**The case for a participation income: Acknowledging and valuing the diversity of social participation**

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**Abstract**

Atkinson’s idea of a participation income draws attention to the various ways in which people partake in society. Current discussions on social participation go beyond paid work – also focusing on volunteering, education, and caregiving to kin. With the idea of the participation income, various forms to contribute to society can be highlighted and acknowledged. This article investigates how the idea of a participation income is reflected in Danish, Finnish, German and Dutch social policies. Findings show that elements of a participation income are incorporated in active labour market policies in all countries: Denmark adopted a narrow focus on paid work, Finland seeks tailor-made solutions for the long-term unemployed, Germany reformed many policy areas to achieve a better activation, and the Netherlands acknowledge a wide range of social participation forms. These country-differences highlight that governments can adopt the idea of a participation income to achieve the focus they desire.

**Keywords**: Anthony Atkinson; participation income; social participation; unemployed; labour market; country comparison

**Introduction**

Anthony Atkinson’s seminal article ‘The case for a participation income’ drew our attention to the importance of social participation. Social participation describes how people partake in society and contribute to it. According to Atkinson, they can do this, for example, through paid work, volunteering, education, and caregiving for children and frail kin.§ The remarkable aspect of this enumeration is the range of activities covered, which underlines that individuals can contribute to society through more than just paid work. This perspective is important nowadays as unemployment persists, the significance of especially women’s unpaid care work is acknowledged, and the retirees’ social contributions through volunteering and grandparental childcare become more visible. Acknowledging this range of activities allows social policies to adapt to social change if they value the different ways in which individuals contribute to society.2

A crucial aspect of Atkinson’s idea is that certain social rights are tied to social participation. In other words, participation income is for those who participate in society. With this approach Atkinson defines a society as the group of people who participate in it, meaning he understands society as a living and active unit that thrives on the contributions of its members. Anybody who is part of this group can derive social benefits from it. As such, Atkinson’s approach clearly contrasts with the ideas of legal citizenship and social membership by residence, which have come under close scrutiny lately in the wave of the European refugee crisis. However, the idea of tying social rights to social participation comes with one major caveat: it can be hard to implement. Many of the abundant activities that constitute social participation are hard to measure, to document and to monitor, which makes it a very challenging task to implement a participation income in a functioning welfare state. Thus, it is the very same feature that makes Atkinson’s idea current and relevant that also creates obstacles to its implementation.3

This articles studies how the idea of a participation income is introduced in four European countries: Denmark, Finland, Germany, and the Netherlands. These countries incorporated the idea of a participation income to different degrees, focusing on different aspects of Atkinson’s concept. The present article traces which aspects of the participation income were introduced, and which activities the choices highlight. The analysis is based on official documents including working group reports, government proposals and final legislative documents. It draws conclusions on the degree the countries have adopted ideas from Atkinson’s participation income by analysing which population groups are acknowledged by the choices made, and which population groups remain unacknowledged in their activities. These conclusions show which value profile governments possess, and which social cleavages persist in populations. Using these insights, the article presents a differentiated assessment of the opportunities of and constraints on implementing a participation income.

**The participation income across countries**

The idea of a participation income is reflected in a series of European welfare state reforms since the 1990s. These reforms called ‘Active labour market policies’ support social benefits recipients to return to work. To reach this aim, they combine enabling instruments with sanctions, for example employment and training services with eligibility conditions and workfare practices. Although none of the countries included in this study implemented the participation income in a pure way, like Atkinson suggested, all countries incorporated elements of a participation income into their Active Labour Market Policies. Denmark, Finland, Germany and the Netherlands have a long history of Active Labour Market Policies despite the fact that they represent different types of welfare states. Denmark and Finland represent the encompassing social-democratic welfare state model while Germany is an example of the conservative type. The Dutch welfare state falls somewhere between the two. The following paragraphs describe how elements of the participation income in each of these countries.4

In the beginning of the 1990s,Denmark implemented a series of labour market reforms denoting a shift from passive to active labour market policies. The reforms tightened the eligibility for unemployment benefits, decreased benefit periods, and introduced workfare elements into unemployment insurances and other social policies. The reforms emphasized reciprocity between the citizens and society, which was coined as a ‘right and duty principle’. The reasoning was that individuals had a right to income support as long as they were willing to work and actively searched for jobs. In return, society was obliged to assist job-seekers in improving their job prospects. To implement these ideas, the municipalities received a spectrum of laws, tools and initiatives that they could use to reintegrate the unemployed into work or into education or training. The main goals are to reintegrate the unemployed into the labour market as fast as possible and to maintain the workforce needed within Denmark. As a part of the reform labour market regulation was dismantled making it easier to “fire and hire”. Because of its combination of flexible regulations with social security, the Danish model is coined ‘flexicurity’.5

