soviet period. As a result, in 2001 the income of about 11.6% of the full

time employees in the country was below poverty level (Lietuvos Respublikos Seimas 2002a, p.88). This, in turn, generates disincentives to work. Almost all the individuals interviewed for this project claimed they could earn much more than the minimum wage "on the street," usually by hustling. The combination of high unemployment and the low wage strategy is fostering the development of a new kind of chronically impoverished post-industrial proletariat in Lithuania.

Despite the continuous decline in employment and incentives for lower tier jobs, the labor exchange organizes its activities almost exclusively to motivate and, if needed, to induce the unemployed to continually look for non-existing jobs. Since no jobs are available, the search becomes an end in itself. It becomes a highly ritualized bureaucratic procedure that does more to supervise and discipline than to facilitate the search for employment. The status of "active" or "deserving" is constructed as a set of bureaucratic practices in which the individual continuously needs to engage in order to forestall exclusion from the mainstream society.

Not surprising, divisions into deserving and undeserving poor were highly contested. Clients actively resisted attempts by the institution to assign responsibility for unemployment to their moral failures. Furthermore, as we have shown, the categories of passive and active unemployed, as they were constructed by the labor exchange officials, had as much to do with the individual characteristics of the clients, as with the clients' attitudes and demands placed of the labor exchange. Deemed passive or undeserving usually were those who placed demands on the labor exchange to find jobs for them and questioned the legitimacy of the institution. Perhaps more important, the labor exchange was criticized as much for its ineffectiveness as for humiliating its clients.

The effectiveness of the labor exchange as a mechanism of control was limited by the constant bargaining of "passive" and "formal" clients with the state for employment and various welfare provisions. Unlike in the Soviet era, when withdrawal from a bureaucratically regulated labor force was criminalized, engagement in the labor exchange rituals in post-independence Lithuania is voluntary. There were few penalties associated with a withdrawal from the labor exchange or refusal to comply with

bureaucratic procedures except losing eligibility for unemployment benefits. Instead of coercion, in post-independence Lithuania, control over the unemployed was shifting to the creation and management of socially and culturally recognized divisions between deserving and undeserving unemployed.

Despite criticism, caution needs to be exercised in evaluating the role that the labor exchange is playing in assigning and legitimizing categories of deserving and undeserving unemployed. Besides the labor exchange, many other institutions including the system of education and housing authorities are also implicated in re/production of the new patterns of exclusion and marginalization. Furthermore, demands for stricter imposition of workfare on the poor administered through the labor exchange are reflective of the general cultural changes in post-independence Lithuania during the later 1990s. This shift is expressed in the way problems of poverty are currently treated in the country's mass media. Since the mid 1990s the issue of the long-term unemployed, which was previously viewed as temporary problem of a transitional economy, was recast into a discourse about lifestyle choices made by economically marginalized populations (Dargis 2000; Skucaite 2001).

However, legitimating the existence of "undeserving unemployed," to which the labor exchange contributes, does little to mitigate one of the most important problems that Lithuanian society is currently confronting. How is society to maintain social order given growing strata of socially and economically marginalized? How can the reproduction of this stratum be contained before a permanent underclass is formed?

Our research suggests that there is a need to increase the awareness of the social welfare practitioners in exclusionary strategies implicit in the actions and policies of helping agencies. In conditions of labor redundancy generated by the competitive markets, social integration can also be sought in reconceptualization of citizenship as well as in redefinition of a productive work. Wage-based notions of citizenship common to a neo-liberal perspective need to be criticized and made more inclusive. There is a growing movement in Europe to recognize the problem of poverty as a problem of social exclusion (Saraceno 2001).

Given this perspective, social work, unlike atomizing practices of the labor exchange might be reoriented towards community social work (Smale et. al., 1988). More specifically, policies in dealing with the redundant labor can be redesigned to emphasize that human well-being is dependent upon more than economic success. Well-being requires nurturing, supportive networks of social relations. Meaningful work may not be limited to commodity production but may also be the maintenance and recreations of well functioning neighborhood, communities and other networks of social relations. Educational and child rearing activities enrich these networks but do not produce marketable commodities. Neighborhood enhancement groups as well as self-help groups may also enrich the networks and promote inclusion. Freed from the centralization of the Soviet approach and not yet fully enveloped within the Western model, perhaps a path based on a more inclusive citizenship and alternative understandings of productive work can be forged into a uniquely Lithuanian social welfare model. The search for alternatives to the workfare model is urgently needed to reduce the impact of exclusion and marginalization on the rapidly growing strata of chronically unemployed before this group becomes locked into permanent poverty.

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