



# Activation and recent trends in minimum income schemes in EU: hard times for social justice?

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# Goals of the presentation

- ▶ To document recent trends in minimum income schemes (MIS) in Europe with respect to activation
- ▶ To evaluate these trends from the point of view of equity
  - ▶ rather than appealing to intrinsic values (the most common way)



# Activation as an umbrella term

- ▶ The usefulness of the dimensions developed by Marchal and van Mechelen (2013)
  - ▶ demanding activation
    - ▶ the imposition of obligations in exchange for the benefit (*do ut des* paradigm)
  - ▶ enabling activation
    - ▶ the offering of services/personalized care/support to escape from poverty
  - ▶ incentivizing activation
    - ▶ negative (low out-of-work benefit) and positive (ie earnings disregards, in-work benefits)

# Activation as an umbrella term

- ▶ The three dimensions as ideal types
  - ▶ many configurations within each dimension
    - ▶ ie demandig: from strict workfare to weaker conditionality
  - ▶ variety of combinations
- ▶ The different spaces of activation: activation through
  - ▶ work (in the market, in community care...)
  - ▶ overall social inclusion (ie accessing high quality social services irrespective of the effects on employment)

# Our focus



- ▶ The demanding and the enabling dimensions
- ▶ Activation through work

# Equity: what to mean by it?

- ▶ Equity as impartiality
  - ▶ impartiality
    - ▶ the request to defend our positions on social justice adopting a veil of ignorance
    - ▶ the Rawlsian declination of impartiality: equality of consideration and respect as shared fundamental value

# Equity: what to mean by it?

- ▶ The several problems of equity
- ▶ Yet equity as the language of a democratic community
  - ▶ Nagel and the language of the “we” instead than of the “I”



# Recent trends in MIS

- ▶ Strengthening of the *demanding* dimension in many EU countries
  - ▶ trend shared by countries within different welfare systems
    - ▶ examples: the cases of Denmark, The Netherlands, Germany, United Kingdom, Czech Republic
  - ▶ even though, pre-existing presence of this dimension in all these countries

# Recent trends in MIS

- ▶ Overall weakening in most countries of the enabling dimension (Martin, 2014)
- ▶ Few exceptions
  - ▶ the double track of the Italian minimum scheme “il patto di attivazione e la presa in carico” (employment assistance, human capital investment)
  - ▶ the new social pillar in the EU
  - ▶ reforms concerning simplification and easier access to services in Latvia, Romania, Estonia

# New Italian MIS - REI

- ▶ Monetary transfer + Tailored/personalized Inclusion Project
- ▶ The project outlines both goals and duties of the recipients and duties of the PA in the enabling process
  - ▶ for working-age unemployed: Inclusion Project = Activation through work
- ▶ Non-compliance involves suspension or withdrawal of the monetary transfer
- ▶ January 2018 first tranche, July 2018 application to the whole population





# Social justice and the many criticisms moved to activation

- ▶ Just to mention the main ones
  - ▶ with respect to the demanding perspective,
    - ▶ the undervaluation of common resources (van Parijs, 1985 and with Vanderborght, 2017): if resources are one's own, why to attach strings to them?
    - ▶ the unfairness of linking rights and obligations: right as status, not a privilege to be acquired through a *do ut des* scheme (Plant, 2003)
    - ▶ the unfairness of limiting obligations to some (Segall, 2005)
    - ▶ the unfairness in the social division of responsibilities
      - ▶ the undervaluation of "our" responsibilities in poverty creation (Goodin, 2012, White, 2003)

# Social justice and the many criticisms moved to activation

- ▶ with respect to the enabling dimension
  - ▶ the risk of domination and overall procedural unfairness present in the activation processes (Brown, 2012, Kinnear, 2000, Rothstein, Ulsaner, 2005)
  - ▶ the risk of demoralization and marginalisation (if one cannot find a stable decent job)
  - ▶ the undervaluation of structural constraints to activation
    - ▶ activation as limited to the personal dimension
  - ▶ besides.... the risks of commodifying the beneficiaries (ie in the privatization of the employment services, Greer et al 2017)
- ▶ In brief, the giving up of a right and the creation of a second class citizenship? ( Dwyer, 2010; Lister, 2003, Patrick, 2012)

# Adopting an equity stance

- ▶ The overall acceptance of these objections
  - ▶ the cumulative violation of equality of consideration and respect
  - ▶ only some cautionary notes on
    - ▶ the alleged incoherence of linking rights to obligations
      - ▶ many rights entail obligations
    - ▶ the unfairness of limiting obligations to some
      - ▶ the need of an argument in the presence of different amounts of giving and taking

# Adopting an equity stance

- ▶ Yet, the possibility of dismissing these latter notes
  - ▶ the protection from uncertainty and the case for insurance against the risk/brute luck of not finding a decent job
  - ▶ insurance requires compensation when the risk occurs
    - ▶ an undervalued argument in the literature (even though basis for it in Dworkin, 1981)
- ▶ a different kind of reciprocity in lieu of the *do ut des* scheme (on the varieties of reciprocity schemes, see Goodin, 2002)

# Adopting an equity stance

- ▶ And an additional objection: the risk of further unfairness in the social division of responsibility
  - ▶ the risks of wage deterioration for the unskilled (Solow, 1998 and the paradox of hard labor)
    - ▶ the need to consider the interaction between welfare policies and labor market outcomes

# Adopting an equity stance

- ▶ To shun from conditionality and overall activation? No
- ▶ But conditionality only
  - ▶ as anti- moral hazard device
    - ▶ moral hazard as the typical insurance problem
    - ▶ an equity matter (not only an inefficiency)
  - ▶ and the need to distinguish between overall and “genuine” dependency
    - ▶ poverty as depending on lack of opportunities through several mechanisms (human capital deficiencies, lack of support to caring responsibilities, preferences, insufficient labour demand..)
    - ▶ in other words, the need to distinguish between responsibility as accountability and as attributability – Scanlon, 1998, Roemer, 2000)

# Adopting an equity stance

- ▶ And the value of work?
  - ▶ the criticisms concern only work-related conditionality
  - ▶ the value of work as opportunity to be ensured through human capital promotion, child care (and support to overall caring responsibilities), job creation...

# Implications for current trends in MIS

- ▶ Evident worries with respect to the demanding trends
- ▶ Some worries also with respect to the enabling ones
  - ▶ on the one side, the persistent connection between enabling and the demanding dimensions
  - ▶ on the other side, the risks of
    - ▶ domination, demoralization and overall procedural unfairness
    - ▶ undervaluation of structural constraints to activation
    - ▶ unfair consequences for the unskilled in the labor market

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- ▶ In brief, hard times for social justice with respect to minimum income schemes

**Thank you!**