ONE

Introduction

Minimum income schemes occupy a pivotal role in the overall architecture of social protection systems in Europe and other advanced economies. Commonly referred to as (general) social assistance (see Eardley et al, 1996a, p 28), or as safety-nets (Cox, 1998, p 397), these schemes provide the ultimate layer of income protection for those in need. They are the most evident expression of a societal commitment that all individuals are entitled to a dignified existence and that no one should experience unwanted need.

For the sake of clarity, minimum income schemes can be defined as schemes that provide a financial safety-net for individuals whose personal/household income is below the national social minimum. Because of their subsidiary nature, minimum income schemes are only available to individuals who (with some exceptions, such as family benefits) are no longer eligible for other forms of income protection. Unlike categorical social assistance, minimum income schemes are (quasi)universal, that is, they are not targeted at particular groups or social risks (Eardley et al, 1996a, p 28). Unlike social insurance, which provides insurance-based protection against (work-related) social risks, such as unemployment, old age or illness, minimum income schemes are a non-contributory form of protection (Lødemel and Schulte, 1992, pp 8-9). Currently, this serves to identify a number of schemes in Europe (see Table 1.1).

Minimum income schemes and the provision of a safety-net in Europe

There have been a number of attempts to map the differences in the provision of a minimum income in Europe.[1] The most comprehensive of these studies was carried out by Eardley et al (1996a), which identified five different clusters in the provision of social assistance in Europe (Eardley et al, 1996a, p 165) (see Table 1.2).[2] Despite its relevance, this study provides little information on the role of minimum income schemes in the broader framework of welfare provision. In light of this, it might be helpful to overlap it with the welfare state typology proposed by Ferrera and colleagues (2000).[3] Looking at aspects such as risk coverage and eligibility, the structure of benefits, the financing mechanisms and the organisational arrangements in place, the authors identify four welfare state models: the Scandinavian model, the Anglo-Saxon model, the Continental model and the South European model (Ferrera et al, 2000, pp 15-19) (see Table 1.3, page 10).

As can be seen in Table 1.3, in the Scandinavian and Anglo-Saxon models, minimum income schemes occupy a very specific and consistent function in the overall model of welfare provision. In the Scandinavian model – which includes

Table 1.1: Minimum income schemes in EU member countries (2007)

Country	Minimum income scheme	Country	Minimum income scheme
Austria	*Sozialhilfe* (social assistance)	Ireland	Supplementary Welfare Allowance
Belgium	*Revenu d'Intégration/ Leefloon* (social insertion income)	Luxembourg	*Revenu Minimum Garanti* (guaranteed minimum income)
Denmark	*Kontanthjælp* (social assistance)	Netherlands	*Algemeine Bijstand* (social assistance)
Finland	*Toimeentulotuki* (social assistance)	Portugal	*Rendimento Social de Inserção* (social insertion income)
France	*Revenu Minimum d'Insertion* (social insertion income)	Sweden	*Ekonomiskt Bistånd* (social assistance)
Germany	*Arbeitslosengeld II, Sozialhilfe* (social assistance)	Spain	*Rentas Minimas* (regional benefits)
Italy	*Reddito Minimo d'Inserimento* (social insertion income)	UK	Jobseeker's Allowance (non-contributory), Income Support

Sweden, Denmark and Finland – social security provides quasi-universal risk coverage and very generous social benefits. There is also a strong emphasis on active labour market policies (ALMP) and public social services (namely, childcare), with the purpose of increasing participation in the labour market. In light of this, minimum income schemes play only a marginal role in welfare provision. In addition, there is a significant level of local discretion in the delivery of the schemes, as implementation is the responsibility of local municipalities (Eardley et al, 1996a, pp 168-71; Ferrera et al, 2000, pp 15-19).

The Anglo-Saxon model is characterised by significant gaps in entitlement to social insurance. With the exception of healthcare, there is no universal coverage of social risks. Inactive people and those earning below a given threshold are not entitled to National Insurance benefits. In turn, there is a fairly integrated safety-net which, in light of the gaps in social insurance, covers a significant percentage of the population (see Eardley et al, 1996a, pp 168-71; Ferrera et al, 2000, pp 21-6).