Since the mid 1990’s, the Finnish public discourse promoted the idea of activation with the catch phrase ‘work is the best social security’. The Finnish activation policies emphasize the unemployed persons’ skills and motivation and they justify activation through reciprocity, making the participation in activation measures a norm and moral responsibility. In 2001, the Rehabilitative Work Act was introduced in an effort to re-integrate the long-term unemployed into the labour market and to improve their life management skills. Between 2008 and 2013, the government piloted a full employment model in the municipality of Paltamo, where all unemployed person where guaranteed work with minimum salary. However, the participants did not succeed in finding jobs in the open labour market and the municipality failed to create new jobs. The idea of a participation income resurfaced in the inclusive social security model, which was piloted in six municipalities in 2014. This model offers work-related activities to the long-term unemployed, stating that such activities increase the welfare of excluded people better than a passive acceptance of social benefits. In 2016, the Prime Minister’s Office commissioned a report on how a participation income could be implemented in Finland.6

The German Hartz-reforms of 2003-2005 included elements of the participation income in labour market and unemployment regulations. The centre piece of this reform package was a group of ‘laws for modern services at the labour market’. These laws restructured the federal employment agency and the unemployment benefits, the assistance offered to the unemployed, and work regulations. The reform created more work opportunities within the labour market though a deregulation of temporary work, part-time work and self-employment. This deregulation aimed to make working for even a few hours more financially rewarding for individuals and to remove hiring barriers for the employers. Additional, the reforms created more work opportunities outside the labour market. Such work opportunities arose with the introduction of 1-Euro-Jobs, which are work opportunities for the long-term unemployed in areas that benefit society as a whole, against a minimal fee. Simultaneously, the reforms made it harder to not grip the work opportunities. The merging of unemployment benefits and social assistance increased the contact between the unemployed and employment agencies, and the new regulations made it easier for employment agencies to sanction non-compliance with activation efforts. This option was fortified by a tighter definition of suitable jobs, labelling a wider geographical area and a broader range of jobs as acceptable.7

In the Netherlands, the idea of a participation income is strongly reflected in the civil community jobs. These jobs were introduced to the Dutch social assistance legislation in 2012. They are built on the idea of reciprocity, where solidarity received from the community demands a civic contribution to society in return. In line with Atkinson’s argument, the Dutch government suggested that everybody contributes according to their abilities and that they take responsibility for their own lives and for society. Thus, the primary goal of civic community jobs is less to re-integrate the unemployed into the open labour market, but rather to have them contribute to society in return for the social assistance benefits received. The civil community jobs became further installed with the Participation Act of 2015, which required all municipalities to develop policies governing them. In the framework of these policies, reintegration plans are developed for the social assistant claimants. The plans specify which requirements the claimants have to fulfil to receive social assistance, and which sanctions will be introduced if the requirements are not fulfilled. The requirements can be non-remunerated activities that serve the community, which can be presented in the form of participation placements.8

**Forms of social participation acknowledged**

Atkinson’s idea of a participation income draws attention to the wide range of activities that constitute social participation. The countries studied in this article introduced elements of the participation income in different ways, thereby highlighting different understandings of what constitutes social participation as a condition for social security. All countries have in common that they define paid work as social participation, and that they see people who do not work for pay as those individuals whose social participation needs to be established. Moreover, all countries defined the target group for the participation income as those of working age. In principle, all social assistance claimants aged 18+ years in Denmark, Germany and the Netherlands are required to work without a wage as a compensation for the benefit. In Finland there is no such arrangement but a working aged claimant can lose part of the benefit if they refuse to participate in activation programs. Exemptions apply to those with limited work capability. This definition implies that retirees and individuals with limited work capacity are excluded from the reciprocity mechanism, which demands a contribution to society in exchange for benefits received.

