

# Introduction

## Basic Income in European Welfare States: Opportunities and Constraints

Jurgen De Wispelaere\* and Louise Haagh\*\*

\**Institute for Policy Research, University of Bath*  
E-mail: [jurgen.dewispelaere@gmail.com](mailto:jurgen.dewispelaere@gmail.com)

\*\**Department of Politics, University of York*  
E-mail: [louise.haagh@york.ac.uk](mailto:louise.haagh@york.ac.uk)

---

In the space of a mere five years, basic income has become something of a global policy phenomenon. The proposal to grant all permanent residents of a political territory a regular cash transfer on an individual basis, without means-test or work requirement (Van Parijs and Vanderborght, 2017) is actively discussed at the highest levels of policy-making across the world, including by international institutions such as OECD, IMF or the World Bank. At the same time, several country surveys indicate the basic income idea is gaining considerable traction amongst the general public, with support for basic income in the latest wave of the European Social Survey (ESS) averaging slightly above 50 per cent (Lee, 2018). This suggests basic income has now firmly moved away from a mere ‘philosophical pipe dream’ to being considered as a serious alternative to conditional income assistance (Van Parijs, 2013; Haagh, 2017).

The vibrant global basic income debate to some extent risks obscuring crucial differences between regions and countries in which such proposals are now actively considered. As the debate is moving away from general ethical reflection to concrete policy design and implementation, scoping out basic income reform scenarios in different contexts becomes increasingly important (Caputo, 2012). The importance of appreciating contextual factors, including crucially the nature and historical development of social protection policies and welfare state institutions, is a critical feature, explored in some detail in the review article by Haagh. Against this background, this themed section focuses on the recent evolution of the basic income debate across Europe.

The focus on Europe is of particular interest for a number of reasons. To begin with, many European countries exhibit a long-standing engagement with the basic income idea, which in some cases goes back to the immediate post-World War II period (Meade, 1964).<sup>1</sup> The current policy window should be viewed against a decade-long ongoing debate between advocates and adversaries in a range of countries, among them those discussed throughout this themed section: Denmark, Finland, the Netherlands, Spain and the UK.

In addition, several European policy events arguably directly contributed to the exponential increase in current media, public and policy attention. First and foremost, the high-profile campaign following the successful 2013 citizen’s initiative in Switzerland caused a tidal wave in media coverage around the world, causing stakeholders and

decision-makers at all levels of government to sit up and take an interest. While the subsequent Swiss referendum on basic income on June 5, 2016 failed to gain a majority – the proposal was defeated by 76.9 per cent against 23.1 per cent – the broader impact remains undeniable.<sup>2</sup> Equally important, in 2015 both Finland and the Netherlands announced widely-publicised plans to conduct a basic income experiment. In Finland, the experiment was initiated by the newly elected centre-right coalition and took the form of a two-year long nation-wide RCT entirely focused on unemployed recipients of basic unemployment security (Kangas *et al.*, 2017; De Wispelaere *et al.*, 2018). By contrast, in the Netherlands the experiments – which, incidentally, make no explicit reference to basic income – are taking place in around twenty municipalities, with local authorities driving the initiative against considerable resistance from the national government. Similarly, in Denmark several municipalities have piloted delivering basic income assistance unconditionally or with development grants (Haagh in this themed section). While these projects are ongoing, the idea of piloting a basic income continues to spread across Europe: similar projects are in advanced stages of development in Barcelona and Scotland, while serious discussion is ongoing in other places (e.g. Corsica and Portugal).

The focus on recent events such as the Swiss Referendum or the ongoing and planned basic income experiments arguably sidesteps critical questions about the underlying forces that have brought attention to basic income among policy makers to the surface and how the contemporary context has reshaped the debate about basic income within different countries. Here, too, the European context is particularly relevant. A key feature is the effect of austerity politics following the 2008 financial crisis, which has had a major impact across Europe albeit with considerable variation between different countries. Whilst the debate about the basic income proposal as an alternative to means-tested income assistance has a long history, a rise in economic insecurity in post-austerity Europe is an important factor on both the demand for a basic income and on countries' capabilities to institute such a major reform (De Wispelaere, 2017; Standing, 2017; Haagh, 2019).