There are significant differences in the provision of a minimum income guarantee in Continental countries. With the exception of the Netherlands, where

Table 1.2: Overlap of welfare state and social assistance typologies

Ferrera et al welfare state models	Eardley et al social assistance clusters				
	Welfare states with integrated safety-nets	Dual social assistance	Citizenship-based but residual assistance	Rudimentary assistance	Decentralised discretionary regime
Scandinavian			Sweden, Denmark, Finland		
Anglo-Saxon	UK (Ireland[4])				
Continental	Germany	France, Belgium, Luxembourg	The Netherlands		Austria
Southern Europe				Italy, Spain, Portugal and Greece	

Source: based on Eardley et al (1996a, pp 168-71); Ferrera et al (2000, pp 15-37)

some universal basic pensions schemes have been introduced, all these countries link the funding and delivery of social protection to the work status of individuals. Given its occupational basis, the social insurance system provides inclusive, but fragmented, coverage. Although, by and large, benefits are fairly generous, the relevance of minimum income schemes in the provision of social protection varies significantly. For instance, in the Netherlands and Austria, these schemes play a residual role in the protection of people in need. However, while in the former the right to minimum income protection is well established, in the latter this is subject to significant discretion by local authorities. In Germany, on the other hand, the social assistance scheme provides an integrated safety-net for those who trickle down the social security benefit structure. In France, Belgium and Luxembourg the provision of a safety-net to those in need is achieved through a (quasi)universal minimum income scheme, which is complemented by a number of targeted non-contributory schemes (Eardley et al, 1996a, pp 168-71; Ferrera et al, 2000, pp 26-31).

The Southern European model deserves special attention, as there have been significant changes in the provision of a minimum income since the study developed by Eardley et al (1996a, 1996b) was published. Before 1996, partly due to the significant reliance on the family in the provision of welfare, there were significant gaps in the framework of social protection in Southern European

countries. Below the network of insurance-based income protection schemes, there was no unified safety-net to protect those in need. Only older people or those with disabilities were entitled to minimum income protection. In parallel, there was a number of discretionary programmes run by municipalities or charities (Eardley et al, 1996a, pp 168-71; Ferrera et al, 2000, pp 31-7). However, since then both Portugal and Italy have introduced (quasi)universal minimum income schemes. For instance, in 1996, Portugal introduced the *Rendimento Mínimo Garantido* (RMG), which was very much inspired by the French *Revenu Minimum d'Insertion* (RMI). Later, in 1998, the Italian government introduced (on an experimental basis) the *Reddito Minimo d'Inserimento*, which was supposed to create the basis for a more integrated safety-net (see Matsaganis et al, 2003). To a certain point, this reinforces the similarities of the model of social protection in these countries to that adopted in the Continental model of social protection.

