

# Basic Income in the European Social Investment Welfare State

Presentation prepared for 2018 Annual ASSA Meeting,  
HES Section “Basic Income: The Past and the Present”,  
Philadelphia, 5 January 2018

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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**

# The Social Investment Welfare State — Theory and Research

- 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**:
  - o 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

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