Intricately related to the issue of austerity is the question of welfare state reform and development, which in Europe again takes on particular forms and trajectories that are both distinct from other regions in the world and exhibit considerable variation across different countries (Esping-Andersen, 1990, 1999). This offers a unique context to study the emerging development of basic income policy in a comparative perspective. Although in recent discourse basic income is pitched by some of its advocates as a scheme intent on replacing what they consider as the outmoded and dysfunctional welfare state, historically scholarly analysis of basic income has typically taken the welfare state as a reference point (e.g. Van Parijs, 1996; Offe, 2000). Promotion of basic income as alternative to postwar solidarity represented in utopian thought, from Meade (1964) in the 1960s to Van Parijs (1995) in the 1990s, was succeeded by approaches that explore public administration constraints on basic income reform (De Wispelaere and Stirton, 2013), or which situate basic income as supplementary to the welfare state (Haagh, 2007, 2015; Jordan, 2008).

Recent academic work focuses on situating basic income within the complex architecture of existing welfare states, deliberately envisaging basic income as supplementary to the welfare state and social democracy (Jordan, 2008; Haagh, 2011). Understanding basic income as an integral part of ongoing and multifaceted reform of

welfare state policies and institutions requires paying attention to how altered global conditions operate as common pressures to intercede in both constraining and reshaping the welfare state foundations for basic income reform. For instance, developments in global capitalism in the form of marketisation of development governance – including, in varying degrees, the deregulation of public services and occupational regimes – along with a slump in demand and financialisation present a constrained policy scenario (Haagh, 2011, 2019) that will impact not only on the political feasibility of introducing a basic income in a given polity but also on the precise design this basic income will take and what objectives it can be expected to deliver (De Wispelaere and Martinelli, 2017).

Importantly, common pressures play out differently in highly localised welfare architectures, which informs the need to look carefully at variation across European welfare states. Against this background, this themed section seeks to address two sets of questions. First, what explains and drives basic income moving up the policy agenda in countries that vary considerably in terms of welfare state configuration and development. Second, what are emerging challenges to the feasibility of basic income reform? The overall purpose of this themed section is to seek to answer these questions by adopting a broad comparative political economy approach to the contextual conditions behind steps towards, and support for, basic income in individual countries, as outlined in the review article. Rather than seeking to offer a comprehensive survey of European cases or welfare typologies, it aims to draw out factors that shape welfare state capacity to deliver comprehensive social security.

This themed section consists of five case studies: Denmark, Finland, the Netherlands, Spain and the UK. In each of these countries, basic income is a long-standing feature of ongoing debates on welfare reform. Throughout most of their respective social histories, in these countries the basic income debate remains submerged and limited to low-key advocacy while occasionally rearing its head and entering the policy process, without however gaining much policy traction.<sup>3</sup> Each of the cases in this themed section is currently experiencing a significant boost in terms of key stakeholders and policy-makers pushing the proposal onto the policy agenda, although there are important differences in terms of the political dynamics of promoting basic income in each country discussed. Interestingly, in all these cases, the basic income debate is deliberately framed in terms of offering a novel approach to welfare reform.

This brings us to a third key feature driving our case selection: our country cases vary in terms of welfare state characteristics, allowing us to zoom in on how different welfare state configurations offer opportunities as well as constraints for pushing basic income onto the policy agenda. Case selection includes three recent examples of public sector experimentation with lifting or altering behaviour conditionalities on income assistance: Finland, Denmark, and the Netherlands. Relative to Sweden and Norway, both Denmark and Finland are more unequivocal models of so-called Nordic ‘statist universalism’, conceptualised as orientated towards a ‘combination of individual freedom and equality’ (Kettunen, 1999). Denmark (by Haagh) exemplifies a classic Nordic welfare state scenario, measured in high levels of public finance in GDP and human development spending. Finland (by Halmetoja, De Wispelaere and Perkiö) is a less obvious member of the Nordic welfare states, with social security spending remaining high by European standards, but less generous and occupation-based than in Denmark. Spain and the UK are bookend cases in two different senses: both have relatively higher levels of inequality and