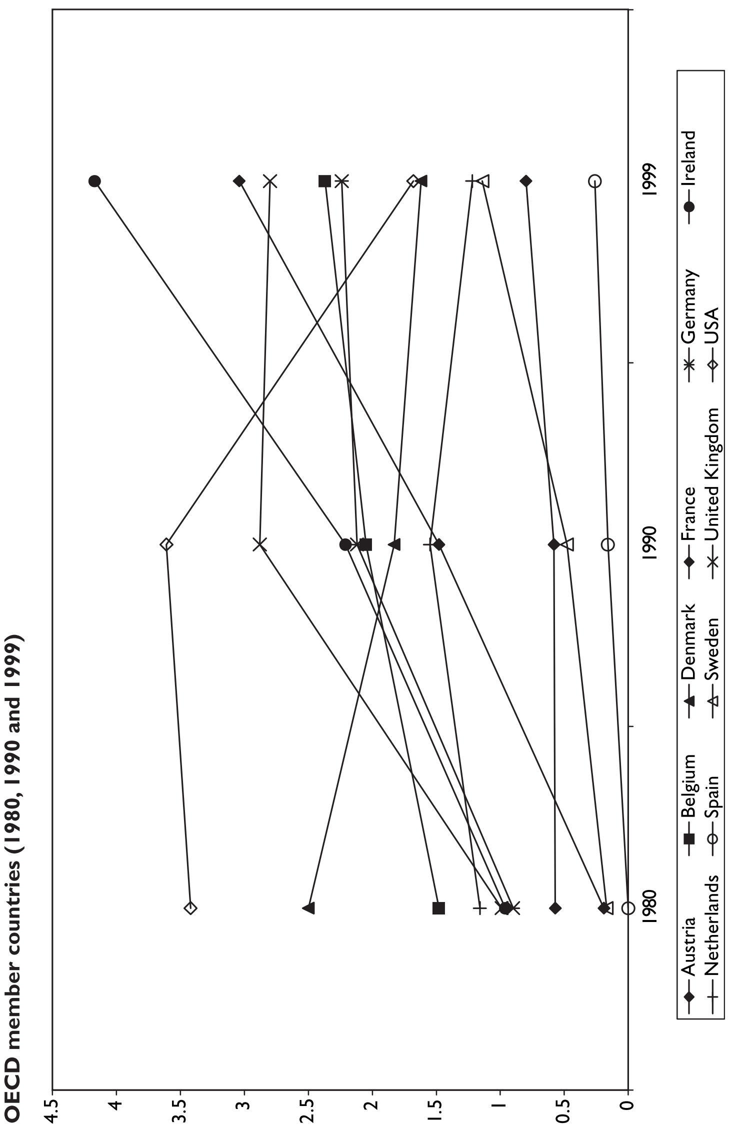
From safety-net to trampoline

While originally focused on the provision of income security to those in need, the past two decades have been marked by a number of reforms that changed the mission and objectives of minimum income schemes in Europe. Although one cannot ignore the influence of the political debates and policy developments from across the Atlantic, the main factor that triggered this process was the substantial increase of unemployment. As Figure 1.1 illustrates, one of the consequences of this was the increase of the number of people depending on minimum income benefits, in particular between 1980 and 1990.

However, as Ferrera and Rhodes show (2000, pp 258-60), the increase in trade competition (which compelled governments to reduce the tax burden on business), the integration of financial markets (which forced governments to focus on the stability of inflation and interest rates), and the growing weight of healthcare and pensions systems in social expenditure, limited the ability of national governments to engage in expansionary policies to reduce unemployment and welfare caseloads. In light of this, there was a demand from different quarters for the need to activate minimum income recipients as a means to improve the employment effectiveness of income support schemes. For instance, the OECD's (Organisation for Economic Co-operation and Development) Jobs Study initiative, published in 1992, advocated that long-term assistance benefits should be made conditional on participation in active labour market programmes (OECD, 1994, pp 38-9). In the same year, the European Council suggested that, in order to improve the reintegration capacity of minimum income schemes, the right to a minimum income should be made conditional on a work requirement for able-bodied people. At the same time, member states were encouraged to offer training courses to help recipients return to the labour market (European Council, 1992, p 3).

In this context, a number of EU member countries introduced reforms aimed at activating minimum income recipients. In 1995 the UK government introduced

Figure 1.1: Recipient rates of lone-parent and social assistance benefits, as a percentage of the working-age population, in OECD member countries (1980, 1990 and 1999)



the Jobseekers Act, which made the receipt of benefit dependent on searching, and accepting, available jobs. Later, the government introduced New Deal programmes that provided work and training opportunities for unemployed people (Trickey and Walker, 2001, pp 186-92). In Sweden, the new Social Service Act of 1998 established that the right to social assistance for individuals aged between 20 and 24 was conditional on their participation in local labour market programmes or local activity programmes (see Salonen and Johansson, 1999, pp 11-12).

In Denmark, the law that regulated the provision of social assistance was amended in 1991 in order to compel municipalities to provide unemployed recipients under the age of 25 with advice and activation offers, such as subsidised job training, employment projects or education courses. This law was amended in 1993 in order to extend the activation offer to individuals above the age of 25 (Torfing, 1999, p 16). In 1998, the Act of Active Social Policy introduced a right and duty to activation. This meant the obligation to accept a suitable work offer, as defined by local authorities, or to participate in activation programmes (Rosdahl and Weise, 2001, p 167).

Finally, France, Spain, Portugal and Italy introduced minimum income schemes where the right to a minimum income was made conditional on individuals' willingness to engage in an insertion process, which could encompass active job-search, participation in education/training courses, participation in community programmes, and so on (Capucha, 1998, pp 30, 36-42; Enjolras et al, 2001, pp 50-2; Matsaganis et al, 2003, p 646).

As can be seen, these reforms imply a substantial change in the nature and objectives of minimum income schemes. First, the right to a minimum income was made conditional on the recipients' willingness to work or to participate in activation programmes. Entitlement to a minimum income was no longer dependent on lack of monetary resources alone, but on a visible commitment to engage in a process that would lead the recipient to become self-sufficient. Second, there is a greater emphasis on the reintegrative function of minimum income schemes. As Robert Henry Cox adequately puts its, the safety-net is replaced by a trampoline (1998, p 5). This implied greater attention on services offered to recipients with the view of assisting them back into the labour market.

