Basic Income in the European Social Investment Welfare State

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Universal Basic Income (UBI): Bringing the welfare state back in?

- Basic income debate needs to re-engage with welfare state development
  - UBI is a **complement not a substitute** to the myriad of social policies comprising the modern welfare state
  - UBI effects determined by **interaction of basic income and other social policies** (income maintenance, labour market and family policies, amongst others)
  - UBI political feasibility/stability determined by **dynamic politics of welfare state development**
- Basic income debate needs to accommodate differences between/variation within welfare state models/regimes ("varieties of basic income")
The Social Investment Welfare State — Policy

- Social investment as a policy strategy for the European welfare state
  1. Lisbon Strategy 2000
  2. EC Social Investment Package 2013
  3. European Pillar of Social Rights 2017

- Knowledge-based economic growth ("inclusive growth") and social inclusion/cohesion through the productive function of social policy
Social investment as an emerging (quasi-)paradigm in welfare state research:

1. conceptualising ongoing/recent developments in labour market activation, human capital development, minimum income protection, and family policy in a coherent, integrated framework
2. charting common moves towards and differential (partial) implementation of social investment strategies across EU welfare states
3. understanding effects of social investment strategies on economic growth, jobs, poverty, inequality, education, health, etc
Social investment: orientation, goals and functions

- **Orientation**: social investment in contrast to both Keynesian consumption and neoliberal retrenchment
- **Goals**: preventing “new social risks” through development/capability strategies over the life-cycle — improving growth, equality/inclusion, and social cohesion through a “social investment multiplier effect”
- **Triad of social investment functions** (Hemerijck 2013)
  1. Social investment as “**stock**”: improving human capital and capabilities
  2. Social investment as “**flow**”: focus on life-course transitions in education and labour market
  3. Social investment as “**buffer**”: robust social protection (safety net, insurance)
Basic income — the anti-thesis of social investment?

- Social investment focuses on active (“productive”), not passive (“protective”) social policy

- Social investment moves from decommodification to recommodification: protecting individuals by enabling them to better negotiate vs. insulating from market-based social risks (resilience)

- UBI as a citizen’s entitlement independent from past/current employment or willingness-to-work conditions portrayed as a “retreat” to passive decommodification — anti-thesis of social investment?
UBI as social investment strategy — taking a closer look

- Discovering synergies between the UBI and social investment debate:
  - Common ideas?
  - Mutually reinforcing policy mechanisms?
  - Similar political dynamics (positive/negative feedback)?
UBI as social investment strategy — rethinking “buffers”

• Minimum income protection **critical precondition** for social investment: mitigating economic transitions and ensuring economic stability
  • Typically not implemented as a priority: “negative activation” and “making work pay” fail to reduce (or even increase) poverty in low income/low skill families (adults and children)
• UBI offers **modest but secure income stream** with anticipated important effects on poverty of most vulnerable groups
• UBI **combines income security with activation** by reducing poverty, unemployment and bureaucratic traps
  • UBI supports at-risk poverty both in and out of work, with robust “activation” effects depending on various individual-level and social factors — key feature of planned/ongoing experiments in Finland, Canada, Netherlands, Spain, USA.
UBI as social investment strategy — rethinking “stocks”

• Knowledge-based economy and skill-based inequalities are a key concern

• Human capital development with strong focus on supporting early years as well as flexible adaption across the life-course
  
  • UBI has a strong agenda of supporting the young, including early labour market entrants currently often discriminated against or excluded in income support.
  
  • UBI are flexible “sabbatical grants” supporting life-long learning and development

• Quality jobs (not any job) is a key feature of the social investment welfare state: UBI improves workers’ ability to search for better job (supporting part-time employment)
UBI as social investment strategy — rethinking “flows”

• Social investment adopts a *life-course insurance* approach:
  - allowing for *work-life balance* and taking time out for parenting, care or education and allow labour market reinsertion after — with important effects on *gender equality*
• UBI supports such an agenda by allowing *income security* to continue uninterrupted during labour market in/out *flows*, with equally strong focus on care and education as the key reasons for doing so
• UBI has strong links with gender equality agenda, with some regarding UBI as a *universal type of care allowance*
If basic income is a (possible) solution, what is the problem?

“It seems that activation can entail a trilemma between three objectives that egalitarian believers in social investment may wish to pursue: (1) ensuring that the unemployed people are not poor; (2) ensuring that administrative monitoring systems are not excessively intrusive and cumbersome; (3) ensuring employment growth in order to reduce benefit dependency.”

(Vandenbroucke & Vleminckx, 2011)
UBI politics in the social investment welfare state — a research agenda

• UBI interacts with broader social investment policies/institutions:
  1. **Liberal vs. universal social investment**: focus on negative incentives vs. comprehensive enabling social policy
  2. **Dualised vs. integrated labour markets**: insider-outsider competition

• How does this research focus affect the **politics of UBI**?
  1. UBI more **politically feasible** in universal or liberal social investment states?
  2. **Varieties of UBI**? Differentiation between liberal/residual and universal/progressive basic income models to fit the variation in institutional makeup?
  3. What are the prospects for UBI in social investment states with highly dualised labour markets? How to overcome **insider-outsider competition/division**?
Thank you

Comments welcome at jurgen.dewispelaere@gmail.com