



BASIC INCOME AND SOCIAL POLICY IN EUROPE:

what could shape a social-democratic proposal

Lorenza Antonucci, Senior Lecturer, Teesside University



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While most European countries have forms of minimum income protection, a basic income, intended as a universal, unconditional and non-withdrawable intervention for all citizens (Van Parijs, 2006), has been considered for many years a very ambitious (if not unrealistic) policy proposal. The empirical applications of the basic income are rare: at the moment we can find one real-work application of a semi-basic income in Alaska (Van Parijs, 2004). However, a useful discussion on basic income needs to understand this instrument as a development, rather than in opposition, to the current forms of social protection. Current minimum income protection systems are generally means-tested and aim to offer a last resort protection from the risks of the labour markets; as such, their success is highly linked to labour market performances. The idea of the basic income, on the other side, poses the possibility of having an *unconditional* form of support. This feature – being unconditional – makes basic income appealing to those pushing measures act to increase citizens' de-commodification (in the meaning used by Esping-Andersen, 1990). At the same time, the fact that basic income operates outside the classic labour-capital relationships could potentially divert progressives to any attempts to reform capitalism and 'making work pay'. Not surprisingly, the basic income has recently gained momentum among venture-capitalist circles, which have promoted a Silicon Valley Version of a basic income, providing welfare without the welfare state as a form of 'Venture Capital' for the people.

Considering the different shapes that a basic income proposal could take, I hereby propose a discussion of what a progressive basic income could look like. This discussion starts from the limits of existing forms of social protection, in particular in view of the emerging challenges experienced by those who are entering in the labour market during the crisis.

Why a basic income?

Recent comparative studies clearly show that current systems of social protection are not effectively protecting the European populations against the risks of poverty. As reported by the comparative study by Cantillon et al (2015), after the crisis, even in EU's most developed welfare states, minimum income protection systems for work-poor households with children fall short compared to the poverty threshold (defined as 60% of the equalized median household income). The same study argues that the reasons for this mismatch are not the welfare state cuts, but rather the effects of the falling levels of low wages. This study shows, in other words, that participating in the labour market no longer continues a safety net against poverty.

Similarly, Ivo Marx (2014) argues that, due to the attention of social investment policies on job growth, policies have neglected the importance of direct cash redistribution and the need to rebalance it. Minimum income systems are now demanded to protect a segment of the population (those in in-work poverty) which was previously protected by employment. While these all constitute empirically-based evidences to make a case for a basic income, it is equally important to stress that the failures of current minimum income protection systems derive from the lowering capacity of labour market to sustain people's livelihoods.

A progressive proposal for a basic income would be inevitably linked to the attempt to 'making work pay' (so to other initiatives as the living wage), in order to avoid making the basic income an instrument that socialise externalities created by employers. In other words, in order to face new social risks, making 'work pay' seems to be as important as updating the mechanisms of safety-net. One area in which basic income could address new social risks is in providing support for 'the precariat', namely providing a safety-net for those who experience frequent spells of unemployment in current precarious labour markets as Standing has argued for the past ten years (Standing, 2005; 2014).

What are the obstacles in raising minimum income protection systems and/or having a basic income?

Two classic criticisms made against basic income have been made also to oppose to the idea of increasing minimum income protection systems. (Kenworthy, 2011) The first one is that increasing minimum income protection would be costly. Vandenbroucke et al (2013) have shown that raising minimum income protection systems to an adequate level is entirely feasible – though having basic income measures would be more ambitious.

A second common criticism of basic income is that, like generous minimum income systems, it would not offer incentives to work. This needs to be analysed for different groups considering dependants and individual conditions (e.g. lone parents with younger children or those working part-time). At the moment, the current minimum income protection systems in Europe generally do not offer more attractive conditions than long-term work. If a European minimum income (see below) were to be introduced, however, this instrument would be more generous than the current minimum wages in some Eastern and Baltic countries. This confirms the need of thinking about minimum income in conjunction with wages, salary regulations and labour market contracts.

What shape could a basic income take?

A potential proposal put forward by Vandenbroucke et al (2013) is the idea of a hypothetical Europe-wide introduction of social assistance minimum levels (therefore a less ambitious proposal than a basic income) equal to 60 per cent of median income, which could be a first step towards the implementation of a European quasi-basic income. This solution would present several challenges, not least for the different implications that this minimum level would have in different countries.

As suggested by Torry (2013) the political opportunity for introducing a basic income increases if the measure targets specific demographic groups. The obvious candidates a demographic basic income would be young people, not only because they represent the core of the precariat (Standing, 2011), but also for the need of operating an inter-generational rebalance of welfare state interventions. One of the current limits of contemporary protection systems is that after labour market reforms they have become more conditional, relying on private contributions (Antonucci, 2015). This is in contrast, however, with the emerging needs of young adults, who typically have no accumulated contributions. Recent studies on this area (Antonucci et al, 2014) show that the labour market has a declining capacity to sustain young people's independence and that welfare state cuts have affected this part of the population, making young people more reliant on family support (thereby increasing inequalities). A basic income for young adults (e.g. for young people from 18 to 25) could be considered an extended version of the European Youth Guarantee, addressing the emerging challenges faced by 'the lost generation' in entering to the labour market, and also addressing the rising inequalities within the youth cohort.

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