Activating minimum income recipients

In order to fully understand the impact of activation on the role and nature of minimum income schemes, it is necessary to look more closely at how this has been implemented. But first, it is necessary to clarify precisely what activation means. Unfortunately, there are significant problems to this. First of all, the literature on this topic is populated by a number of overlapping concepts such as workfare (Lødemel and Trickey, 2001), welfare-to-work (Evans, 2001), ALMP (Martin, 1998) or the work approach (Hvinden, 1994), which make it difficult to define the conceptual frontiers of the notion of activation.

Second, and most importantly, there is little agreement as to the precise meaning of activation. For instance, according to Hanesh and Baltzer (2001), activation refers to '… a set of policies/measures/instruments aimed at integrating unemployed social assistance recipients into the labour market and improving their economic and social inclusion' (Hanesh and Baltzer, 2001, p 3). As the authors point out, activation involves a number of policy instruments – such as legislation, financial incentives and social or labour market services – that intervene in both the supply and demand sides of the labour market.

Hvinden (1999), on the other hand, sees activation as a set of policies aimed at reintegrating unemployed people in the labour market. He goes on to distinguish between a narrow and a wider approach to activation. The first refers to a set of policies that seek to promote participation in the primary labour market through increased job-search assistance, training and education, or job creation programmes. The second is focused on the personal development of individuals and involves participation in a wider set of activities such as protected labour markets, voluntary or community activities (Hvinden, 1999, p 28).

To a certain extent, this lack of consensus can be explained by the fact that the concept of activation has diverse meanings in different areas of public policy. For instance, in the employment area, activation refers to a more personalised treatment of jobseekers and the introduction of in-work benefits. In socio-cultural work, on the other hand, activation refers to a set of techniques and methodologies – which encompass reducing personal feelings of inferiority and insecurity, helping to establish individual objectives and to assume personal and social responsibilities – aimed at empowering individuals (Geldof, 1999, p 16).

In addition to this, there is significant variation in how activation has been implemented. For instance, while in most countries, the focus tends to be on a (more or less) swift return of minimum income recipients to the labour market, and off welfare, in France and Portugal, labour market integration is seen as only part of a broader strategy to promote the social insertion of minimum income recipients (see Guibentif and Bouget, 1997, pp 14-18).

Also, whereas in the majority of countries the option is to combine income support with a block of services and programmes designed to help recipients to return to the labour market, in other countries– in what Lødemel and Trickey call 'work instead of benefit policies' (2001, p xv) – the option is to replace the right to minimum income protection by the right to participate in a job creation scheme that provides individuals with an adequate level of income (see Guibentif and Bouget, 1997, pp 14-18; van Berkel and Møller, 2002, p. 50). A good example of this is France, where individuals aged under 25, with no children, are not entitled to *Revenu Minimum d'Insertion* (RMI), but are eligible to participate in Emploi Jeunes (Jobs For The Young), a programme that creates real-wage 'social utility activity' jobs that can last for up to five years (Enjolras et al, 2001, pp 61-64)

Reflecting on the previous paragraphs it is possible to identify what are the core issues that should be taken in consideration while circumscribing the notion of activation. Firstly, we need to determine what the main objective of activation is.

As seen earlier, the ultimate purpose of activation is to help recipients to become self-sufficient, and therefore to get them out of welfare. Although some countries (such as France or Portugal) adopt a broader understanding of how this can be accomplish, the common assumption underlying activation policies is that paid employment is the most effective way by which individuals can become self-sufficient.

Second, as the comparison between the conceptions put forward by Hanesh and Baltzer (2001) and Hvinden (1999) highlights, we need to identify which group(s) is (are) targeted by activation. Here we should clarify that, although the same policy can be applied to those receiving other types of income support (such as, unemployment or disability benefits), activation here applies only to (able-bodied) persons receiving minimum income benefits. Another issue that needs to be clarified, concerns the impact of activation on the individual's right to a minimum income. As seen earlier, activation involves a redefinition of the terms in which the right to a minimum income is defined. This entitlement is no longer dependent on the individuals' financial need alone, but also on their commitment to take the necessary actions to achieve their self-sufficiency.