poverty, and greater labour precarity. Spain (by Noguera) is a classic model of a dualistic labour market, with a strong division between insiders and outsiders, whereas the UK (by Martinelli and Pearce) is a classic liberal welfare regime, with a deregulated labour market suffering increasing casualisation. The Netherlands (by Groot, Muffels and Verlaet) can be classified as a hybrid, combining occupational and gender stratifications considered characteristic of social-conservative welfare regimes of mid-European countries with a relatively liberal approach to labour market flexibility and somewhat higher levels of spending on human development and levels of taxation in GDP that resemble Nordic state welfare state configurations.

The five cases discussed in this themed section offer important insights in the country-specific nature of basic income development, which at times seems to suggest an almost idiosyncratic trajectory. But when looked at through the lens of comparative political economy, key underlying features are starting to emerge. The way countries conceptualise basic income as a distinct 'policy problem' appears to be correlated to the specific nature of their welfare state configuration. Our cases can be divided into two broad categories. On the one hand, both Spain and the UK each face important institutional and political capacity constraints making transitioning to a basic income exceedingly difficult. The solution may be to instead opt for 'cognate' policy solutions moving towards but not fully embracing the basic income model. On the other hand, Denmark, Finland and the Netherlands are revealed to exhibit relatively high levels of institutional capacity – resulting in experimenting with basic income, for instance – which one might expect to translate into a higher likelihood that decision-makers in the near future could opt for introducing some form of basic income there. However, the latter cases also point out several barriers and hurdles, often of a political nature, that continue to challenge instituting a basic income even in high-capacity policy environments. The view that basic income experiments have opened a robust policy window is premature (De Wispelaere *et al.*, 2018). Much depends on how basic income trajectories are understood in relation to wider seminal challenges posed by long-standing unresolved tensions in the construction of economic security within the modern welfare state (Haagh, 2017, 2019). In this context, the review article (by Haagh) looks at how conceptualising basic income as a 'policy problem' makes it possible to both draw on and contribute to literatures on institutional change in the context of comparative literatures on capitalist and welfare state varieties. Specifically, change processes in recent income security reform in individual cases are explored in terms of the role and relationship between developmentalism and universalism in welfare state evolution, because of the way these factors shape state capacity and political and policy trade-offs.

The themed section is structured as follows. First, the review article explores elements of a comparative political economy analysis of basic income reform, touching on the role of institutional variation and global trends in shaping trajectories of, political support for, and trade-offs connected with, recent policy debates and experiments. Thereafter, the cases of Denmark, Finland and Holland are sequenced in terms of variation in relatively high levels of institutional capacity for basic income and in orientation of recent experiments. Last, the UK and Spain are entered as cases of lower level of capacity and greater institutional constraints connected with basic income transitions. The useful sources section picks out relevant thematic areas of literature to follow up on relevant themes and debates.

## Acknowledgments

We would like to thank the Editors of *Social Policy and Society* and all referees for their guidance and support – and patience! – in assisting the publication of this themed section.

## Notes

1 The basic income idea itself goes back at least to Thomas Paine's 1797 political pamphlet *Agrarian Justice*. For a long-term historical perspective, see Cunliffe and Erreygers (2004).

2 See [http://www.swissinfo.ch/eng/directdemocracy/vote-june-6\\_basic-income-plan-awaits-voters-verdict/42200378](http://www.swissinfo.ch/eng/directdemocracy/vote-june-6_basic-income-plan-awaits-voters-verdict/42200378).

3 This process conforms to a punctuated equilibrium returning to its previous level of policy attention. As Dowding *et al.* (2016: 14) explain: 'Punctuations in attention can arise without significant changes in the substantive content of policy'.