The forms of social participation acknowledged differ slightly across countries. Among the countries included in this study, the Netherlands recognize the biggest variety of activities, Denmark the smallest one, with Germany falling in the middle (see Table 1). All countries consider caregiving as a form of social participation in granting family policy benefits, by they treat it differently in activation policies. The biggest difference in the treatment of caregiving is between Denmark, which only allows for parental leave from the social participation obligation against a reduced amount of unemployment benefits, and the Netherlands, who accept caregiving for children and for older people as a form social participation. Caregiving is not considered as social participation in the current Finnish legislation. However, the proposed model for participation income in Finland includes caregiving. 6

Like caregiving, also volunteering is treated differently across countries. In Denmark it is not considered a form of social participation, in the Netherlands it is, in Germany the 1-Euro-jobs are so low-paid that they resemble volunteering, and in Finland the activities suggested within the Rehabilitative Work Act can include elements of voluntary work. In the proposed participation income model voluntary work plays a central role. Finally, further education can also be considered social participation. Such a designation of further education is self-evident in Denmark, Germany, and the Netherlands, and it can be negotiated for the individual unemployed person within the framework of the Finnish Rehabilitative Work Act.9

Table 1: Overview of the forms of social participation acknowledged, by country

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Denmark | Finland | Germany | The Netherlands |
| Paid work | Yes | Yes | Yes | Yes |
| Caregiving | No | Currently no | Possible | Yes |
| Volunteering | No | Possible | Quasi | Yes |
| Further education | Yes | Possible | Yes | Yes |

**Discussion and conclusion**

Atkinson’s idea of a participation income was an attempt to render the basic income a politically more salient option for future minimum security. To do this, he unified the approach setting universal social protection and inclusion as the goal of welfare states with the approach declaring increased socially productive behaviour of adult citizens as the goal. As a side-effect, Atkinson opened the floor for debates on what social participation is and how it can be recognized and rewarded in welfare states and more specifically activation policies and basic social security benefits. This articles explores how elements of the participation income were introduced in Denmark, Finland, Germany, and the Netherlands. It highlights which activities were counted as social participation in these countries and which valuations stand behind these choices.

Findings showed that the understanding of social participation is centred on paid work: elements of a participation income were introduced in the framework of active labour market policies, paid work is considered a form of social participation in all countries, and the people who need to find alternative forms of social participation are the unemployed. Caregiving was not generally considered a form of social participation in all countries, although with country-differences exists. Only the Netherlands consider caregiving to older people in addition to childcare, and in Denmark taking a parental leave reduced the amount of unemployment benefits. Considering that it is mainly women who provide care to children and older people, we can conclude that the participation income elements implemented consider the situations of both men and women, but they respond better to the living situations of men.10 Another form of social participation considered is volunteering. Volunteering is considered in all countries except Denmark, even though in Finland and Germany it is only considered as a means to get the long-term unemployed used to work again. Thus, in these countries it has an instrumental function. The final form of social participation considered is education. Again, the activity is valued as such only in the Netherlands, whereas it is considered as an instrument to facilitate the employability of the unemployed in all other countries.

In a country-comparative perspective, Denmark stands out because of its narrow focus on work re-integration; Finland because of its tailor-made reintegration plans, which can include diverse forms of social participation; Germany because of its diverse reform approaches to achieve work reintegration and social participation; and the Netherlands because of their wide range of social participation forms considered. These country-differences signal that it is possible to implement elements of a participation income in social policies, even in the framework of different welfare state types. The country-differences observed underline that a narrowly defined participation requirement and strict enforcement brings the participation income closer to a workfare program.11 In contrast, a wider definition of social participation leads to a greater acknowledgement of the different activities that people engage in and of gender-differences in social participation. The same applies to relationship between participation income and universal basic income: the wider the range of activities awarded with participation income, the closer the model comes to basic income.

Taken together, Atkinson’s idea of a participation income provides an alternative a starting point to basic income for turning society into a lively group of interacting individuals, and for striking a balance between welfare state benefits and contributions. As a side-effect, it also provides an opportunity to adapt to social change and highlight activities that receive growing attention and acknowledgement in society, such as caregiving and volunteering. Depending on how the participation income is implemented, it can lean more towards realizing its social potential or towards being a tool for reintegrating the long-term unemployed into the labour market. This versatility ensures that the participation income can continue to inspire policymaking across countries for a long time to come.

**Notes**

1 See A.B.Atkinson, ‘The Case for a Participation Income’, *The Political Quarterly*, vol. 67, no. 1, 1996, pp. 67-70; and A.B. Atkinson, *Inequality. What Can Be Done?*, Harvard, Harvard University Press, 2015.