Finally, as Hanesh and Baltzer (2001) conception of activation suggests, we need to circumscribe the policy instruments/tools used in the activation of minimum income recipients. As mentioned earlier, activation involves interventions in both the demand and the supply side of the labour market (Hanesh and Baltzer, 2001, p 3). However, more than identifying the type of intervention, the relevant question here is to access the nature of those interventions. As Guibentif and Bouget rightly put it, activation involves both negative and positive incentives (1997, pp 14-16). Therefore, activation cannot be solely identified by the introduction of work requirements and sanctions. It also incorporates a number of services, work and training opportunities designed to help individuals to become self-sufficient.

With this in mind, we can define activation as a policy of combining negative and positive incentives with the purpose of helping minimum income recipients to become self-sufficient through paid employment. However, if this conceptual exercise is to be successful, it is not sufficient to state the concept of activation that will be used throughout this book. This should be further confronted with two of the most relevant neighbouring concepts in the literature: workfare[5] and ALMP.

According to Lødemel and Trickey (2001), workfare refers to 'programmes or schemes that require people to work in return for social assistance benefits' (2001, p 6). As with activation, workfare is primarily about work. The purpose is that individuals become self-sufficient through (unsubsidised) paid employment or, if that is not possible, they participate in public work schemes in exchange for benefit (see Lødemel and Trickey, 2001, pp 8-9).

There are, nonetheless, some noticeable differences. First of all, the notion of workfare is geographically and historically bounded. It reverts to the introduction of work requirements into social assistance schemes in the United States, in the early 1970s (Hvinden, 1999, pp 28-9). Another difference lies in the fact that, although the 1996 reforms have introduced a broader range of work and training programmes for social assistance recipients – in what Nathan (1983) describes as 'new-style workfare' (see see Lødemel and Trickey, 2001, pp 4) – workfare, with its focus on work requirements, sanctions and time limits, has a fundamentally compulsive nature. This contradicts the focus on the combination of positive and negative incentives characteristic of activation (see Lødemel and Trickey, 2001, pp 7-8).

In the same way, this notion of activation should not be confused with the concept of ALMP. This notion is generally used to identify a series of labour market programmes that are aimed at the reduction of unemployment or other structural imbalnces in the labour market, such as promoting the labour market participation of women, promoting equal opportunities for people with disabilities or the economic recovery of specific regions or industries (Hvinden, 1999, pp 28-9; Kildal, 2000, p 5). In this sense, ALMP are part of the policy-mix used in the activation of minimum income. However, as they have no implication on the rules that define the entitlement to minimum income, ALMP cannot be confused with activation as a policy concept.

The conceptual clarification of the notion of activation cannot be completed without specifying how this concept treats programmes based on a 'work instead of benefit' approach. Bearing in mind that the explicit link between activation and the right to a minimum income, the notion of activation cannot cover those situations where the right to a minimum income is replaced by the right to participate in some kind of job creation programme.

Activation tools

As mentioned earlier, activation involves the use of positive and negative incentives. However, as Hanesh and Baltzer point out (2001, p 4), we should bear in mind that these incentives can be targeted at both the demand and the supply side of the labour market. In light of this, we can map the different activation incentives in the following way (see Table 1.3).

The introduction of activation requirements is a key component in the activation of minimum income recipients. As seen earlier, this activation requirement is expressed in two distinct formulae. In the first, which is the most common, the main purpose of activation is to find a job. The activation requirement is expressed as an obligation of active job-search, or mandatory enrolment in public employment services. Although this is mandatory to all able-bodied individuals, countries do consider some exceptions for individuals with childcare responsibilities, or with dependent adults in the family. In the second formula, the social insertion model, the main objective is to engage recipients in a multi-level strategy that is intended to reverse their situation. In this sense, the search for a job has the same priority as recovering from health problems, finding suitable accommodation, and so on (Guibentif and Bouget, 1997, pp 14-18).

Table 1.3: Positive and negative incentives used in the activation of minimum income recipients

	Supply-side interventions	Demand-side interventions
Negative incentives	Activation requirements (work tests) Insertion contracts Sanctions Time limits Reduction/curb on growth of cash benefits	
Positive incentives	Job-search assistance programmes (counselling, job-search support and training) Training Incentives or subsidies to individuals	State obligation to provide activation offers Incentives or subsidies for employers Job creation schemes (traditional job creation, intermediate labour market initiatives) Job sharing/job rotation

Source: Based on Hanesh and Baltzer (2001, p 4)

The enforcement of activation requirements is done with the help of sanctions. These can range from the termination of benefit entitlement, to partial cuts, or the temporary suspension of benefit. Some countries have a fixed-penalty regime, while others use progressive sanctions (see Eardley et al, 1996a, pp 149-52; Trickey, 2001, pp 276-7). In the US, some states have also introduced time limits on entitlement to social assistance (Bloom and Michalopoulos, 2001, pp 37-8). This has not been the case in Europe, however (Guibentif and Bouget, 1997, pp 31-2).