## References

- Caputo, R. (ed.) (2012) *Basic Income Guarantee and Politics: International Experiences and Perspectives on the Viability of Income Guarantees*, New York: Palgrave.
- Cunliffe, J. and Erreygers, G. (eds.) (2004) *The Origins of Universal Grants: An Anthology of Historical Writings on Basic Capital and Basic Income*, Basingstoke: Palgrave.
- De Wispelaere, J. (2017) 'Basic income – have austerity's chickens come home to roost?', *ISRF Bulletin* 13, Independent Social Research Foundation.
- De Wispelaere, J. and Martinelli, L. (2017) 'A new universalism? Varieties of basic income and welfare state reform', *ESPAnet Conference*, Lisbon, September 14–16.
- De Wispelaere, J. and Stirton, L. (2013) 'The politics of universal basic income: bringing bureaucracy back in', *Political Studies*, 61, 4, 915–32.
- De Wispelaere, J., Halmetoja, A. and Pulkka, V.-V. (2018) 'The rise (and fall) of the basic income experiment in Finland', *CESifo Forum*, 19, 3, 15–9.
- Dowding, K., Hindmoor, A. and Martin, A. (2016) 'The comparative policy agendas project: theory, measurement and findings', *Journal of Public Policy*, 36, 3–25.
- Esping-Andersen, G. (1990) *The Three Worlds of Welfare Capitalism*, Princeton: Princeton University Press.
- Esping-Andersen, G. (1999) *Social Foundations of Postindustrial Economies*, Oxford: Oxford University Press.
- Haagh, L. (2007) 'Developmental freedom and social order: rethinking the relation between work and equality', *Journal of Philosophical Economics*, 1, 1, 119–60.
- Haagh, L. (2011) 'Basic income, social democracy and control over time', *Policy and Politics*, 39, 1, 43–66.
- Haagh, L. (2015) 'Alternative social states and the basic income debate: institutions, inequality, and human development', 10, 1, 45–81.
- Haagh, L. (2017) 'Basic income should be seen as a democratic right, not a solution to unemployment', *Royal Society of Arts Journal*, 4, March.
- Haagh, L. (2019) *The Case for Basic Income*, Cambridge: Polity Press.
- Jordan, B. (2008) *Welfare and Well-Being*, Bristol: Policy Press.
- Kangas, O., Simanainen, M. and Honkanen, P. (2017) 'Basic income in the Finnish context', *Intereconomics*, 52, 2, 87–91.
- Kettunen, P. (1999) 'Review essay: a return to the figure of the free Nordic peasant', *Acta Sociologica*, 42, 259–69.
- Lee, S. (2018) 'Attitudes toward universal basic income and welfare state in Europe: a research note', *Basic Income Studies*, 13, 1, 101–9.
- Meade, J. (1964) *Efficiency, Equality and the Ownership of Property*, London: Allen and Unwin.

- Offe, C. (2000) 'The German welfare state: principles, performance and prospects after unification', *Thesis Eleven*, 63, 11–37.
- Paine, T. (1997 [1797]) 'Agrarian justice', in B. Kuklick (ed.) *Thomas Paine: Political Writings*, Cambridge: Cambridge University Press.
- Standing, G. (2017) *Basic Income: And How We Can Make It Happen*, London: Penguin.
- Van Parijs, P. (1995) *Real Freedom for All*, Oxford: Oxford University Press.
- Van Parijs, P. (1996) 'Basic income and the two dilemmas of the welfare state', *Political Quarterly*, 67, 1, 63–6.
- Van Parijs, P. (2013) 'The universal basic income: why utopian thinking matters, and how sociologists can contribute to it', *Politics and Society*, 41, 2, 171–82.
- Van Parijs, P. and Vanderborght, Y. (2017) *Basic Income: A Radical Proposal for a Free Society and a Sane Economy*, Cambridge, MA: Harvard University Press.