2 See J.A. Burr, F.G. Caro and J. Moorhead, ‘Productive aging and civic participation’, *Journal of Aging Studies*, vol. 16, no. 1, 2002, pp. 87-105; and F. Hoffmann and T. Lemieux, ‘Unemployment in the Great Recession: A comparison of Germany, Canada, and the United States’, *Journal of Labor Economics*, vol. 34, no. S1, 2016, pp. S95-S139; and H. Kleider, ‘Paid and unpaid work: The impact of social policies on the gender division of labour’, *Journal of European Social Policy*, vol. 25, no. 5, 2015, pp. 505-520.

3 See J.H. Carens, ‘An overview of the ethics of immigration’, *Critical Review of the Ethics of Immigration*, vol. 17, no. 5, 2014, pp. 538-559; and Y.-S. Lee and L.J. Waite, ‘Husbands’ and wives’ time spent on housework: A comparison of measures’, *Journal of Marriage and Family*, vol. 67, no. 2, pp. 328-336.

4 See R. Van Berkel and I.H. Moller, *Active Social Policies in the EU. Inclusion Through Participation*, Bristol, Policy Press, 2002; and H. Hiilamo, K. Komp, P. Moisio, T. Babila Sama, J.-P. Lauronen, A. Karimo, P. Mäntyneva, A. Parpo and H. Aaltonen, *Neljä osallistavan sosiaaliturvan mallia [Four Models of Participatory Social Security]*, Helsinki, The Finnish Prime Minister’s Offive, 2017; and J. Kluve, *The Effectiveness of European Active Labour Market Policy*, RWI Discussion Papers, No. 37, 2006, http://ftp.iza.org/dp2018.pdf (accessed July 02, 2017).

5 See T. Bredgaard, F. Larsen and F.K. Madsen, ‘Opportunity and challenges for flexicurity – The Danish example’, *Transfer: European Review of Labour and Research*, vol. 12, nr. 1, 2006, pp. 61-82; and L.P. Geerdsen, ‘Is there a threat effect of labour market programmes? A study of ALMP in the Danish UI system’, *The Economic Journal*, vol. 116, no. 513, 2006, pp. 738-750.

6 See Hiilamo et al., ‘*Neljä osallistavan sosiaaliturvan mallia*’; and Sosiaali- ja Terveysministeriö,  *Osallistava Sosiaaliturva. Työryhmän loppuraportti* *[Inclusive Social Security. Final report of the working group]*, Helsinki, Finnish Ministry of Health and Social Affairs, 2016; and R.-L. Kokko, T. Nenonen, T. Martelin and S. Koskinen, eds., *Työllisyys, terveys ja hyvinvointi - Paltamon työllistämismallin vaikutusten arviointitutkimus 2009-2013: Hankkeen loppuraportti [Employment, health and well-being – The Paltamo employment model impact study 2009-2013: Final report]*. Helsinki, Terveyden ja hyvinvoinnin laitos, 2013; and I. Lodemel and H. Trickey, H., eds., *An Offer You Can’t Refuse: Workfare in International Perspective*. Bristol, Policy Press, 2001.

7 See T. Fleckstein, ‘Restructuring welfare for the unemployed: The Hartz legislation in Germany’, *Journal of European Social Policy*, vol. 18, no. 2, 2008, pp. 177-188; and A. Kemmerling and O. Bruttel, ‘”New politics” in Germany labour market policy? The implications of the recent Hartz reforms for the German welfare state’, *West European Politics*, vol. 29, no. 1, 2006, pp. 90-112; and W. Streeck and C. Trampusch, ‘Economic reform and the political economy of the German welfare state’, *German Politics*, vol. 14, no. 2, 2005, pp. 174-195.

8 See A. Eleveld, ‘The duty to work without a wage: A legal comparison between social assistance legislation in Germany, the Netherlands and the United Kingdom’, *European Journal of Social Security*, vol. 16, no. 3, 2014, pp. 204-224; and A. Paz-Fuchs and A. Eleveld, ‘Workfare revisited’, *Industrial Law Journal*, vol. 45, no. 1, 2016, pp. 29-59.

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10 See M. Navaie-Waliser, A. Spriggs and P. Feldman, ‘Informal caregiving: Differential experiences by gender’, *Medical Care*, vol. 40, no. 12, 2002, pp. 1249-1259; and M. Pinquart and S. Sorensen, ‘Gender differences in caregiver stressors, social resources, and health: An updated meta-analysis’, *The Journals of Gerontology: Series B*, vol. 61, no. 1, 2006, pp. P33-P45.

11 Van der Veen and Groot came to a similar conclusion in their book R. Van der Veen and L. Groot, eds., *Basic Income on the Agenda. Policy Objectives and Political Chances*, Amsterdam, Amsterdam University Press.