Reflecting the literature on unemployment traps in income support schemes which argues that the combined effect of high benefit rates and the taxation of incomes from work reduces the financial incentive for unemployed recipients to move to paid employment (Carone et al, 2004, p 32), some governments took measures to reduce the level of social assistance benefit rates, as it was the case in Sweden and in Finland, or to curb the growth of benefit levels – this was the case of the Netherlands, where the link between wages and social assistance benefits was frozen for three years (Cantillon et al, 2004, pp 528-35; Heikkila and Keskitalo, 2000, p 10).

The activation of minimum income recipients also involves positive incentives, both at the demand and supply-side level. In certain cases, supply-side interventions are aimed at improving the recipients' employability. This is achieved mainly through job-search assistance programmes such as in-depth counselling, job-search training, job brokering services and job clubs, along with a variety of training programmes. In other cases these supply-side interventions are designed to increase the recipients' incentive to take on paid employment. This is the case of in-work benefits, back-to-work grants, support for job-search costs or start-up incentives (Meager and Evans, 1997, pp 9-10; Martin, 1998, p 18).

Demand-side interventions, on the other hand, are intended to create additional work opportunities for minimum income recipients. In most cases, the provision of employment opportunities is not seen as a state obligation, it depends on political decisions and the availability of resources. This not the case, however, of Denmark and Sweden. As mentioned earlier, Danish municipalities are required to provide unemployed social assistance recipients with advice, counselling and a range of activation programmes (Torfing, 1999, p 16). In Sweden, municipalities are obliged to offer an activity to every young unemployed person who has not received a job or active labour market programme offer in the first 90 days of her unemployment period (Salonen and Johansson, 1999, p 14).

Two main types of demand-side intervention can be identified: direct job creation schemes and incentives to employers. In job creation schemes it is possible to differentiate between traditional job creation programmes, which consist of large-scale initiatives allowing the creation of jobs in the public and non-profit sector, and intermediate labour market initiatives, such as insertion enterprises, which consist of small-scale, local initiatives aimed at creating employment for those 'hard to employ'. Incentives to employers include exemptions from social security contributions, wage subsidies (or a combination of the two) and job sharing/job rotation programmes (Meager and Evans, 1997, pp 8-9).

Mapping the activation of minimum income recipients

Given the variety of tools used in the activation of minimum income recipients, there have been some attempts to map how these tools are combined in different geographical contexts. For instance, the US-based literature tends to differentiate between 'human capital development' and 'labour market attachment' approaches.[6] In the latter, the objective is to get recipients back to work as soon as possible. Hence, the focus is on intensive job-search assistance programmes such as job clubs, intensive client counselling and self-esteem building. Some education and training is provided, but only to the hard-to-employ.

Human capital development-oriented schemes have more broad and long-term objectives. Their aim is to help recipients find more stable jobs, that can provide better pay and more prospects for personal development. Hence, the focus is on basic education, professional training, job placement assistance and work-related support services (childcare, healthcare or transportation). Furthermore, as the focus is on sustainable transitions to work, recipients have some leniency in the choice of jobs they are prepared to accept. For instance, in Portland (Oregon,

US) recipients are encouraged to select jobs that provide better wages and more possibilities for personal development (Theodore and Peck, 2000, pp 85-9).

In Europe, a study carried out by Lødemel and Trickey (2001) suggests that there is a relationship between the schemes' structure of implementation and their ideological underpinning[7] (Trickey 2001, p 279). According to the authors, it is possible to identify a set of centralised schemes – namely the Danish Activation Act, the Jobseeker's Employment Act for Young People in the Netherlands and the New Deal for Young People in the UK – which tend to be more integrative and to focus more on human resource development. Schemes in this 'European centralised programmes' cluster tend to emphasise the structural basis of social exclusion processes, and focus on individual rights and on demand-side interventions.

