

Squaring the Circle of Welfare Reform: Unconditional Basic Income as a Social Investment Strategy?

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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 (including 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

- Social investment as a policy strategy for the European welfare state (Lisbon Strategy 2000, EC Social Investment Package 2013)
 - knowledge-based economic growth and social inclusion/ cohesion through the productive function of social policy
- Social investment as an emerging (quasi-) paradigm in welfare state research
 - conceptualising ongoing/recent developments in labour market activation, human capital development, minimum income protection, family policy etc. in a single coherent integrated framework
 - charting both common moves towards and differential/imperfect implementation of social investment strategies in different EU welfare states
 - understanding effects of social investment strategies on economic growth, jobs, poverty, inequality etc

Social investment: orientation, goals and functions

- Orientation: social investment in contrast to both Keynesian consumption and neoliberal retrenchment
- Goals: response to “new social risks” and focus on prevention 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)
 - Social investment as “stock”: improving human capital and capabilities
 - Social investment as “flow”: focus on life-course transitions in education and labour market
 - Social investment as “buffer”: robust universal social protection and safety nets

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 weather instead of insulating from market-based social risks
- UBI as a citizen’s entitlement resisting work or willingness-to-work conditions appears to offer 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?

UBI as social investment strategy — rethinking “buffers”

- Minimum income protection “critical precondition” for social investment: mitigating economic transitions and economic stability
- In practice, not all implementation addresses this as a priority
 - “negative activation” and “making work pay” fail to reduce (or even increase) poverty
- UBI offers secure but modest 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 “activation” depending on various individual-level and social factors (cf. experiments)

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 excluded.
 - 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, including 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

- UBI interacts with broader social investment policies/institutions
- “Liberal” vs. “universal” social investment welfare states (possible third dual model)
 - focus on negative incentives vs. comprehensive enabling social policy
- What is the implication for the politics of UBI?
 - UBI more politically feasible in universal compared to liberal social investment states?
 - UBI differentiation: “liberal” and “universal” basic income models?

UBI politics in the social investment welfare state

- Adapting Gingrich and Ansell (2015)
 - who benefits from spending on UBI? (progressive, regressive)
 - what is the consequence of introducing UBI in different types of labour market? (integrated, dualized with insider/outsider competition)
- Left win: UBI when progressive/integrated (increased “reservation wage”)
- Right win: UBI when regressive/dualized (wage competition for insiders)
- Cross-pressurized, no clear win: when progressive/dualized (Left) or regressive/integrated (Right) — cross-party coalition-building and trade-offs in UBI design

Thank you

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