Decentralised schemes, as is the case of the Norwegian workfare programme, tend to be preventive and to put a greater emphasis on quick labour market attachment. They therefore tend for focus on reducing individual dependency on benefits, on individual responsibilities and on the use of supply-side measures (Trickey, 2001, pp 279-80). There are, nonetheless, limits to this idea. For instance, the French RMI and the Help Towards Work programmes in Germany combine a decentralised administrative framework with a strong integrative focus (2001, pp 275-6, 280).

Activation dilemma

The activation of minimum income recipients implied significant changes in the character and role of these schemes. More than just providing income security for those in need, minimum income schemes are now expected to provide a range of services that are intended to help individuals to become self-sufficient. As well as changes in the implementation and delivery of minimum income schemes, this has prompted two important, and complementary, debates.

The first concerns the terms in which one can justify the right to a minimum income. The introduction of activation requirements bears the crux of the problem. Does the activation requirement not undermine the dignity of the individuals that the right to a minimum income is supposed to protect? At the same time, shouldn't individuals be expected to contribute to a society which produces resources that guarantee their survival? Even if the latter premise is accepted, it is still necessary to determine what are the conditions are under which recipients should be asked to fulfil their obligations. For instance, is it fair to ask recipients to fulfil this requirement even if they do not have adequate opportunities to do so? Also, is work the only type of activity that can make a contribution to society?

The second debate concerns a balance between fairness and effectiveness. Previous sections have shown that, with the purpose of improving the employment effectiveness of minimum income schemes, a number of countries have taken measures that could be seen as putting at stake some basic individual rights. Nowhere is this more evident than in the policy adopted by Sweden or Finland to reduce benefit rates in minimum income schemes as a means of inducing people to get back into the labour market. The underlying assumption here is that the employment effectiveness of minimum income is contradictory to the requirement of treating recipients fairly. This raises the question of whether respecting the rights of minimum income recipients can hamper the employment effectiveness of the schemes.

This book will engage in debates prompted by the activation of minimum income recipients. The first part (Chapters Two and Three) determines how the right to a minimum income can be adequately justified. Chapter Two demonstrates that the arguments posed by Philippe Van Parijs (1997) and Mead (1986), which typify the fundamental standpoints in the literature, fail to provide an adequate justification of the right to a minimum income. Reflecting on the difficulties faced by Mead and Van Parijs, it is argued that a more satisfactory alternative is possible. This alternative can only be successful if it is set in the context of an ontological framework that focuses on promoting an individual's personal development, but recognises its social basis, and the obligations that this imposes, and encompasses a more critical view of the role of the market as a mechanism of social regulation.

Chapter Three then sets about developing a normative framework to provide an adequate justification of the right to a minimum income. Using the ontological frameworks proposed by Karl Marx and John Stuart Mill as terms of comparison, the first part of Chapter Three demonstrates that Durkheim's theory of social justice provides a theorisation of society, market and individual from which an adequate justification of the right to a minimum income can be derived. In line with Durkheim's theory of social justice. It is argued that each individual has a right to exploit her talents – a right to personal development – which can be exercised while performing a social function in society, such as paid employment, unpaid work in social economy organisations, providing care to dependent family members or improving her human capital through education or training. In order to secure this right, social actors and institutions must:

- meet the individual's basic consumption needs;
- eliminate direct and indirect constraints to the individual's choices on the best way to exploit its talents;
- provide individual's with opportunities to exploit its talents;
- enforce, through the use of restitutive sanctions, an individual's obligation to exploit its talents so as to enable the personal development of others.

The last section of Chapter Three shows that, as it recognises that the right to a minimum income should be made conditional on the fulfilment of a contribution requirement, that this requirement must be enforced in a context where individuals have the opportunity to fulfil their obligations, and that recognises the variety of activities that make a contribution to society, the right to personal development can provide an adequate justification of the right to a minimum income.

Having demonstrated that the right to personal development can provide an adequate justification for the right to a minimum income, this framework can then be used as the normative standpoint to analyse the balance between fairness and effectiveness in the activation of minimum income recipients. The second part of this book (Chapters Four to Seven) tests the hypothesis that, because they combine both positive and negative incentives, minimum income schemes that show more respect for the right to personal development, once labour market conditions are accounted for, are more effective at returning recipients to the labour market.

Chapter Four provides the methodological framework for the comparative study that is used to validate the hypothesis mentioned above. After a brief description of the cases under analysis, this chapter demonstrates that the relation between the employment effectiveness of minimum income schemes and their respect for the right to personal development can be best analysed by combining the heuristic potential of QCA (qualitative comparative analysis), simple correlational tools and cluster analysis.

The first moment of this comparative study consists in the measurement of the schemes' respect for the right to personal development. In line with this normative framework, Chapter Five measures to what degree the schemes provide recipients with an adequate level of income; how free they are to choose other activities instead of paid employment or the job they wish to perform; what is the level of discretion in the implementation of the schemes; what are the recipients' opportunities to work or to participate in education/training courses; and what is the character of the sanction regime they are subjected to.

After measuring the schemes' respect for the right to personal development, the next step is to measure their employment effectiveness. Chapter Six starts by looking at the percentage of recipients who, a year after being on minimum income, made a transition to unsubsidised work. However, bearing in mind that the differences between the cases under analysis could be affected by labour market conditions, it is argued that the employment effectiveness of minimum income schemes, should be measured through a marginal employment effectiveness indicator that can capture the ability of labour markets to create jobs for unemployed people – their unemployment reintegration capacity.

In line with the methodological framework defined earlier, Chapter Seven then uses QCA, simple correlational tools and cluster analysis to explore the relationship between the schemes' employment effectiveness and their respect for the right to personal development. This shows that, with the exception of the recipients' freedom to choose other activities besides paid employment, schemes can successfully combine respect for recipients' right to personal development with higher levels of employment effectiveness.

Having provided an answer to the questions posed by the activation of minimum income recipients, Chapter Eight then reviews the main contributions and discusses how these could be further elaborated in additional research.

Notes

[1] A first attempt to map the provision of the right to a minimum income in Europe, which focuses solely on (Western) Germany, the UK, the Netherlands, Belgium and France, was conducted by Milano (1989). A more comprehensive study was later conducted by Lødemel and Schulte (1992, pp 12-13, 18-19), who identified four poverty regimes: the institutionalised poverty regime, associated with the UK; the differentiated poverty regime, typical of corporatist welfare states such as France and Germany; the residual poverty regime, which incorporated Nordic countries; and the incomplete differentiated regimes type, which included Southern Europe countries (see Lødemel and Schulte, 1992, pp 12-13, 18-19).

[2] Ian Gough tried to confirm the validity of this typology by applying cluster analysis to the original data. Focusing on the level of generosity, inclusiveness and extensiveness of social assistance schemes, the author found that, where Europe was concerned, only two of the original regimes were confirmed: the citizenship-based but residual regime and the decentralised discretionary regime. The study also showed that there were significant differences within the Latin regime. According to Gough (2001, pp 168-9), while there are significant similarities between Portugal and Greece, Spain and Italy are closer to the Continental model.

[3] Despite its relevance for welfare state theory, Esping-Andersen's welfare regime typology (1990) does not provide the best option for this comparison. First of all, Esping-Andersen's initial typology does not differentiate the specificity of the social protection model adopted in Southern European countries. Second, Esping-Andersen's welfare-regime typology ignores the role of social assistance schemes in welfare provision (Esping-Andersen 1990, p. 54). Instead, Esping-Andersen uses the level of expenditure on general social assistance schemes as an indicator of the role of the welfare state as a system of stratification. More specifically, the author points to the salience of means-tested benefits and the relative weight of private provision of pensions and health-care as evidence of the centrality of the market as a principle of stratification in the liberal-regime cluster (Esping-Andersen, 1990, pp 61-5, 69-76).

[4] Curiously, the authors do not include Ireland in this model. Although they accept that it shares a number of characteristics with the British model, the authors argue that Ireland, with its focus on negotiated adjustment, has gradually diverged from it (see Ferrera et al, 2000, p 21). However, the authors fail to relocate Ireland in any other cluster.

[5] According to Kildal (2000), welfare-to-work is a mere variant of workfare. They both focus on the application of compulsory elements in benefits for the workless poor. However, welfare-to-work seems to provide more education and training opportunities, and better working conditions than workfare (2000, p 5).

[6] This is not the only typology available. For instance, in their review of US-based evidence, Bloom and Michalopoulos (2001, pp 10-11) identify four different approaches:
- job-search first approach
- education first approach
- employment-focused with mixed initial activities
- education-focused with mixed initial activities.

[7] This is not to ignore the existence of other relevant studies in this domain, such as Kildal's study of workfare schemes in Scandinavian countries (2000), or Handler's (2004) study of workfare programmes in Europe and the US.